UNIVERSITY OF SOUTH ALABAMA
BOARD OF TRUSTEES

FREDERICK P. WHIDDON ADMINISTRATION BUILDING
SUITE 130, BOARD ROOM

COMMITTEE MEETINGS (Consecutive)

MARCH 5, 2015
2:00 P.M.

* ***Items added or revised*** **AGENDAS**

HEALTH AFFAIRS COMMITTEE Dr. Steve Stokes, Chair
* Approve: Minutes
3 Recommendation to Approve: USA Hospitals Credentials – November and December 2014, and January 2015
4 Recommendation to Approve: Nominees for Mobile County Hospital Board of Directors
5 Report: Health System and Health Sciences

ACADEMIC AND STUDENT AFFAIRS COMMITTEE Bettye Maye, Chair
* Approve: Minutes
6 Report: Academic Affairs
* **7** Recommendation to Approve: Honorary Doctorate Degrees
8 Report: Student Affairs

LONG-RANGE PLANNING COMMITTEE Jimmy Shumock, Chair
9 Report: Scorecard Assessment - USA Strategic Plan

BUDGET AND FINANCE COMMITTEE Tom Corcoran, Chair
* Approve: Minutes
10 Report: Quarterly Financial Statements, Three Months Ended December 2014
11 Report: Process Improvement Committee
12 Recommendation to Approve: Line of Credit
13 Recommendation to Approve: Capital Transfer from the USA Health System to the USA Healthcare Management, LLC

AUDIT COMMITTEE John Peek, Chair
Approve: Minutes
14 Report: KPMG Report on USA Intercollegiate Athletics, Year Ended September 2014

DEVELOPMENT, ENDOWMENT AND INVESTMENTS COMMITTEE Jim Yance, Chair
* Approve: Minutes
* **15** Report: Endowment Investment Performance

UNIVERSITY OF SOUTH ALABAMA
BOARD OF TRUSTEES

MARCH 6, 2015
10:30 A.M.

REVISED AGENDA

* Approve: Revised Agenda
* **1** Approve: Minutes
2 Report: President's Report

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SPECIAL ACKNOWLEDGEMENT:
* **16** Approve: Posthumous Resolution Honoring Dr. James Lowe, Jr.

UNIVERSITY OF SOUTH ALABAMA

BOARD OF TRUSTEES

THURSDAY, MARCH 5, 2015:

2:00 p.m.	*Committee Meetings (Consecutive)*	*Administration Bldg., Rm. 130*
6:00 p.m.	*Distinguished Alumni & Service Awards Gala*	*Mitchell Center*

FRIDAY, MARCH 6, 2015:

10:30 a.m.	*Board of Trustees Meeting*	*Administration Bldg., Rm. 130*

UNIVERSITY OF SOUTH ALABAMA
BOARD OF TRUSTEES

STANDING COMMITTEES
2014-2016

EXECUTIVE COMMITTEE:

Dr. Steven P. Furr, **Chair** ***pro tempore***
Hon. Kenneth O. Simon, **Vice Chair**
Mr. James H. Shumock, **Secretary**
Mr. E. Thomas Corcoran
Ms. Arlene Mitchell
Mr. John M. Peek
Mr. James A. Yance, Past Chair

ACADEMIC AND STUDENT AFFAIRS COMMITTEE:

Ms. Bettye R. Maye**, Chair**
Ms. Chandra Brown Stewart
Dr. Scott A. Charlton
Capt. Robert D. Jenkins
Hon. Bryant Mixon
Mr. Michael P. Windom

AUDIT COMMITTEE:

Mr. John M. Peek, **Chair**
Dr. Scott A. Charlton
Capt. Robert D. Jenkins
Hon. Bryant Mixon
Hon. William S. Stimpson

BUDGET AND FINANCE COMMITTEE:

Mr. E. Thomas Corcoran, **Chair**
Ms. Arlene Mitchell
Mr. James H. Shumock
Hon. William S. Stimpson
Dr. Steven H. Stokes
Mr. James A. Yance

DEVELOPMENT, ENDOWMENT & INVESTMENTS CTE.:

Mr. James A. Yance, **Chair**
Mr. E. Thomas Corcoran
Capt. Robert D. Jenkins
Hon. Kenneth O. Simon
Dr. Steven H. Stokes
Mr. Michael P. Windom

HEALTH AFFAIRS COMMITTEE:

Dr. Steven H. Stokes, **Chair**
Ms. Chandra Brown Stewart
Dr. Scott A. Charlton
Ms. Bettye R. Maye
Ms. Arlene Mitchell
Hon. Kenneth O. Simon

LONG-RANGE PLANNING COMMITTEE:

Mr. James H. Shumock, **Chair**
Ms. Chandra Brown Stewart
Ms. Bettye R. Maye
Hon. Bryant Mixon
Mr. John M. Peek
Hon. William S. Stimpson
Mr. Michael P. Windom

UNIVERSITY OF SOUTH ALABAMA

BOARD OF TRUSTEES

AGENDA

MINUTES

UNIVERSITY OF SOUTH ALABAMA
BOARD OF TRUSTEES

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COMMITTEE MEETINGS (Consecutive)

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MEMORANDUM

UNIVERSITY OF SOUTH ALABAMA

February 24, 2015

TO: USA Board of Trustees

FROM: James H. Shumock
Secretary, Board of Trustees

Included herein are the unapproved minutes of the Board meetings held on December 4 and 5, 2014. Please review these documents for amendment or approval at the March 5 and 6 meetings of the Board of Trustees.

JHS:mgc

Attachments

UNIVERSITY OF SOUTH ALABAMA
BOARD OF TRUSTEES

December 5, 2014
10:30 a.m.

A meeting of the University of South Alabama Board of Trustees was duly convened by Dr. Steve Furr, Chair *pro tempore*, on Friday, December 5, 2014, at 10:46 a.m. in the Board Room of the Frederick P. Whiddon Administration Building.

Trustees Present:	Chandra Brown Stewart, Scott Charlton (phone), Steve Furr, Ron Jenkins, Bettye Maye, Bryant Mixon, John Peek, Jimmy Shumock, Ken Simon, Sandy Stimpson, Steve Stokes, Mike Windom and Jim Yance.
Trustees Absent:	Robert Bentley, Tom Corcoran and Arlene Mitchell.
Administration and Others:	Joe Busta, Gary Carley, Karin Caswell, Starla and DeAndra Chapman, Lynne Chronister, Monica Curtis, Mike Diehl (NAA), Joel Erdmann, Julie Estis (Faculty Senate), Ron Franks, Happy Fulford, Robert Gray, Daniel Greer, Stan Hammack, Mike Haskins, Robert Henderson, David Johnson, Joey Jones, Joe'l Lewis, Doug Marshall (Faculty Senate), Abe Mitchell, Randy Moon, Kit Outlaw (MAA), Steve Simmons, John Smith, John Steadman, Jean Tucker, Tony Waldrop, Danielle Watson (SGA), Kevin West (Faculty Senate), Bestor Ward (J. L. Bedsole Foundation) and Kelly Woodford (Faculty Senate).
Press:	Sally Ericson (*Press-Register*/al.com) and Alyson Stokes (*Lagniappe*).

The meeting was called to order and Chairman Furr called for adoption of the revised agenda. On motion by Mayor Stimpson, seconded by Mr. Shumock, the revised agenda was approved unanimously. Chairman Furr called for consideration of **ITEM 1**, the minutes of the Board of Trustees meeting held on September 12, 2014. On motion by Dr. Stokes, seconded by Mr. Shumock, the minutes were approved unanimously.

The attendance roll was called and Chairman Furr called for presentation of **ITEM 2**, the President's Report. President Waldrop introduced Dr. Julie Estis, Faculty Senate President, who commented on a series of meetings for USA faculty and President Waldrop to become acquainted, and on the Faculty Senate's involvement with an array of University committees, including a leadership team working on implementation of the five institutional priorities identified by President Waldrop during his inaugural address on September 12 and an *ad hoc* committee charged with examining the University's promotion and tenure procedures. President Waldrop recognized Faculty Senate officers Drs. Kevin West and Kelly Woodford, and past president Dr. Doug Marshall, as well as Ms. Danielle Watson, SGA President, who shared enthusiasm for USA's upcoming Camellia Bowl appearance, Mr. Mike Diehl, NAA President, and Dr. Kit Outlaw, MAA President.

President Waldrop discussed his recent move into the newly renovated President's Home, and he thanked Mr. Abe Mitchell for his gift that made possible the acquisition of the home. Photos

of the home's interior and exterior were shown, and President Waldrop talked about events hosted in the home. He shared information on an antique Tiffany grandfather clock, circa 1912, donated by Dr. Bob Shipp, retired Chair and Professor of Marine Sciences, that is displayed in the home. He introduced University staff who coordinated the home's renovations -- Mr. Randy Moon, Director of Facilities Management; Mr. Daniel Greer, Assistant Director of Construction/Renovations; Ms. Karin Caswell, Manager of Interior Design; and Mr. Gary Carley, Landscaping Manager. Each made brief comments.

President Waldrop introduced Mayor Stimpson, who gave an update on USA's relationship with Airbus Group. He said University officials were invited by Dr. Jean Botti, Airbus Chief Technical and Innovation Officer and 2014 Spring Commencement Speaker, to tour Airbus operations in Toulouse, France, and Munich, Germany, in October. During the visit, collaborative opportunities involving USA's College of Engineering and School of Computing were explored, including interests pertaining to cyber security. Photos were shown, one featuring a carbon-composite A330 elevator from the tail section of an airplane, donated to the University by Airbus for study and testing by engineering students.

President Waldrop discussed *Mobile in Black and White, Race in the 21st Century*, a film produced by Dr. Joe'l Lewis, Associate Professor of Educational Professional Studies, and Dr. Robert Gray, Manager of Faculty Development Services at the College of Education's Innovation in Learning Center. The concept behind the film is that it would inspire constructive dialogue on race. A trailer was viewed of the 90-minute feature version being shown nationwide. In addition to many other accolades, the movie was voted Mobile's *Film of the Year* for 2014. Drs. Lewis and Gray were introduced and each made brief remarks. Ms. Brown Stewart encouraged everyone to see the film.

President Waldrop introduced Dr. Erdmann and Head Football Coach Joey Jones, who discussed the Jags' historic first bowl invitation. Trustees were thanked for their enthusiastic support of the football program. Details were shared on the inaugural Camellia Bowl to be played in Montgomery, Alabama, on December 20. The game will be televised on ESPN, providing the University national exposure at no cost. Dr. Erdmann recognized Coach Jones and the athletes for their hard work and perseverance, which earned the team a collegiate record for having the quickest rise to a bowl appearance since program inception. He encouraged everyone to travel to Montgomery and support the Jags.

President Waldrop discussed the *Mobile Bay Monthly's* annual feature titled *40 under Forty*, which introduces local individuals who are making a difference in the community. The article included a number of USA alumni and staff, including Mr. Doug Whitmore, NAA Board member, and Dr. Racheal Banks, Director of Health Sciences Development.

President Waldrop encouraged attendance at Fall Commencement on December 13, during which Chairman Furr would deliver the keynote address. He said Mr. Mike Haskins had joined the staff as USA's Executive Director of Marketing and Communications. He announced a change in position titles held by Mr. Simmons, Dr. Johnson and Dr. Smith, who would serve as Vice President

for Finance and Administration, Provost and Senior Vice President for Academic Affairs, and Executive Vice President, respectively.

Chairman Furr called for a report from the Development, Endowment and Investments Committee. Mr. Yance, Committee Chair, stated endowment managers presented annual performance reports before the Committee on December 4. Each was asked to share perspective on the market and economy going forward. Mr. Yance reported that endowment investments as a whole for the period October 2013 through September 2014 yielded a 10.43 return vs. the benchmark of 8.31 percent, an outperformance of 2.12 percent. He added that asset allocations are consistent with parameters set forth by the University's endowment policy. With reference to the University's position among the top 10 percent of institutions for endowment worth, as ranked by the National Association of College and University Business Officers (NACUBO), Judge Simon commended the managers for their efforts. Mr. Yance credited Messrs. Terry Albano and Norman Pitman for their diligent monitoring of the University's endowment. He said communication with the managers takes place quarterly, and advised of additional investments made with earnings.

Mr. Yance reported the Committee's recommendation for Board approval of **ITEM 4** as follows, and he specified modification of the policies was not needed. Chairman Furr called for a vote and the resolution was approved unanimously:

RESOLUTION
EVALUATION OF THE UNIVERSITY'S ENDOWMENT AND NON-ENDOWMENT INVESTMENT POLICIES

WHEREAS, the Southern Association of Colleges and Schools (SACS) requires that investment policies must be evaluated regularly, and

WHEREAS, the Board of Trustees has previously approved the University's endowment funds policies and guidelines and the University's non-endowment cash pool investment policy,

THEREFORE, BE IT RESOLVED that the Board of Trustees of the University of South Alabama hereby acknowledges the current year annual evaluation of both policies by the Endowment and Investments Committee.

Mr. Yance stated the Committee recommended Board authorization of **ITEM 5** as follows. Chairman Furr called for a vote and the resolution was approved unanimously:

RESOLUTION
DIRECTORS AND OFFICERS OF THE JAGUAR ATHLETIC FUND, INC.

WHEREAS, pursuant to the amended bylaws of the Jaguar Athletic Fund, Inc. ("USAJAF"), the Board of Trustees of the University of South Alabama ("University") shall approve the USAJAF slate of officers and directors, and

WHEREAS, the University and the USAJAF have a history of interaction and cooperation that has served the interests of the University, and

WHEREAS, the Board of Directors of the USAJAF, through its Nominating Committee, is authorized to nominate directors and officers consistent with the aforesaid for consideration and approval by the Board of Trustees of the University, and

WHEREAS, the Nominating Committee of the USAJAF Board of Directors has nominated the following persons for consideration and approval by the Board of Trustees of the University:

Officers (annual) – James H. Shumock, Corporation President; C.L. "Skipper" Walters, Corporation Vice President; Jeffry M. Nichols, Corporation Secretary

Directors (3-year term) – Katherine Alexis Atkins, football; William J. Cox, football; Jeffry M. Nichols, tennis; R. Lee McKinney, II, cross country/track; William Scott McNair, men's golf; Anthony Paul Beard, softball

THEREFORE, BE IT RESOLVED that the Board of Trustees of the University of South Alabama does hereby approve the nominees listed as members of the Board of Directors and officers of the USAJAF.

Mr. Yance said Dr. Busta reported to the Committee on projects facilitated through the Division of Development and Alumni Relations. The topics covered were the 2014 United Way Campaign; the National Alumni Association's Wall of Honor event held on November 14; gifts from the Southeast Asian American Store Owners Association, the Sonneborn Estate, and Mr. and Mrs. Charles Mundine; the Sixth Annual *Celebrate Hope* gala held on November 20, 2014; and completion of the capital campaign benefitting Children's & Women's Hospital.

Concerning **ITEM 6.A** as follows, which the Committee recommended for Board approval, Mr. Yance called for remarks from Dr. Busta. Dr. Busta introduced J. L. Bedsole Foundation steward Mr. Bestor Ward, and Mr. Ward stood for the reading of the resolution by Mr. Yance. On motion by Mr. Shumock, seconded by Ms. Brown Stewart, the resolution was approved unanimously. Mr. Ward discussed his longstanding association with the Bedsole Foundation, founded by his uncle to help individuals with limited means attend college. He attested USA's importance to the community and thanked the people of the University for serving.

RESOLUTION
COMMENDATION OF THE J.L. BEDSOLE FOUNDATION FOR GIFT

WHEREAS, the University of South Alabama has for fifty-one years vigorously pursued its mission of teaching, research and service to the Gulf Coast region, including preparing students by building knowledge and expertise that will sustain them in leadership roles in society, and

WHEREAS, ensuring that qualified and deserving students can pursue higher education regardless of their financial means is of vital importance to the health, welfare and success of our region, state and nation, and

WHEREAS, a scholarship focused on financially challenged students who display potential for excellence in leadership and scholarship would offer generations of students opportunities for developing the skills and habits necessary to be thoughtful, ethical leaders and citizens free of the burden of financial hardship, and

WHEREAS, the J.L. Bedsole Foundation has pursued this objective with exceptional generosity during the past twenty-two years by providing financial support to more than five hundred scholarship

recipients, thereby enabling talented students from the South Alabama region studying at the University of South Alabama and at universities across the state to pursue their dreams of higher education, and

WHEREAS, the J.L. Bedsole Foundation has not only invested in the formal education of these students, but also provided them with structured guidance and mentorship, as well as leadership training, and

WHEREAS, the J.L. Bedsole Foundation has generously committed to providing One Million Dollars to establish an endowed fund to invest in the continued success of students at the University of South Alabama and to expand and deepen the long-standing collaboration between these institutions, and

WHEREAS, this fund established by the J.L. Bedsole Foundation represents a profound advancement of the academic and financial aid programs of the University of South Alabama that will accrue to the benefit of countless citizens for generations to come,

THEREFORE, BE IT RESOLVED, the Board of Trustees of the University of South Alabama expresses its deep gratitude to the J.L. Bedsole Foundation for its visionary and extraordinary generosity in establishing this endowed fund and declares that this scholarship at the University of South Alabama will hereafter be known as the J.L. Bedsole Foundation Scholarship.

Chairman Furr called for a report from the Audit Committee. Mr. Peek, Committee Chair, discussed the proceedings of the December 4 Committee meeting, which included a briefing on the audits completed by the independent firm KPMG on the University's and the USA Research and Technology Corporation's basic financial statements for 2013-2014, which did not reveal material weaknesses; delivery of required communications; and discussion on GASB 68, a new accounting standard that, when effected in 2015, will necessitate the reporting of underfunded State Teachers' Retirement Fund reserves. Also presented was the Alabama Department of Examiners of Public Accounts Compliance Report covering the period October 2012 to September 2013, which was free of findings. Mr. Peek reported that Mr. Ben Tipton, Executive Director of Internal Audit/Chief Financial Compliance Officer, provided an overview on the functions and responsibilities of USA's Office of Internal Audit.

Chairman Furr called for a report from the Budget and Finance Committee. On behalf of Mr. Corcoran, Committee Chair, Mr. Shumock stated that, at the December 4 Committee meeting, Mr. Simmons presented the financial statements for the year ended September 2014. In the report, Mr. Simmons indicated the University General Division performed as expected, while the Hospitals reported a decrease in net assets due to state changes in Medicaid reimbursement. Also reported was that resolution of the Medicaid funding dilemma is anticipated in the 2015 fiscal year.

Mr. Shumock addressed **ITEM 9.A** as follows, noting that a recommendation for Board authorization was granted by the Committee. Chairman Furr called for a vote and the resolution was approved unanimously:

RESOLUTION
DESIGNATION OF SIGNATURE AUTHORITY

WHEREAS, since the inception of the University of South Alabama, the President of the University has been authorized to sign general contractual agreements and other legally-binding documents for and on behalf of the Board of Trustees, and

WHEREAS, the University of South Alabama receives extramurally-sponsored funds to support sponsored research, instruction and public service, and

WHEREAS, sponsored funds are generally accompanied by contract and grant agreement terms requiring certified invoices and financial reporting, and

WHEREAS, it is believed by the Board of Trustees that such authority should be attached to position and not individual,

THEREFORE, BE IT RESOLVED, the University of South Alabama Board of Trustees reaffirms the authority of the President of the University of South Alabama to legally bind the University of South Alabama by certifying expenditures reported on sponsored contract and grant invoices and financial reports for and on behalf of the University of South Alabama and its Board of Trustees, as well as, delegate signature authority to other University officials as he/she sees fit for the limited purpose of submitting official invoices, draws and other financial information to sponsoring agencies, but only to the extent such authority is required by the regulations of the federal Office of Management and Budget or sponsor-specific terms, and

BE IT FURTHER RESOLVED that the University of South Alabama Board of Trustees also authorizes and approves the position of Vice President for Financial Affairs, with all necessary power, responsibilities, and obligations, to assume the authority to bind the University of South Alabama for the limited purpose of submitting official invoices, draws and other financial information to sponsoring agencies, but only to the extent such authority is required by the regulations of the federal Office of Management and Budget or sponsor-specific terms, and to designate in writing appropriate positions on the staff of the Division of Financial Affairs who are authorized to bind the University for the limited purpose of submitting official invoices, draws and other financial information to sponsoring agencies, but only to the extent such authority is required by the regulations of the federal Office of Management and Budget or sponsor-specific terms.

Mr. Shumock reported on **ITEM 9.B** as follows, which received a recommendation for Board authorization by the Committee. Chairman Furr called for a vote and the resolution was approved unanimously:

RESOLUTION
CONSENT TO AMENDMENT OF USA RESEARCH AND TECHNOLOGY CORPORATION LOAN DOCUMENTS

WHEREAS, the USA Research and Technology Corporation ("Corporation"), a not-for-profit, supporting organization of the University of South Alabama ("University"), was incorporated to further the educational and scientific mission of the University, to promote the University and its schools and departments, to promote the development of and to facilitate funding for infrastructure and services in Mobile, Alabama, to attract high technology and scientific enterprises, and to create, operate and finance one or more research and technology parks which further scientific research activities of the University and contribute to the development of high-technology businesses in the State of Alabama, and

WHEREAS, the Board of Trustees of the University ("Board") has heretofore approved Ground Lease Agreements ("Ground Leases") between the University and the Corporation pursuant to which the University leases certain real property to the Corporation to enable the Corporation to develop and construct facilities useful in connection with the mission of the Corporation as also heretofore approved by the University, and

WHEREAS, the Corporation previously purchased Building I in the Technology & Research Park from the University and constructed a building on the campus of USA Medical Center to be used in the provision of dialysis services, both of which are used in furtherance of the Corporation's mission, and

WHEREAS, in January 2011 the Corporation secured a $10,000,000 loan ("Loan") with RBC Bank (USA), which became PNC Bank in 2012, which was used to re-finance existing loans with Whitney Bank and Hancock Bank and to provide construction/tenant finish funds, and which carries a 4.88% interest rate and a 10-year term, and

WHEREAS, in order to protect the integrity of the Loan, the proceeds of which refinanced certain properties located on real property of the University subject to the Ground Leases, in the Rent Supplement Agreement the University shall (1) have the right to receive notice from RBC Bank (USA) of any payment or other default by the Corporation under the Loan, and (2) have thirty (30) days to cure any such default prior to the exercise by RBC Bank (USA) of any remedies it may have under the Loan, and requires consent by the University prior to any such amendment, and

WHEREAS, the Corporation is amending the loan documents related to the aforementioned note with PNC Bank thereby reducing the interest rate from 4.88 percent to 4.50 percent and extending the end of the amortization period from January 14, 2031 to January 14, 2036, which allows the Corporation to reduce annual debt service while avoiding a prepayment penalty, and

WHEREAS, all other terms and conditions of the current note will remain unchanged and the interest rate reduction and extended amortization period will result in a reduction of annual debt service on the note of approximately $142,548,

THEREFORE, BE IT RESOLVED, the Board of Trustees of the University of South Alabama hereby consents to the amendment of the loan documents related to the aforementioned note.

Chairman Furr called for a report from the Health Affairs Committee. Dr. Stokes, Committee Chair, said, at its meeting on December 4, the Committee discussed Alabama's Medicaid system and heard a report on activities at the Mitchell Cancer Institute. He said the Committee voted to recommend Board approval of **ITEM 10** as follows. Chairman Furr called for a vote and the resolution was approved unanimously:

RESOLUTION
USA HOSPITALS MEDICAL STAFF APPOINTMENTS AND REAPPOINTMENTS
FOR AUGUST, SEPTEMBER AND OCTOBER 2014

WHEREAS, the Medical Staff appointments and reappointments for August, September and October 2014 for the University of South Alabama Hospitals are recommended for Board approval by the Medical Executive Committees and the Executive Committee of the University of South Alabama Hospitals,

THEREFORE, BE IT RESOLVED, that the Board of Trustees of the University of South Alabama approves the appointments and reappointments as submitted.

Dr. Stokes reported the Committee's recommendation for Board authorization of **ITEM 11** as follows. Chairman Furr called for a vote and the resolution was approved unanimously:

RESOLUTION
USA HOSPITALS MEDICAL STAFF BYLAWS AND RULES AND REGULATIONS
REVISIONS OF NOVEMBER 4, 2014

WHEREAS, revisions to USA Hospitals Medical Staff Bylaws and Rules and Regulations, approved at the November 4, 2014, medical staff meeting and attached hereto, are recommended for approval by the Medical Staffs and the Executive Committee of the University of South Alabama Hospitals,

THEREFORE, BE IT RESOLVED that the Board of Trustees of the University of South Alabama approves the revisions as submitted.

Dr. Stokes called for a report from Mr. Hammack. Mr. Hammack introduced Ms. DeAndra Chapman and daughter Starla, former CWH patient treated for acute myloid leukemia and Children's Miracle Network (CMN) *Champion* representing Alabama for 2014. As photos were viewed, Ms. Chapman shared a touching account of Starla's diagnosis, treatment and recovery, and of the exciting opportunities experienced through the *Champion* program.

Chairman Furr mentioned the passing of Dr. Hollis Wiseman, retired USA professor of pediatrics and founding director of the Neonatal Intensive Care Unit at the USA Medical Center, and Dr. Fred Meyer, USA professor and chair of orthopedics. He directed attention to the flyers detailing their contributions.

Chairman Furr called for a report from the Academic and Student Affairs Committee. Ms. Maye, Committee Chair, stated that, due to the duration of committee meetings held on December 4, most of the Committee's agenda was postponed to resume in advance of the Board meeting. She called on Dr. Johnson for presentation of **ITEM 15** as follows, which was recommended for Board approval by the Committee. Chairman Furr called for a vote and the resolution was approved unanimously:

RESOLUTION
SABBATICAL AWARDS

WHEREAS, in accordance with University policy, proposals for sabbatical awards have been reviewed and recommended by the respective faculty committees, Departmental Chairs, College Deans, and by the Senior Vice President for Academic Affairs and President,

THEREFORE, BE IT RESOLVED that the University of South Alabama Board of Trustees approves said sabbatical awards on this date, December 5, 2014, for the 2015-2016 academic year.

NAME	DISCIPLINE	TIME PERIOD
Dr. David Benko	Mathematics	Academic Year 2015-16
Dr. Patrick Cesarini	English	Fall 2015
Dr. Christine Eaton	Foreign Languages & Literatures	Spring 2016
Dr. Richard Hillyer	English	Spring 2016
Dr. R. Burke Johnson	Professional Studies	Fall 2015
Dr. Kelly Major	Biology	Spring 2016
Dr. Mihaela Marin	Foreign Languages & Literatures	Spring 2016
Dr. Dan Rogers	History	Spring 2016
Dr. Michele Strong	History	Fall 2015
Dr. Peter Wood	Music	Fall 2015

Dr. Furr thanked Dr. Franks for serving as interim director of the MCI, and President Waldrop and Judge Simon recognized Mr. Bob Lowry for his service as interim director of the Office of Public Relations.

Dr. Johnson shared details on USA's new first-year retention program aimed at improving student development and academic success through the use of evidence-based practices and data analytics.

He discussed creation of a First Year Advising Center to be located in the Academic Services Center. A floorplan of the offices was shown, as was an implementation schedule projecting the completion of renovations in conjunction with the start of new student orientation activities in the summer of 2015. Charts demonstrated how communications would be managed and the assignment of program advisors to network with the academic units. Dr. Johnson said plans include the hiring of five additional advisors. Judge Simon applauded this effort.

Dr. Johnson called upon Dr. Steadman for a report. With reference to President's Waldrop's stance on the importance of undergraduate participation in internships and workplace cooperatives, Dr. Steadman introduced senior Mr. Robert Henderson, and outlined highlights of his academic and professional background. Mr. Henderson opened his presentation with a personal history, noting completion of an Associate's Degree in drafting at Georgia Southern University and a four-year employment with Chevron. With aspirations of working as an engineer, he enrolled in USA's mechanical engineering program. Accompanied by a visual summary, Mr. Henderson shared impressions about his experience as an intern at the local firm Hargrove Engineers and Constructors during the summer of 2014. He described Hargrove's business philosophies and culture, and said he was assigned to two technical projects. He detailed the methodologies used to derive solutions in each case. The final task of the internship was to deliver a formal presentation to organization officials. Mr. Henderson reported a positive experience and said he would be pleased to receive an offer of employment from Hargrove.

Judge Simon expressed high regard for the gifted USA faculty, citing the contributions of two individuals. Of Dr. Walt Darring, retired English professor and avid visual artist, he encouraged recognition of individuals in the University community with unique talents, suggesting that due appreciation would stimulate further creativity. He reported hearing about the research of bioarchaeologist Dr. Lesley Gregoricka, Assistant Professor of Anthropology, which has been reported by respected news agencies, such as *The Huffington Post*, attracting national attention. Dr. Gregoricka's studies focus on how cultures migrate and develop through investigation of biological remains. One project that has garnered considerable attention centered on a centuries-old cemetery in Poland reserved for the dead believed to be vampires, and the burial treatments unearthed that were thought by society to protect the living.

Chairman Furr and President Waldrop introduced a video featuring Dr. Stokes performing a cancer "rap." Dr. Stokes said the idea originated in conjunction with breast cancer awareness month that is promoted annually in October.

There being no further business, the meeting was adjourned at 12:14 p.m.

Attest to: Respectfully submitted:

James H. Shumock, Secretary

Steven P. Furr, M.D., Chair *pro tempore*

UNIVERSITY OF SOUTH ALABAMA

BOARD OF TRUSTEES

HEALTH AFFAIRS

UNIVERSITY OF SOUTH ALABAMA
BOARD OF TRUSTEES

HEALTH AFFAIRS COMMITTEE

December 4, 2014
4:05 p.m.

A meeting of the University of South Alabama Board of Trustees Health Affairs Committee was duly convened by Dr. Steve Stokes, Chair, on Thursday, December 4, 2014, at 4:05 p.m. in the Board Room of the Frederick P. Whiddon Administration Building.

Members Present:	Chandra Brown Stewart, Bettye Maye, Ken Simon and Steve Stokes.
Members Absent:	Scott Charlton and Arlene Mitchell.
Other Trustees:	Steve Furr, Ron Jenkins, Bryant Mixon, John Peek, Jimmy Shumock, Sandy Stimpson, Mike Windom and Jim Yance.
Administration and Others:	Beth Anderson, Owen Bailey, Joe Busta, Lynne Chronister, Monica Curtis, Debra Davis, Valorie Dearmon, Julie Estis (Faculty Senate), Mike Finan, Ron Franks, Happy Fulford, Stan Hammack, Mike Haskins, David Johnson, Doug Marshall (Faculty Senate), Lisa Mestas, Steve Simmons, John Smith, Jean Tucker, Tony Waldrop, Danielle Watson (SGA) and Kevin West (Faculty Senate).
Press:	Sally Ericson (*Press-Register*/al.com), Laura Havard (*Vanguard*) and Alyson Stokes (*Lagniappe*).

The meeting came to order and the attendance roll was called. Dr. Stokes, Committee Chair, moved approval of the minutes of the Committee meeting held on September 11, 2014. Ms. Brown Stewart seconded and the minutes were approved unanimously.

Dr. Stokes called for consideration of **ITEM 10**, a resolution authorizing the USA Hospitals medical staff appointments and reappointments for August, September and October 2014 (for copies of resolutions, policies and other authorized documents, refer to the minutes of the Board of Trustees meeting held December 5, 2014). On motion by Ms. Brown Stewart, seconded by Ms. Maye, the Committee voted unanimously to recommend approval by the Board of Trustees.

Dr. Stokes moved for the approval of **ITEM 11**, a resolution to approve revisions to the USA Hospitals Medical Staff Bylaws and Rules and Regulations. Ms. Maye seconded and the Committee voted unanimously to recommend approval by the Board of Trustees.

Dr. Stokes called upon Dr. Franks to report on the activities of the USA Health System and the Division of Health Sciences, **ITEM 12**. Dr. Franks drew attention to flyers outlining the careers of the late Drs. Fred Meyer and Hollis Wiseman, whom he credited as instrumental in the development and success of the College of Medicine.

As to **ITEM 13**, a report on the Mitchell Cancer Institute (MCI), Dr. Franks discussed the appointment of Dr. Mike Finan as MCI Interim Director. He discussed Dr. Finan's professional background and reminded the Committee of his distinction in being named one of the nation's top physicians by U. S. News and World Report last year. He discussed Dr. Finan's involvement in developing a potential biomarker for the early detection of ovarian cancer. Dr. Finan shared appreciation for the support of Dr. Franks and President Waldrop. He discussed his role as Interim Director, his acclimation with current MCI issues and employment of a five-year strategic plan centered on moving the MCI toward NCI-designation as a comprehensive cancer center. He stated collaboration with the external advisory committee and the University of Alabama at Birmingham Comprehensive Cancer Center is critical to achieving MCI's objectives. He expressed enthusiasm for MCI's momentum in the past few years and he discussed program growth and expansion of facilities in the future. He responded to questions and comments.

Dr. Franks announced the pending appointment of USA alumnus Dr. Ed Panacek as Chair of the Department of Emergency Medicine. Dr. Panacek joins the University from the University of California, Davis.

Dr. Franks advised that construction of the Physicians Office Building would start after the first of the year. He stated that construction bids were 3.5 percent less than expected. An artistic rendering of the building was shown. Dr. Franks stated the total cost of construction would be $36.5 million. He said 15 clinics that serve nearly 150,000 patients annually would relocate to the 133,000-square-foot, three-story facility.

Mr. Hammack reported on the impact of Medicaid costs on USA Children's & Women's Hospital (CWH) revenues and on the considerable maneuvering that took place to influence a solution acceptable among the state's hospitals. He gave an update on Medicaid reform, advising that negotiations spanning the last two and a half years have brought on a shift in the state towards regional managed care. He discussed the concept for regional care organizations (RCO), and said the first meeting was recently held on RCO governance.

Mr. Hammack called for a report from Ms. Anderson, Hospital Administrator at the USA Medical Center (UMC), and Dr. Davis, Dean of the College of Nursing (CON). Ms. Anderson discussed the importance of a strong, longstanding partnership between the CON and UMC's clinical nursing practice, which has led to improvements in nursing outcomes and opportunities to participate in nationally recognized research projects. Dr. Davis expressed pride that USA's practice partnership was bestowed the *Exemplary Academic Practice Award* from the American Association of Colleges of Nursing. Ms. Lisa Mestas, Assistant Hospital Administrator at UMC, discussed the bridge between academics and practice, and the inspiration behind the University's participation in a grant titled *Transforming Care at the Bedside*, sponsored by the Robert Wood Johnson Foundation and the Improvement Healthcare Institute. Dr. Valorie Dearmon, Chair of the Department of Adult Health Nursing, gave an overview on USA's

involvement in two research studies that collected data on nurse distractions and interrupted patient care. Results of these studies prompted USA faculty to teach a team of front-line nurses how to resolve problems, collaborate with others, and assert a strong voice in the treatment of their patients.

As photos were viewed, Mr. Bailey, Hospital Administrator at CWH, detailed recent activities hosted at the hospital, including the *Lights of Love* holiday tree lighting event on December 2 and a ceremony on October 1 celebrating the naming of the *Hiram W. Mendenhall, M.D., Labor and Delivery Unit* in honor of the founding chair of the College of Medicine's Department of Obstetrics and Gynecology, for which Ms. Jan Mendenhall, College of Nursing faculty member and widow of the late Dr. Mendenhall, made a generous monetary pledge. Mr. Bailey announced Ms. Starla Chapman, former CWH patient and 2014 Children's Miracle Network Hospitals *Champion* representing Alabama, would join the Board of Trustees meeting on December 5.

There being no further business, the meeting was adjourned at 4:35 p.m.

Respectfully submitted:

_____

Steven H. Stokes, M.D., Chair

RESOLUTION

USA HOSPITALS MEDICAL STAFF APPOINTMENTS AND REAPPOINTMENTS FOR NOVEMBER AND DECEMBER 2014, AND JANUARY 2015

WHEREAS, the Medical Staff appointments and reappointments for November and December 2014, and January 2015, for the University of South Alabama Hospitals are recommended for Board approval by the Medical Executive Committees and the Executive Committee of the University of South Alabama Hospitals,

THEREFORE, BE IT RESOLVED, that the Board of Trustees of the University of South Alabama approves the appointments and reappointments as submitted.

UNIVERSITY OF SOUTH ALABAMA

STANLEY K. HAMMACK
VICE PRESIDENT
HEALTH SYSTEM

TELEPHONE: (251) 471-7118
2451 FILLINGIM STREET, SUITE 2110
MOBILE, ALABAMA 36617-2293
FAX: (251) 471-7751

MEMORANDUM

REC'D
Office of the President

FEB 06 2015

University of South Alabama

TO: Tony G. Waldrop, Ph.D.
President

FROM: SKH Stan Hammack

DATE: February 6, 2015

Attached for review and approval by the Health Affairs Committee and the Board of Trustees are:

Resolution – University of South Alabama Hospitals Medical Staff Appointments and Reappointments for November and December, 2014 and January, 2015

- Credentials Report – November and December, 2014 and January, 2015

SKH:kh

Attachments

Tony G Waldrop

UNIVERSITY OF SOUTH ALABAMA HEALTHCARE NETWORK
MEDICAL STAFF APPOINTMENTS/REAPPOINTMENTS
FOR BOARD OF TRUSTEE APPROVAL
November 2014, December 2014, January 2015

The following is a listing of recommendations for approval of new appointments, reappointments and other status changes of physicians and allied staff professionals. These have been reviewed and are recommended by the Medical Executive committee of the respective hospitals.

NAME	USACWH			USAMC			AMBULATORY CARE		
	Type/Stat	Category	Dept/Ser	Type/Stat	Category	Dept/Ser	Type/Stat	Category	Dept/Ser
Allen, Lisa M., Hearing Screener	New Appt.	Allied	Surgery	NA	NA	NA	NA	NA	NA
Bailey, Lisa M., CRNP	Reappoint.	Allied	Pediatrics	NA	NA	NA	Reappoint.	Allied	Pediatrics
Benjamin, Regina M., MD	Reappoint.	Refer & Follow	Family Medicine	Reappoint.	Refer & Follow	Family Medicine	NA	NA	NA
Bhowmick, Samar K., MD	Reappoint.	Active	Pediatrics	NA	NA	NA	Reappoint.	Active	Pediatrics
Beverly, Brenda, CCC-SLP	Reappoint.	Allied	Surgery	Reappoint.	Allied	Surgery	Reappoint.	Allied	Surgery
Brannan, Rodney K., Hearing Screener	New Appt.	Allied	Surgery	NA	NA	NA	NA	NA	NA
Buckley, Stacie, Dosimetrist`	NA	NA	NA	Reappoint.	Allied	Radiology	NA	NA	NA
Butler, Thomas W., MD	Reappoint.	Consulting	Internal Medicine	Reappoint.	Active	Internal Medicine	Reappoint.	Consult./Active	Internal Medicine
Carter, James Elliot, MD	Reappoint.	Active	Pathology	Reappoint.	Active	Pathology	Reappoint.	Active	Pathology
Cartledge, Hollie V., CRNP	Reappoint.	Allied	Pediatrics	NA	NA	NA	Reappoint.	Allied	Pediatrics
Chalhub, Elias G., MD	Reappoint.	Active	Neurology	Reappoint.	Active	Neurology	Reappoint.	Active	Neurology
Chastain, Emily, Hearing Screener	New Appt.	Allied	Surgery	NA	NA	NA	NA	NA	NA
Chung, Allison, Pharm D	Reappoint.	Allied	Pediatrics	NA	NA	NA	NA	NA	NA
Cohen-Colson, Mary E., MD	Reappoint.	Consulting	Psychiatry	Reappoint.	Consulting	Psychiatry	NA	NA	NA
Couch, John P., MD	Reappoint.	Active	Anesthesiology	Reappoint.	Active	Anesthesiology	NA	NA	NA
Culpepper, Roy M., MD	Reappoint.	Active	Internal Medicine	Reappoint.	Active	Internal Medicine	Reappoint.	Active	Internal Medicine
Dagenais, Paul, CCC-SLP	Reappoint.	Allied	Surgery	Reappoint.	Allied	Surgery	Reappoint.	Allied	Surgery
Dodson, Lindsey K., CRNA	Reappoint.	Allied	Anesthesiology	Reappoint.	Allied	Anesthesiology	NA	NA	NA
Donald, James S., MD	New Appt.	Consulting	Family Medicine	New Appt.	Consulting	Family Medicine	NA	NA	NA
Donnellan, Kimberly A., MD	New Appt.	Consulting	Surgery	New Appt.	Consulting	Surgery	NA	NA	NA
Drye, Sharon, Hearing Screener	New Appt.	Allied	Surgery	NA	NA	NA	NA	NA	NA
Erickson, Crystal M. Neurotech	New Appt.	Allied	Neurosurgery	New Appt.	Allied	Neurosurgery	NA	NA	NA
Estrada, Benjamin, MD	Reappoint.	Active	Pediatrics	Reappoint.	Active	Pediatrics	Reappoint.	Active	Pediatrics
Finan, Michael A., MD	Reappoint.	Active	OB/GYN	Reappoint.	Consulting	OB/GYN	Reappoint.	Active/Consult.	OB/GYN
Gandy, Roy E., MD	NA	NA	NA	New Appt.	Academic	Surgery	NA	NA	NA
Gonner, Jacqueline, CRNP	Reappoint.	Allied	Pediatrics	NA	NA	NA	Reappoint.	Allied	Pediatrics
Green, Tami, CRNP	Reappoint.	Allied	Pediatrics	NA	NA	NA	Reappoint.	Allied	Pediatrics
Hancock, Mary Jane, CRNP	NA	NA	NA	Reappoint.	Allied	Internal Medicine	Reappoint.	Allied	Internal Medicine
Harris, Janice, CRNP	New Appt.	Allied	Pediatrics	NA	NA	NA	NA	NA	NA
Hopper, Hal, RTT	NA	NA	NA	Reappoint.	Allied	Radiology	NA	NA	NA
Hoven, Angelia, Dosimetrist	NA	NA	NA	Reappoint.	Allied	Radiology	NA	NA	NA
Hudson, Kendra, CCC-SLP	Reappoint.	Allied	Surgery	Reappoint.	Allied	Surgery	Reappoint.	Allied	Surgery
Jackson, Karen L., CRNP	New Appt.	Alled	Family Medicine	New Appt.	Allied	Family Medicine	NA	NA	NA
Johnson, G. M., DPM	NA	NA	NA	Reappoint.	Allied	Orthopaedics	NA	NA	NA
Kellam, Michael, DMD	Reappoint.	Courtesy	Surgery	Reappoint.	Courtesy	Surgery	NA	NA	NA
Kothandapani, Virupaksha, Ph.D.	NA	NA	NA	Reappoint.	Allied	Psychiatry	NA	NA	NA
Kyriazis, Dimitris, MD	Reappoint.	Active	Surgery	Reappoint.	Active	Surgery	NA	NA	NA
LeDoux, John F., MD	NA	NA	NA	Reappoint.	Consulting	Internal Medicine	NA	NA	NA
Marino, Melinda R., Neurotech	New Appt.	Allied	Neurosurgery	New Appt.	Allied	Neurosurgery	NA	NA	NA

UNIVERSITY OF SOUTH ALABAMA HEALTHCARE NETWORK
MEDICAL STAFF APPOINTMENTS/REAPPOINTMENTS
FOR BOARD OF TRUSTEE APPROVAL
November 2014, December 2014, January 2015

NAME	USACWH			USAMC			AMBULATORY CARE		
	Type/Stat	Category	Dept/Ser	Type/Stat	Category	Dept/Ser	Type/Stat	Category	Dept/Ser
Massey, Hollie, Hearing Screener	New Appt.	Allied	Surgery	NA	NA	NA	NA	NA	NA
McDaniel, Mark A., MD	Reappoint.	Refer & Follow	Family Medicine	NA	NA	NA	NA	NA	NA
McGraw, Sonja L., RTT	NA	NA	NA	Reappoint.	Allied	Radiology	NA	NA	NA
Meadows, Terri K., CRNP	Reappoint.	Allied	Surgery	Reappoint.	Allied	Surgery	Reappoint.	Allied	Surgery
Miller, Kathryn A., Hearing Screener	New Appt.	Allied	Surgery	NA	NA	NA	NA	NA	NA
Moeller, James E., Neurotech	New Appt.	Allied	Neurosurgery	New Appt.	Allied	Neurosurgery	NA	NA	NA
Molokhia, Ehab A., MD	Reappoint.	Active	Family Medicine	Reappoint.	Active	Family Medicine	Reappoint.	Active	Family Medicine
Moroni, Wendy S., CRNP	NA	NA	NA	Reappoint.	Allied	Internal Medicine	NA	NA	NA
Ngando, George E., MD	NA	NA	NA	Reappoint.	Active	Emergency Med.	NA	NA	NA
Neese, Forest L., CRNA	Reappoint.	Allied	Anesthesiology	Reappoint.	Allied	Anesthesiology	NA	NA	NA
Parker, Jr., Cecil L., MD	NA	NA	NA	Reappoint.	Refer & Follow	Internal Medicine	NA	NA	NA
Pettaway, Jacqueline U., CRNP	New Appt.	Allied	Pediatrics	NA	NA	NA	NA	NA	NA
Pettway, Kimberly M., RN	Reappoint.	Allied	Internal Medicine	Reappoint.	Allied	Internal Medicine	NA	NA	NA
Pitcock, James K., MD	Reappoint.	Refer & Follow	Surgery	NA	NA	NA	NA	NA	NA
Polski, Jacek M., MD	Reappoint.	Active	Pathology	Reappoint.	Active	Pathology	Reappoint.	Active	Pathology
Prutzman, Kelley, D., RN	NA	NA	NA	Reappoint.	Allied	Surgery	NA	NA	NA
Rettig, Kenneth R., MD	Reappoint.	Active	Pediatrics	NA	NA	NA	Reappoint.	Active	Pediatrics
Rice, Terri L., RN	Reappoint.	Allied	Surgery	Reappoint.	Allied	Surgery	NA	NA	NA
Richards, William O., MD	Reappoint.	Active	Surgery	Reappoint.	Active	Surgery	Reappoint.	Active	Surgery
Rifai, Aref, MD	Reappoint.	Active	Surgery	NA	NA	NA	NA	NA	NA
Rivers, Terry N., MD	NA	NA	NA	Reappoint.	Active	Emergency Med.	NA	NA	NA
Roberson, Jo Ellen, CRNM	New Appt.	Allied	OB/GYN	New Appt.	Allied	OB/GYN	New Appt.	Allied	OB/GYN
Rodning, Charles B., MD	Reappoint.	Academic	Surgery	Reappoint.	Academic	Surgery	NA	NA	NA
Rodning, Kai J., MD	Reappoint.	Active	Anesthesiology	Reappoint.	Active	Anesthesiology	NA	NA	NA
Ruan, Xiulu, MD	Reappoint.	Active	Anesthesiology	Reappoint.	Active	Anesthesiology	NA	NA	NA
Ruble, James L., MD	New Appt.	Consulting	Family Medicine	New Appt.	Consulting	Family Medicine	NA	NA	NA
Rutledge, III, Guy L., MD	Reappoint.	Courtesy	Orthopaedics	Reappoint.	Courtesy	Orthopaedics	NA	NA	NA
Saucier, Erin S., MD	Reappoint.	Courtesy	OB/GYN	NA	NA	NA	NA	NA	NA
Savells, Katherine, MD	Reappoint.	Active	Pediatrics	NA	NA	NA	NA	NA	NA
Smith, Faith, Hearing Screen	New Appt.	Allied	Surgery	NA	NA	NA	NA	NA	NA
Smith, Royshanda C., MD	Reappoint.	Active	OB/GYN	Reappoint.	Active	OB/GYN	NA	NA	NA
Smith, Timothy S., RN	Reappoint.	Allied	Orthopaedics	Reappoint.	Allied	Orthopaedics	NA	NA	NA
Starke, Monica E., MD	Reappoint.	Active	Anesthesiology	Reappoint.	Active	Anesthesiology	NA	NA	NA
Stauter, Kelly J., CRNP	NA	NA	NA	Reappoint.	Allied	Internal Medicine	Reappoint.	Allied	Internal Medicine
Taylor, William R., MD	Reappoint.	Active	Internal Medicine	Reappoint.	Active	Internal Medicine	Reappoint.	Active	Internal Medicine
Thompson, Pamela J., CRNP	New Appt.	Allied	Family Medicine	New Appt.	Allied	Family Medicine	NA	NA	NA
Todd, Mary A., RN	Reappoint.	Allied	OB/GYN	Reappoint.	Allied	OB/GYN	NA	NA	NA
Wilcox, Lachandra, RTT	NA	NA	NA	Reappoint.	Allied	Radiology	NA	NA	NA
Wilson, Felicia, MD	Reappoint.	Active	Pediatrics	Reappoint.	Active	Pediatrics	Reappoint.	Active	Pediatrics

UNIVERSITY OF SOUTH ALABAMA HEALTHCARE NETWORK
MEDICAL STAFF APPOINTMENTS/REAPPOINTMENTS
FOR BOARD OF TRUSTEE APPROVAL
November 2014, December 2014, January 2015

NAME	USACWH			USAMC			AMBULATORY CARE		
	Type/Stat	Category	Dept/Ser	Type/Stat	Category	Dept/Ser	Type/Stat	Category	Dept/Ser
Change Requests									
Abordo, Bayani, MD	Courtesy to	Consulting	Psychiatry	Courtesy to	Consulting	Psychiatry	NA	NA	NA
Billett, William MD	Courtesy to	Consulting	Psychiatry	Courtesy to	Consulting	Psychiatry	NA	NA	NA
Brooks, III, William B., MD	Active to	Consulting	Psychiatry	Active to	Consulting	Psychiatry	NA	NA	NA
Douglas, Mark J., MD	NA	NA	NA	Add Privileges	Courtesy	Surgery	NA	NA	NA
Finn, Edgar W., MD	Courtesy to	Consulting	Psychiatry	Courtesy to	Consulting	Psychiatry	NA	NA	NA
Ghelmez, Florin, MD	Courtesy to	Consulting	Psychiatry	Courtesy to	Consulting	Psychiatry	NA	NA	NA
Hart, James F., DO	Courtesy to	Consulting	Psychiatry	Courtesy to	Consulting	Psychiatry	NA	NA	NA
Narahari, Praveen, MD	Courtesy to	Consulting	Psychiatry	Courtesy to	Consulting	Psychiatry	NA	NA	NA
Parker, Sandra K., MD	Courtesy to	Consulting	Psychiatry	Courtesy to	Consulting	Psychiatry	NA	NA	NA
Saitz, Marianne, DO	Courtesy to	Consulting	Psychiatry	Courtesy to	Consulting	Psychiatry	NA	NA	NA
Seaman, Rachel, MD	NA	NA	NA	Add Deep Sed.	Active	Emergency Med.	NA	NA	NA
Seaman, Rachel, MD	NA	NA	NA	Add Deep Sed.	Active	Internal Medicine	Add Deep Sed.	Active	Internal Medicine
Vick, Valerie L., MD	NA	NA	NA	Add Privileges	Courtesy	Surgery	NA	NA	NA
Retired/Resigned									
Name	**Reason**	**Date**	**Dept.**	**Reason**	**Date**	**Dept.**			
Brandon, Jeffrey C., MD	Retired	12/31/2014	Radiology	Retired	12/31/2014	Radiology			
Charbonnet, Jean, Neurotech	Resigned	10/17/2014	Neurosurgery	Resigned	10/17/2014	Neurosurgery			
Crawford, Casie, CRNP	Resigned	11/5/2014	Pediatrics	NA	NA	NA			
Daugherty, Manual, MD	Retired	11/3/2014	Orthopaedics	Retired	11/3/2014	Orthopaedics			
Duet, Jimmie J., CRNA	Resigned	12/12/2014	Anesthesiology	Resigned	12/12/2014	Anesthesiology			
Eckstein, Christopher, MD	Resigned	12/2/2014	Neurology	Resigned	12/2/2014	Neurology			
Formwalt, Annie, Psy. D.	Resigned	11/5/2014	Psychiatry	Resigned	11/5/2014	Psychiatry			
Frotan, Mohammad, MD	Resigned	11/1/2014	Surgery	Resigned	11/1/2014	Surgery			
Meyer, Frederick N., MD	Deceased	11/14/2014	Orthopaedics	Deceased	11/14/2014	Orthopaedics			
Myrick, Gregory R., MD	NA	NA	NA	Resigned	12/31/2014	Emergency Med.			
Picou, Brian, Neurotech	Resigned	11/7/2014	Neurosurgery	Resigned	11/7/2014	Neurosurgery			
Reddy, Shyla, MD	Resigned	10/31/2014	Family Medicine	Resigned	10/31/2014	Family Medicine			
Taite, Amelia K., RN	Resigned	10/24/2014	Pediatrics	NA	NA	NA			

UNIVERSITY OF SOUTH ALABAMA HEALTHCARE NETWORK
MEDICAL STAFF APPOINTMENTS/REAPPOINTMENTS
FOR BOARD OF TRUSTEES APPROVAL

November 2014, December 2014, and January 2015

LEGEND:

New Appt.	New application for medical/allied staff privileges recommended for approval.
Reappt.	Reappointment application for medical/ allied staff privileges recommended for approval.
No Privs.	No privileges requested
Change in Status	Added privileges Change Department
Retired Resigned	Moved, Retired or Resigned

RECOMMENDED BY:

Donna Lynn Dyess M.D., Chair of Medical Executive Committee or Chair Elect
USA Children's & Women's Hospital

William O. Richards, M.D., Chair of Medical Executive Committee or Chair Elect
USA Medical Center

Stanley K. Hammack
Vice President, USA Health Systems

RESOLUTION

NOMINEES FOR MOBILE COUNTY HOSPITAL BOARD

WHEREAS, pursuant to the Certificate of Incorporation of the Mobile County Hospital Board, the University of South Alabama Board of Trustees is required to nominate in writing to the governing body of Mobile County, two (2) persons for the position of Director of the Corporation,

THEREFORE, BE IT RESOLVED, the University of South Alabama Board of Trustees hereby nominates Mr. Leo Dekle and Dr. Samuel Strada to be considered by the Mobile County Commission for the selection of one to serve on the Mobile County Hospital Board.

UNIVERSITY OF SOUTH ALABAMA
HOSPITALS

WILLIAM B. BUSH
CHIEF FINANCIAL OFFICER

TELEPHONE: (251) 471-7114
2451 FILLINGIM STREET, SUITE 3040
MOBILE, ALABAMA 36617-2293
FAX: (251) 471-7756

REC'D
Office of the President

FEB 10 2015

University of South Alabama

February 10, 2015

President Tony Waldrop
University of South Alabama
307 University Blvd.
Mobile, AL 36688

Dear President Waldrop:

This shall serve as notification that the following Mobile County Hospital Board Director's term is expiring:

Mr. Leo Dekle
Term: 6 years
Term Expires: 9/30/15
Mr. Dekle is eligible to serve a consecutive term

Pursuant to the By-Laws, each of the following organizations shall alternately be entitled every two years to nominate two persons for the position of Director (see table below). This is a request to promptly solicit nominations from the USA Board of Trustees.

NAME	DATE TERM EXPIRES
University of South Alabama Board of Trustees	9/30/15
University of South Alabama Health Services Foundation Board	9/30/17 Pamela Henderson
USA Research and Technology Corporation Board	9/30/19 Dr. Bernard H. Eichold, II

Once received, the nominees will be forwarded to the Mobile County Commission who in turn will select one of the nominees to fill the six year term.

Sincerely,

William B. Bush
Secretary-Treasurer
Mobile County Hospital Board

WBB/crd

UNIVERSITY OF SOUTH ALABAMA

BOARD OF TRUSTEES

ACADEMIC AND STUDENT AFFAIRS

UNIVERSITY OF SOUTH ALABAMA
BOARD OF TRUSTEES

ACADEMIC AND STUDENT AFFAIRS COMMITTEE

December 4, 2014
4:36 p.m.

A meeting of the University of South Alabama Board of Trustees Academic and Student Affairs Committee was duly convened by Ms. Bettye Maye, Chair, on Friday, December 4, 2014, at 4:36 p.m. in the Board Room of the Frederick P. Whiddon Administration Building.

Members Present:	Chandra Brown Stewart, Ron Jenkins, Bettye Maye, Bryant Mixon and Mike Windom.
Member Absent:	Scott Charlton.
Other Trustees:	Steve Furr, John Peek, Jimmy Shumock, Ken Simon, Sandy Stimpson, Steve Stokes and Jim Yance.
Administration and Others:	Joe Busta, Lynne Chronister, Monica Curtis, Julie Estis (Faculty Senate), Ron Franks, Happy Fulford, Stan Hammack, Mike Haskins, David Johnson, Silas Leavesley, Doug Marshall (Faculty Senate), Thom Rich, Steve Simmons, John Smith, Jean Tucker, Tony Waldrop, Danielle Watson (SGA) and Kevin West (Faculty Senate).
Press:	Sally Ericson (*Press-Register*/al.com), Laura Havard (*Vanguard*) and Alyson Stokes (*Lagniappe*).

The meeting came to order and in the interest of time, Ms. Maye, Committee Chair, stated most of the Committee's business would be delayed until December 5. Relative to **Item 14**, a report on the activities of the Division of Academic Affairs, she called upon Ms. Chronister for a presentation. Ms. Chronister introduced Drs. Silas Leavesley, Assistant Professor of Chemical and Biomolecular Engineering, and Thom Rich, Associate Professor of Pharmacology, whose collaboration has led to an advance in endoscopic hyperspectral imaging, whereby tissues are viewed in real-time at the molecular level for improvements in biomarker differentiation and early detection of cancer and other pathological conditions. As research summaries were distributed, Ms. Chronister stated, Drs. Leavesley and Rich, through their new technology company *SpectraCyte*, submitted a proposal to the Economic Development Partnership of Alabama's *Launchpad* competition and were awarded an $87,000 grant in September to further the technology.

Chairman Furr reminded the group about the Holiday Concert that would take place that evening. There being no further business, the meeting was adjourned at 4:39 p.m.

Respectfully submitted:

_____
Bettye R. Maye, Chair

UNIVERSITY OF SOUTH ALABAMA
BOARD OF TRUSTEES

ACADEMIC AND STUDENT AFFAIRS COMMITTEE

December 5, 2014
10:30 a.m.

A meeting of the University of South Alabama Board of Trustees Academic and Student Affairs Committee was duly convened by Ms. Bettye Maye, Chair, on Friday, December 5, 2014, at 10:33 a.m. in the Board Room of the Frederick P. Whiddon Administration Building.

Members Present:	Chandra Brown Stewart, Scott Charlton (Phone), Ron Jenkins, Bettye Maye, Bryant Mixon and Mike Windom.
Other Trustees:	Steve Furr, John Peek, Jimmy Shumock, Ken Simon, Sandy Stimpson, Steve Stokes and Jim Yance.
Administration and Others:	Joe Busta, Lynne Chronister, Monica Curtis, Mike Diehl (NAA), Joel Erdmann, Julie Estis (Faculty Senate), Ron Franks, Happy Fulford, Stan Hammack, Mike Haskins, David Johnson, Doug Marshall (Faculty Senate), Abe Mitchell, Kit Outlaw (MAA), Steve Simmons, John Smith, Jean Tucker, Tony Waldrop, Danielle Watson (SGA) and Kelly Woodford (Faculty Senate).
Press:	Sally Ericson (*Press-Register*/al.com) and Alyson Stokes (*Lagniappe*).

The meeting came to order and the attendance roll was called. Ms. Maye, Committee Chair, called on Dr. Johnson to present **ITEM 15**, a resolution to approve sabbatical awards for faculty as set forth (for copies of resolutions, policies and other authorized documents, refer to the minutes of the December 5, 2014, Board of Trustees meeting). On motion by Sheriff Mixon, seconded by Mr. Windom, the Committee voted unanimously to recommend approval by the Board of Trustees.

Dr. Johnson introduced Ms. Chronister for presentation of **ITEM 16**, a report on research activity for fiscal year 2014. Ms. Chronister summarized a visual outline showing 509 faculty proposals submitted and requests for $244,046,368 in support, of which 283 grants and contracts were awarded for $60,199,534 in secured extramural funding. Technology and commercialization efforts yielded 15 invention disclosures, 12 patents filed, 3 patents granted, 2 start-up technology companies (Exscien and SpectraCyte), and 1 license agreement for $2.5 million in licensing revenue. Ms. Chronister advised on an award from the Mobile Area Chamber of Commerce designating the University of South Alabama as *Innovator of the Year* for the Coastal Innovation Hub, an incubator for technology-based business development.

Ms. Maye called upon Dr. Smith for presentation of **ITEM 17**, a report on the activities of the Division of Student Affairs. Dr. Smith reminded the Committee of plans for hiring an architect for room design and construction cost estimates related to construction of a new residence hall.

He said the interview process was complete and the Birmingham firm Williams Blackstock Architects was selected. He said a recommendation would be made when the Administration determines it prudent to move forward on the project. Citing Clery Act regulations, he presented a chart showing crime statistics for the period 2010-2013, which demonstrated a significant drop in reported offenses.

Dr. Smith introduced Mr. Harper Whitman of Ricoh Business Solutions. Mr. Whitman discussed plans for Ricoh to assume management of the University's post office and transform the space into a one-stop-shopping concept that will offer copying, printing, packing and shipping services. Graphics reflecting a redesign of the office were shown. Other upgrades will include automatic email notifications when mail is received and installation of a high-density mail system to replace the outdated, space-consuming post office boxes. Dr. Smith conveyed enthusiasm for the changes. He said the restructuring will begin in early May 2015 and be complete in early June.

Ms. Maye called for consideration of the minutes for the Committee meeting held on September 11, 2014. On motion by Mr. Windom, seconded by Capt. Jenkins, the minutes were approved unanimously.

There being no further business, the meeting was adjourned at 10:46 a.m.

Respectfully submitted:

_____

Bettye R. Maye, Chair

RESOLUTION

HONORARY DOCTORATE DEGREE FOR DR. RICHARD E. LAPCHICK

WHEREAS, the University of South Alabama seeks to honor exceptional individuals who have given a substantial part of their lives to serving others and who have distinguished themselves throughout their professional careers, and

WHEREAS, Dr. Richard E. Lapchick helped form and is the President and CEO of the National Consortium for Academics and Sport (NCAS), and

WHEREAS, Dr. Lapchick currently serves as Director of the DeVos Sport Business Management Program, and as Director of the Institute for Diversity and Ethics in Sport at the University of Central Florida, and

WHEREAS, Dr. Lapchick has served as a United Nations Senior Liaison Officer at the International Conference on the Middle East, the World Conference for the United Nations Decade for Women, and the United Nations Centre Against Apartheid, and

WHEREAS, Dr. Lapchick helped found the Hope for Stanley Foundation and the Center for the Study of Sport in Society at Northeastern University, and

WHEREAS, Dr. Lapchick is a prolific writer of 16 books, is a regular columnist for ESPN.com and The Sports Business Journal, has written more than 550 articles and given more than 2,800 public speeches, and is considered among the nation's experts on sport and social issues, and

WHEREAS, Dr. Lapchick has received numerous awards, including the Martin Luther King Fellowship, Kenneth Kaunda Award for Humanism, Ralph Bunch International Peace Award, Dryslongo Award for Combating Racism, and Women's Sports Foundation President's Award, and

WHEREAS, Dr. Lapchick is a board member of the Open Doors Foundation and serves on the advisory boards of the Women's Sports Foundation, the Alliance of Women Coaches, Harbor House and the Giving Back Fund,

THEREFORE, BE IT RESOLVED, for his academic accomplishments as a scholar of sport and social inequality, and for his service as a human rights activist and as a pioneer for racial equality, the University of South Alabama is pleased to bestow upon Dr. Richard E. Lapchick, this day, the degree of Doctor of Humane Letters (L.H.D.), *honoris causa.*

MEMORANDUM

University of South Alabama — Office of Academic Affairs

REC'D
Office of the President
MAR 03 2015
University of South Alabama

REC'D
Office of the President
JAN 2[illegible]
University of South Alabama

January 22, 2015

TO: Tony Waldrop

FROM: David Johnson

SUBJECT: Honorary Doctorate Committee Recommendation

The Honorary Doctorate Committee has unanimously voted to recommend awarding an honorary degree to Dr. Richard E. Lapchick.

Therefore, on behalf of the Honorary Doctorate Committee, I am pleased to forward to you the following recommendation:

- That the University of South Alabama award to Dr. Richard E. Lapchick the honorary degree of Doctor of Humane Letters (L.H.D.), *honoris causa* on the occasion of its Spring Commencement, 2015.

Thank you.

GDJ:njc

APPROVED
1/26/15

Richard Lapchick

From Wikipedia, the free encyclopedia

Richard E. Lapchick, is often referred to as the "racial conscience of sport". Lapchick received his nickname because of his work with race relations and his ability to use sport to combat racial, gender and social inequities in society, both in the United States and internationally. He is a human rights activist, pioneer for racial equality, internationally recognized expert on sports issues, scholar and author. He is the son of Joe Lapchick, the original Celtic center who became a coach for St. John's and the New York Knicks. Lapchick is married to Ann Pasnak. They have three children and four grandchildren.[1]

Contents

- 1 The early years
- 2 Activist work
- 3 Academic career
- 4 Awards and accolades
- 5 Education and publications
- 6 References

The early years

Lapchick's life passion was sparked in Germany at the age of 14 while touring the Nazi internment camps of Dachau. Coincidentally, he was in Europe during the 1960 Summer Olympic Games and discovered the tremendous impact sport has to cross all lines, color, creed and religion. Thus, his dream to use sport as a vehicle for social change was born. It reinforced his early experiences witnessing public hostility toward his father when, as the Coach of the New York Knicks, he signed Nat "Sweetwater" Clifton, the first African-American player signed in the NBA in 1950.[2] His earliest memory as a five year old was seeing his father's image swinging from a tree across the street from his house with people picketing under the tree.

Activist work

In the 1970s, Lapchick started fighting apartheid and led the boycott of the South African participation in international sport events, the Davis Cup in particular.[3] Lapchick was physically attacked in his college office in February 1978 just as it looked like the Davis Cup was going to be cancelled. Lapchick worked for the United Nations from 1978-1984. His New York City apartment was ransacked in 1981 while he was leading a protest of a South African rugby team scheduled to play in the United States. His activism led to a personal invitation from Nelson Mandela upon his presidential inauguration in 1994 after anti-apartheid movements were successful.

Lapchick founded the Center for the Study of Sport in Society (CSSS) in 1984 at Northeastern University. He served as Director for 17 years and is now the Director Emeritus. The Center has attracted national attention to its pioneering efforts to ensure the education of athletes from junior high school through the professional ranks. The Center's Project TEAMWORK was called "America's most successful violence prevention program" by public opinion analyst Lou Harris. It won the Peter F. Drucker Foundation Award as the nation's most innovative non-profit program and was named by the Clinton administration as a model for violence prevention.[4] In 1993, Lapchick co-founded the Mentors in Violence Prevention program, a gender violence prevention and education program which has been utilized by the U.S. military, professional, college and high school athletic teams.[5] That year the Center also launched TEAMWORK-South Africa, a program designed to use sports to help improve race relations and help with sports development in post-apartheid South Africa. Partnering with the NBA, this trip marked the NBA's first visit to Africa.

One year after the Center's inception, Lapchick wanted to take its mission national and established the National Consortium for Academics and Sports (NCAS). For 29 years, the NCAS has been "creating a better society by focusing on educational attainment and using the power and appeal of sport to positively affect social change." It is a group of over 280 colleges and universities that created the first of its kind degree completion and community service programs. To date, 33,913 athletes have returned to NCAS member schools. Over 14,985 have graduated. Nationally, the NCAS athletes have worked with more than 19.9 million students in the school outreach and community service program, which focus on four areas: teaching youth how to embrace diversity and inclusion, develop conflict resolution skills, prevent gender violence and avoid drug and alcohol abuse. They have collectively donated more than 22 million hours of service while member colleges have donated more than $300 million in tuition assistance.[6]

In another diversity and inclusion initiative, the NCAS provides diversity management training to sports organizations, including athletic departments and professional leagues and teams. The Consortium has already conducted such training for the NBA, Major League Soccer, ESPN, NASCAR, and more than 80 university athletic departments.

Lapchick helped create the National Student-Athlete Day in 1988 which to date has recognized more than 2.6 million high school students for being citizen-scholar-student-athletes.

Lapchick was engaged by the NBA in 2014 to help construct the case for why continued ownership of the Los Angeles Clippers by Donald Sterling was determined to the NBA after his racist remarks became public.

Lapchick is active in work against human trafficking and has added Shut-Out Trafficking to the NCAS's effort to combat human trafficking with week-long programs on ten NCAS campuses in 2014-15. The program will engage student-athletes, coaches, and athletic administrators to help inform their campuses about this huge issue. It is partnered with the US Fund for UNICEF and the USOC Athletes Advisory Council and is funded by the Fetzer Institute.

Lapchick also consults with companies as an expert on both managing diversity and building community relations through service programs addressing the social needs of youth.

Academic career

Lapchick was an Associate Professor of Political Science at Virginia Wesleyan College from 1970-1978 and a Senior Liaison Officer at the United Nations between 1978-1984. He then served as director at Northeastern University's Center for the Study of Sport in Society for 17 years.

Lapchick accepted the endowed chair of the DeVos Sport Business Management Program at the University of Central Florida's College of Business Administration in 2001. The DeVos Program at UCF is a landmark program that focuses on the business skills necessary for graduates to conduct a successful career in the rapidly changing and dynamic sports industry. In following with Lapchick's tradition of human rights activism, the curriculum includes courses with an emphasis on diversity, community service and philanthropy, sport and social issues and ethics in addition to UCF's strong business curriculum. The DeVos Program has been named one of the nation's top five programs by the *Wall Street Journal*, *The New York Times*, *Forbes*, the *Sports Business Journal* and *ESPN The Magazine*.[7] In 2009 it was named the #1 MBA program in the nation for volunteer service. In 2014, Sport Business International named DeVos as one of the top three graduate sport business programs in the United States as well as one of the top five graduate sport business management programs internationally. During his time at DeVos, Lapchick became the only person named as "One of the 100 Most Powerful People in Sport" to head up a sport management program.

While at the University of Central Florida, he remains President of the National Consortium for Academics and Sports (NCAS) and has established The Institute for Diversity and Ethics in Sport (TIDES) which serves as a comprehensive resource for issues related to gender and race in amateur, collegiate and professional sports.

He is the author of the internationally acclaimed Racial and Gender Report Card (RGRC) published by TIDES. It is an annual study of the racial and gender hiring practices of major professional sports, college sport, and the media in the United States. It shows long-term trends over a decade and highlights organizations that are notable for diversity in coaching and management staffs. TIDES also evaluates student-athlete graduation rates for all teams in college football bowl games, comparing graduation rates for football players to rates for overall student-athletes and including a break-down by race. The Institute also monitors some of the critical ethical issues in college and professional sport, including the potential for the exploitation of student-athletes, gambling, performance-enhancing drugs and violence in sport.[8]

In December 2006, Lapchick, his wife Anne, daughter Emily, and a group of DeVos students formed the Hope for Stanley Foundation (HFS) which organizes groups of student-athletes and sports management students to go to New Orleans to work in the reconstruction efforts in the devastated Ninth Ward. As of the summer of 2014, Hope for Stanley members have spent 40 weeks rebuilding in the city. Lapchick was named an honorary citizen by the New Orleans City Council in October 2007. HFS has also worked with Tornado victims in Tuscaloosa, AL, and in New York with the victims of Hurricane Sandy.

Awards and accolades

Lapchick's extensive list of honors and awards cover several decades. Lapchick received the "Hero Among Us Award" from the Boston Celtics in 1999 and was named as the Martin Luther King, Rosa Parks, Cesar Chavez Fellow by the State of Michigan in 1998. He also won the 1997 Women's Sports Foundation President's Award for not working toward the development of women's sports. Lapchick won the Diversity Leadership Award at the 2003 Literacy Classic and the Jean Mayer Global Citizenship Award from Tufts University in 2000. In 2003-04 he served as the national spokesperson for VERB, the Center for Disease Control's program to combat preteen obesity. He also won the Wendell Scott Pioneer Award in 2004.

In 2006, Lapchick was named both the Central Florida Public Citizen of the Year and the Florida Public Citizen of the Year by the National Association of Social Workers. Lapchick has been the recipient of numerous humanitarian awards and was inducted into the Sports Hall of Fame of the Commonwealth Nations in 1999 in the category of Humanitarian along with Arthur Ashe and Nelson Mandela and received the Ralph Bunche International Peace Award. He joined Muhammad Ali, Jackie Robinson, Arthur Ashe and Wilma Rudolph in the Sport in Society Hall of Fame in 2004.[9] He was also inducted into the Central Florida Sports Hall of Fame and the Multi-Ethnic Hall of Fame.

In 2008, he was given the NASCAR Diversity Award for leadership in advancing people of color in the motorsports industry. In 2009, the Rainbow/ PUSH Coalition and Rev. Jesse Jackson honored him for "lifetime achievement in working for civil rights." Lifelong friend Kareem Abdul-Jabbar presented the award to Lapchick on behalf of Rev. Jackson.[10]

In 2012, Lapchick was honored by the Holocaust Memorial Resource and Education Center of Florida at its annual Dinner of Tribute. He also received the Champions Award from the Alliance of Women's Coaches, the only male to receive the award in 2012. The Black Coaches Association presented Lapchick with their Distinguished Service Award which is only the 2nd time they presented this award in 28 years. Lapchick received the Mannie Jackson Human Spirit Award at the 2012 Basketball Hall of Fame enshrinement ceremonies.

In August 2013, he received the Pioneer Award from the National Association of Black Journalists. In 2014, the National Basketball Retired Players Association gave Lapchick, Bill Russell, and Pat Summit their Life Achievement Award.

He has been listed in Who's Who in America, Who's Who in American Education, Who's Who in Finance and Industry, and Who's Who in American Business. Lapchick was named one of the 100 Most Powerful People in Sports for six years, one of the 100 Most Influential Sports Educators in America, one of the 20 Most Influential People in College Sport and one of the 20 Most Influential People in Sport in Florida.

Lapchick was one of 200 guests personally invited by Nelson Mandela to his inauguration after leading the American sports boycott of South Africa from 1975 until the end of Apartheid. He also attended the funeral service for President Mandela in December 2013.

Education and publications

Lapchick received a B.A. from St. John's University in 1967 and an honorary degree in 2001. In 1993, he was named as the outstanding alumnus at the University of Denver where he got his Ph.D. in international race relations in 1973. He has received eight honorary degrees.[11]

Lapchick is a prolific writer and is currently working on his 17th book. His literary works include: 100 Trailblazers: Great Women Athletes Who Opened Doors for Future Generations; 100 Pioneers: African-Americans Who Broke Color Barriers in Sport; 100 Heroes: People in Sports Who Make This a Better World; New Game Plan for College Sport; Smashing Barriers: Race and Sport in the New Millennium; Never Before, Never Again: The Stirring Autobiography of Eddie Robinson, the Winningest Coach in the History of College Football; Sport in Society: Equal Opportunity or Business as Usual?; Five Minutes to Midnight: Race and Sport in the 1990s; Rules of the Game: Ethics in College Sport; On the Mark: Putting

the Student Back in Student-athlete; Fractured Focus: Sport as a Reflection of Society; Broken Promises: Racism in American Sports; Oppression and Resistance: The Struggle of Women in Southern Africa; Politics of Race and International Sport: The Case of South Africa.[12]

Lapchick is a regular columnist for ESPN.com and The Sports Business Journal. He has written more than 550 articles and given almost 2,850 public speeches.[13] He has spoken in the United States Congress, at the United Nations and in the European Parliament.

He is considered among the nation's experts on sport and social issues. Lapchick has appeared numerous times on Good Morning America, Face The Nation, The Today Show, ABC World News, NBC Nightly News, the CBS Evening News, CNN and ESPN as well as numerous other news broadcasts.

References

1. ^ Richard Lapchick, Biography, (http://www.ncasports.org/about/staff-bios/bio-richard-lapchick.shtml) accessed November 12, 2009.
2. ^ Richard Lapchick, Smashing Barriers, (Lanham, MD: Madison Books, 2001), 103-4.
3. ^ Richard Lapchick, *Smashing Barriers*, (Lanham, MD: Madison Books, 2001), 3-5.
4. ^ Center for the Study of Sport in Society, About Us, (http://www.northeastern.edu/sportinsociety/about/index.html) accessed November 12, 2009.
5. ^ Lapchick, Richard (November 30, 2011). "Violence against women needs action" (http://espn.go.com/espn/commentary/story/_/page/lapchick-111130/the-public-underwhelming-reaction-athletes-assault-women). *ESPN.com*. Retrieved March 29, 2013.
6. ^ Richard Lapchick, Biography, (http://www.ncasports.org/about/staff-bios/bio-richard-lapchick.shtml) accessed November 12, 2009.
7. ^ Ibid.
8. ^ The Institute for Diversity and Ethics in Sport, Who We Are and What We Do, (http://www.tidesport.org/) accessed November 12, 2009.
9. ^ Richard Lapchick, Biography, (http://www.ncasports.org/about/staff-bios/bio-richard-lapchick.shtml) accessed November 12, 2009.
10. ^ Jon Gabriel, "Richard Lapchick Receives Lifetime Achievement Award," University of Central Florida Today, July 8, 2009 (http://today.ucf.edu/blog/2009/07/08/rainbow-push-coalition-presents-richard-lapchick-with-lifetime-achievement-award/).
11. ^ Richard Lapchick, Biography, (http://www.ncasports.org/about/staff-bios/bio-richard-lapchick.shtml) accessed November 12, 2009.
12. ^ Richard Lapchick, 100 Trailblazers: Great Women Athletes Who Opened Doors for Future Generations, (Morgantown, WV: Fitness Information Technology, 2009), Preface.
13. ^ Richard Lapchick, Biography, (http://www.ncasports.org/about/staff-bios/bio-richard-lapchick.shtml) accessed November 12, 2009.

Retrieved from "http://en.wikipedia.org/w/index.php?title=Richard_Lapchick&oldid=644146973"

Categories: American civil rights activists | Anti-apartheid activists | University of Central Florida faculty

RESOLUTION

HONORARY DOCTORATE DEGREE FOR UNITED STATES SECRETARY OF THE NAVY RAY MABUS

WHEREAS, the University of South Alabama seeks to honor exceptional individuals who have given a substantial part of their lives to serving others and who have distinguished themselves throughout their professional careers, and

WHEREAS, Ray Mabus serves as the 75th United States Secretary of the Navy and leads America's Navy and Marine Corps, and

WHEREAS, Secretary Mabus has prioritized improving the quality of life of Sailors, Marines and their families, decreasing the Department's dependence on fossil fuels and strengthening partnerships and revitalizing the Navy's shipbuilding program, and

WHEREAS, Secretary Mabus prepared a long-term recovery plan for the Gulf of Mexico in the wake of the Deepwater Horizon oil spill that passed into law by Congress as the Restore Act which included a fund to aid in the Gulf Coast's recovery, and

WHEREAS, Secretary Mabus has traveled to over 100 countries to maintain and develop relationships with national and international officials and visit with Sailors and Marines forward deployed or stationed around the world, including 12 separate visits to Afghanistan in recognition of the sacrifice and service of Sailors and Marines deployed in combat zones, and

WHEREAS, Secretary Mabus has received his Bachelor's degree from the University of Mississippi, his Master's from Johns Hopkins University, and his Juris Doctorate in Law from Harvard University, and

WHEREAS, Secretary Mabus served as Governor of Mississippi from 1988 to 1992, and as Ambassador to the Kingdom of Saudi Arabia from 1994-1996,

THEREFORE, BE IT RESOLVED, for his commitment and service to the United States, and for his dedication to a strong and prosperous nation, the University of South Alabama is pleased to bestow upon Ray Mabus, this day, the degree of Doctor of Humane Letters (L.H.D.), *honoris causa.*

MEMORANDUM

University of South Alabama — Office of Academic Affairs

REC'D
Office of the President
MAR 03 2015
University of South Alabama

March 3, 2015

TO: Tony Waldrop

FROM: David Johnson

SUBJECT: Honorary Doctorate Committee Recommendation

The Honorary Doctorate Committee has voted to recommend awarding an honorary degree to Secretary Ray Mabus.

Therefore, on behalf of the Honorary Doctorate Committee, I am pleased to forward to you the following recommendation:

- That the University of South Alabama award to Secretary Ray Mabus the honorary degree of Doctor of Humane Letters (L.H.D.), *honoris causa* on the occasion of its Spring Commencement, 2015.

Thank you.

GDJ:njc

Ray Mabus

From Wikipedia, the free encyclopedia

Raymond Edwin "Ray" Mabus, Jr. (born October 11, 1948) is an American politician and member of the Democratic Party who serves as the 75th United States Secretary of the Navy since 2009. Mabus previously served as the State Auditor of Mississippi from 1984 to 1988, as the 59th Governor of Mississippi from 1988 to 1992 and as the United States Ambassador to Saudi Arabia from 1994 to 1996.

Contents

- 1 Early life
- 2 Political career
  - 2.1 Mississippi State Auditor
  - 2.2 Governor of Mississippi
  - 2.3 Ambassador to Saudi Arabia
  - 2.4 Secretary of the Navy
- 3 Business ventures
- 4 Awards, honors, community service
- 5 Personal life
- 6 References
- 7 External links

Early life

Mabus was born in Starkville, Mississippi, and is a fourth-generation Mississippian; he grew up in Ackerman, the only child of the owner of the local hardware store. After attending public schools, he graduated *summa cum laude* from the University of Mississippi, where he was a member of Beta Theta Pi, with a B.A. in English and political science. He earned an M.A. in political science from Johns Hopkins University and a Juris Doctor, *magna cum laude*, from Harvard Law School. He also served two years in the Navy as a surface warfare officer from 1970 to 1972 aboard the cruiser USS *Little Rock* (CL-92),[1] and worked as a law clerk in the United States Court of Appeals for the Fifth Circuit.

Ray Mabus



75th United States Secretary of the Navy

Incumbent

Assumed office

June 18, 2009

President	Barack Obama
Deputy	Dionel Aviles Robert Work
Preceded by	BJ Penn (Acting)

United States Ambassador to Saudi Arabia

In office

July 5, 1994 – April 25, 1996

President	Bill Clinton
Preceded by	Charles Freeman
Succeeded by	Wyche Fowler

59th Governor of Mississippi

In office

January 12, 1988 – January 14, 1992

Lieutenant	Brad Dye
Preceded by	William Allain
Succeeded by	Kirk Fordice

Auditor of Mississippi

Political career

Mabus began his professional career working in Washington, D.C., as legal counsel to the United States House Committee on Agriculture. Following the election of Governor William Winter, he returned to Mississippi to work in the governor's office, where the youthful staff —which included Mabus, Dick Molpus, John Henegan and Andy Mullins—earned the nickname "Boys of Spring" from a rival state legislator.[2]

Mississippi State Auditor

In 1983, Mabus was elected state auditor and served from 1984 to 1988, during this time, he participated in a large FBI sting operation which recovered millions in misspent or stolen public funds.[3] By the time it was finished, "Operation Pretense" had ensnared 57 county supervisors in 25 counties, and all but 2 supervisors served time in prison.[4]

Governor of Mississippi

In office	
January 10, 1984 – January 12, 1988	
Governor	William Allain
Preceded by	Hamp King
Succeeded by	Pete Johnson
Personal details	
Born	Raymond Edwin Mabus, Jr. October 11, 1948 Starkville, Mississippi, U.S.
Political party	Democratic
Spouse(s)	Lynne Mabus
Alma mater	University of Mississippi, Oxford Johns Hopkins University Harvard University
Religion	Methodism
Awards	Surface warfare officer insignia
Military service	
Allegiance	United States of America
Service/branch	United States Navy
Years of service	1970–1972

At 39 years of age, he defeated Tupelo businessman Jack Reed in the 1987 gubernatorial election by 53% to 47%, becoming the youngest governor in the United States. He won "on a wave of black votes" (black voters made up about 30 percent of the state's registered voters)[5] and lost the white vote "by about 3 to 2" despite support from what a coalition one Democratic state chairman described as "poor whites" and yuppies.[6] Mabus, who ran on the slogan "Mississippi Will Never Be Last Again",[5] was billed as "the face of the New South", much like his counterpart in Arkansas at the time, Bill Clinton. Mabus was featured in a 1988 *New York Times Magazine* cover story titled "The Yuppies of Mississippi; How They Took Over the Statehouse".[7]

During his time as governor, he passed B.E.S.T. (Better Education for Success Tomorrow),[8] gave teachers the largest pay raise in the nation;[5] and was named one of *Fortune Magazine*'s ten "education governors".[9] Mississippi also had record growth in new jobs, investment, tourism and exports.

Because of the gubernatorial succession amendment ratified in 1987, Mabus was eligible to become the first governor to serve two successive terms in more than 100 years, and he ran for reelection in 1991. He was narrowly defeated in the general election by Republican Kirk Fordice, a former Vicksburg construction executive, who portrayed him as "arrogant and out of touch with Mississippi politically", with a *New York Times* article describing him as a "Porsche politician in a Chevy pickup state".[5]

Ambassador to Saudi Arabia

Mabus was appointed by President Bill Clinton to be the United States Ambassador to Saudi Arabia and served from 1994 to 1996. During his tenure, a 1994 border crisis involving Yemen was defused,[10] a 1994 crisis with Iraq was deterred,[11] he presided over the embassy during the 1995 terrorist attack,[12] child abduction cases were addressed,[13] and contracts worth more than $16 billion were signed between Saudi Arabian and American companies such as Boeing,[14] and AT&T.[15]

Mabus' residence and embassy office in Riyadh were decorated with items of interest from his home state including an Ackerman phone book on his office coffee table and the Mississippi flag next to the American flag.

Secretary of the Navy

On March 27, 2009, Mabus was nominated by President Obama as Secretary of the Department of the Navy.[16] He was sworn in on May 19, 2009,[17] and held a ceremonial swearing in at Washington Navy Yard on June 18, 2009, where he was re-sworn in by the Secretary of Defense Robert Gates.[18][19][20]



Mabus meeting with President Obama in the Oval Office in June 2010.

In April 2010 a furor arose when it was reported that Mabus made the controversial proposal to name a United States Navy warship the USS *John P. Murtha* (LPD-26) after the late Pennsylvania Democratic congressman, John Murtha. Additional naming controversies occurred due to the naming of auxiliary ship after Cesar Chavez,[21] and a corvette/littoral combat ship after former Arizona Democratic Congresswoman Gabrielle Giffords following her suffering life-threatening wounds in a 2011 mass shooting in her home district of Tucson, Arizona.[22]

On April 16, 2012, the Navy Secretary returned to Naval tradition of naming certain warships after former U.S. presidents, announcing the next Zumwalt-class destroyer be named the USS *Lyndon B. Johnson*. Even this action represented somewhat of a change to previous norms, since with the exception of the current attack submarine, USS *Jimmy Carter* (SSN-23) and the since decommissioned USS *George Washington* (SSBN-598) class of Polaris/Poseidon fleet ballistic missile submarines, all recent U.S. warships named for presidents have been aircraft carriers.

Secretary Mabus has a presence on Facebook and frequently comments about his daily activities. He is the first branch secretary to maintain a web presence.

President Obama has asked him to develop a long-term Gulf Coast Restoration Plan as soon as possible. The plan will be designed by states, local communities, Native American tribes, fishermen, businesses, conservationists and other Gulf residents".[23]

On September 16, 2013, gunman Aaron Alexis entered the Washington Navy Yard and killed 13 people and injured 14. Alexis was a 34 year old military contractor.[24] A Pentagon internal investigation found that the shootings could have been prevented with more careful oversight of security clearances and increased security at the Navy Yard facility.[24] A ceremony was held to mark the one year anniversary of the Navy

Yard massacre, honoring those who were killed and injured. Mabus stated, "We know that their lives are defined not by how they died, but by how they lived and what they lived for, and will be remembered for that always.[25]"

Business ventures

In August 2007, he joined the board of EnerSys, the world's largest manufacturer, marketer and distributor of industrial batteries.[26] From 2006 to April 2007, he was Chairman and CEO of Foamex International and helped lead it out of bankruptcy. Less than nine months after his appointment, Foamex emerged from Chapter 11.[27]

Awards, honors, community service

Mabus has been awarded the U.S. Department of Defense Distinguished Public Service Award, the U.S. Army's Distinguished Civilian Service Award, the Martin Luther King Social Responsibility Award from the King Center in Atlanta, the National Wildlife Federation Conservation Achievement Award, the King Abdul Aziz Award from the Kingdom of Saudi Arabia, and the Mississippi Association of Educators' Friend of Education Award.

He was included in Glassdoor's 2013 list of "Highest Rated CEOs" at 43rd place with an 82% approval rate.[28]

He is active in many community activities, primarily focusing on education. Following Hurricane Katrina, he founded the Help and Hope Foundation, which works to meet the needs of children affected by the storm.

He is a former member of the RAND Center for Middle East Public Policy[29] and the Council on Foreign Relations, and is the Distinguished Lecturer on the Middle East at the University of Mississippi.

As a photographer, his photographs have raised tens of thousands of dollars for various Mississippi charities.

He has appeared on many television programs as an expert on the Middle East, including *60 Minutes* and *Nightline*.

In 2009, and again in 2014, Mabus made cameo appearances on the TV drama *NCIS* in the Season 7 episode "Child's Play", and in the Season 12 episode "Semper Fortis", as an NCIS Agent named "Ray".[30]

Personal life

Mabus has three daughters, Elisabeth and Annie and Kate. Mabus is a fan of the Major League Baseball Boston Red Sox having first followed the team during the 1975 World Series while a student at Harvard Law School.[31]

References

1. ^ USSLittleRock.org (http://www.usslittlerock.org/famouscrew.html)

UNIVERSITY OF SOUTH ALABAMA

BOARD OF TRUSTEES

BUDGET AND FINANCE

UNIVERSITY OF SOUTH ALABAMA
BOARD OF TRUSTEES

BUDGET AND FINANCE COMMITTEE

December 4, 2014
3:56 p.m.

A meeting of the University of South Alabama Board of Trustees Budget and Finance Committee was duly convened by Mr. Jimmy Shumock on behalf of Mr. Tom Corcoran, Chair, on Thursday, December 4, 2014, at 3:56 p.m. in the Board Room of the Frederick P. Whiddon Administration Building.

Members Present:	Jimmy Shumock, Sandy Stimpson, Steve Stokes and Jim Yance.
Members Absent:	Tom Corcoran and Arlene Mitchell.
Other Trustees:	Chandra Brown Stewart, Steve Furr, Ron Jenkins, Bettye Maye, Bryant Mixon, John Peek, Ken Simon and Mike Windom.
Administration and Others:	Joe Busta, Lynne Chronister, Monica Curtis, Julie Estis (Faculty Senate), Ron Franks, Happy Fulford, Stan Hammack, Mike Haskins, David Johnson, Doug Marshall (Faculty Senate), Julie Schwindt, Steve Simmons, John Smith, Jean Tucker, Tony Waldrop, Danielle Watson (SGA) and Kevin West (Faculty Senate).
Press:	Sally Ericson (*Press-Register*/al.com), Laura Havard (*Vanguard*) and Alyson Stokes (*Lagniappe*).

The meeting came to order and the attendance roll was called. On behalf of Mr. Corcoran, Committee Chair, Mr. Shumock called for adoption of the minutes of the Committee meeting held on September 11, 2014. On motion by Mr. Yance, seconded by Dr. Stokes, the minutes were approved unanimously.

Mr. Shumock called for presentation of **ITEM 9** documents, the year-end financial statements and the 2014 financial report. Mr. Simmons stated the University sector closed the fiscal year as expected. He referenced previous remarks on Hospital deficits that the Administration is working to resolve.

Mr. Simmons presented **ITEM 9.A**, a resolution reaffirming the authority of the President to legally bind the University by certifying expenditures reported on sponsored contract and grant invoices and on financial reports on behalf of the Board and the Institution, and to delegate signature authority to other USA officials for the limited purpose of submitting invoices, draws and other financial information to sponsoring agencies as regulated by the federal Office of Management and Budget (OMB) or agency terms (for copies of resolutions, policies and other authorized documents, refer to the minutes of the December 5, 2014, Board of Trustees meeting). The resolution further authorizes the position of Vice President for Financial Affairs with power to bind the University by submitting invoices, draws and financial information to sponsoring agencies as regulated by the OMB or agency terms, and to designate in writing finance division

staff positions that are likewise authorized. He introduced the University's Director of Grants Accounting Ms. Julie Schwindt, noting her work at North Carolina State University and breadth of knowledge would fill an area of need at South Alabama. Describing the recommendation as a technical matter, he reminded the Committee of previous Board actions naming contract officers. He explained that new federal guidelines necessitate approval of federal expenditures, reports and other items filed by the University, and specified this responsibility would fall to the President and Vice President for Financial Affairs, and their designees Ms. Schwindt and Mr. Scott Weldon. On motion by Dr. Stokes, seconded by Mayor Stimpson, the Committee voted unanimously to recommend approval by the Board of Trustees.

Mr. Simmons addressed **ITEM 9.B**, a resolution to consent to the amendment of a USA Research and Technology Corporation (RTC) loan with PNC Bank for $8.8 million. He explained refinancing would extend the loan amortization from 2031 to 2036 and reduce the interest rate from 4.88 percent to 4.50 percent for a reduction in annual debt service of $142,548. He said, contrary to the current loan, the new note would not carry a penalty clause. In all, restructuring of the debt will provide additional cash for the Technology and Research Park. On motion by Mayor Stimpson, seconded by Mr. Yance, the Committee voted unanimously to recommend approval by the Board of Trustees.

There being no further business, the meeting was adjourned at 4:05 p.m.

Respectfully submitted:

_____

James H. Shumock

On behalf of:

_____

E. Thomas Corcoran, Chair

University of South Alabama
(A Component Unit of the State of Alabama)

Basic Financial Statements

Three Months Ended December 31, 2014 and 2013

Unaudited

University of South Alabama
(A Component Unit of the State of Alabama)

Quarterly Financial Statements

Three Months Ended December 31, 2014 and 2013

Contents

Management's Discussion and Analysis 1

Unaudited Quarterly Financial Statements
- Statements of Net Position 9
- Statements of Revenues, Expenses and Changes in Net Position 10
- Statements of Cash Flows 11
- Notes to Financial Statements 13

University of South Alabama

Management's Discussion and Analysis

Introduction

The following discussion presents an overview of the financial position and financial activities of the University of South Alabama (the University). This discussion was prepared by University management and should be read in conjunction with the financial statements and notes thereto, which follow.

Financial Highlights

At December 31, 2014, the University had total assets and deferred outflows of $1,072,010, total liabilities of $555,171,000 and net position of $516,839,000. University net position increased $17,289,000 for the three months ended December 31, 2014 compared to an increase of $10,144,000 for the three months ended December 31, 2013. An overview of each statement is presented below along with a financial analysis of the transactions impacting the statement.

Condensed financial statements for the University at and for the three months ended December 31, 2014 and 2013 follow (in thousands):

Condensed Statements of Net Position

	2014	2013
Assets		
Current	$ 356,722	$ 379,497
Capital and other noncurrent assets	714,592	685,066
	1,071,314	1,064,563
Deferred outflows	626	-
	1,072,010	1,064,563
Liabilities		
Current	147,497	146,838
Noncurrent	407,674	414,591
	555,171	561,429
Net Position		
Net Investment in Capital Assets	233,146	229,047
Restricted, nonexpendable	41,049	37,159
Restricted, expendable	61,750	56,793
Unrestricted	180,894	180,135
	$ 516,839	$ 503,134

Condensed Statements of Revenues, Expenses and Changes in Net Position

	2014	2013
Operating revenues		
Tuition and fees	$ 46,222	$ 36,773
Hospital revenues, net	62,160	57,118
Other	39,939	31,387
	148,321	125,278
Operating expenses		
Salaries and benefits	109,574	105,727
Supplies and other services	38,073	32,609
Other	12,095	11,450
	159,742	149,786
Operating loss	(11,421)	(24,508)
Nonoperating revenues (expenses)		
State appropriations	25,993	25,674
Other, net	2,127	5,813
Net nonoperating revenues, net	28,120	31,487
Other revenues, expenses, gains or losses	590	3,165
Increase in net position	17,289	10,144
Net Position		
Beginning of period	499,550	492,990
End of period	$ 516,839	$ 503,134

Analysis of Financial Position and Results of Operations

Statements of Net Position

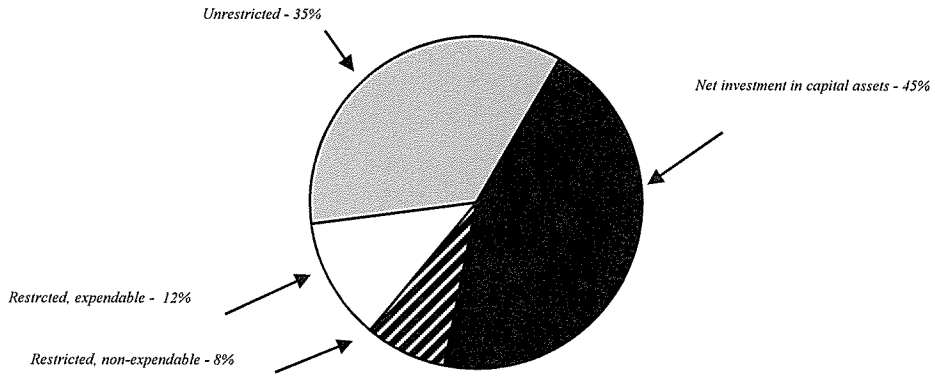
The statements of net position present the assets, liabilities and net position of the University as of the end of the current reporting period. The net position is displayed in three parts, net investment in capital assets net of related debt, restricted and unrestricted. Restricted net position may either be expendable or nonexpendable and are those assets that are restricted by law or by an external donor. Unrestricted net position, while it is generally designated for specific purposes, is available for use by the University to meet current expenses for any purposes. The statements of net position, along with all of the University's basic financial statements, are prepared under the accrual basis of

accounting, whereby revenues are recognized when the service is provided and expenses are recognized when others provide the service to the University, regardless of when cash is exchanged.

Assets included in the statements of net position are classified as current or noncurrent. Current assets consist primarily of cash and cash equivalents, operating investments and hospital patient accounts receivable. Current liabilities consist primarily of accounts payable, accrued liabilities and unrecognized revenue.

Net position represents the residual interest in the University's assets after liabilities are deducted and are classified into one of four categories as shown on the following illustration, as of the end of the current reporting period:

Net Position



Net investment in capital assets represents the University's capital assets less accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction or improvement of those assets.

Restricted nonexpendable net position consists primarily of the University's permanent endowment funds. The corpus of these funds may not be expended and must remain with the University in perpetuity. Only the earnings from these funds may be expended. Restricted expendable net position is subject to externally imposed restrictions governing their use. The funds are restricted primarily for debt service, capital projects, student loans and scholarship purposes.

Although unrestricted net position is not subject to externally imposed stipulations, substantially all of the University's unrestricted net position has been designated for various academic and research programs and initiatives as well as capital projects.

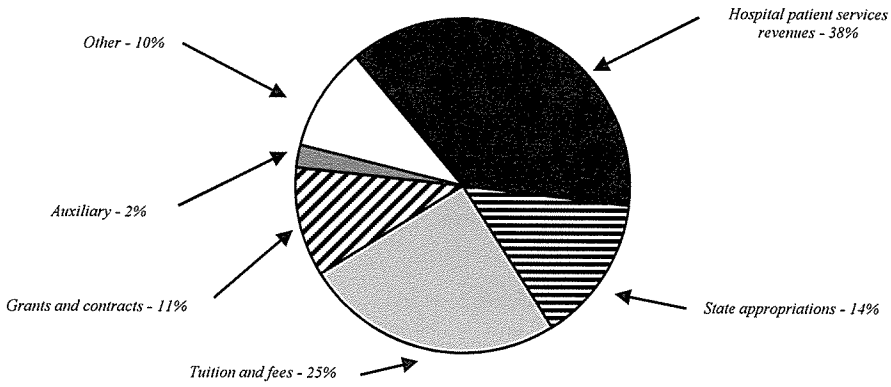
Statements of Revenues, Expenses and Changes in Net Position

Changes in total University net position as presented on the statements of net position is based on the activity presented in the statements of revenues, expenses and changes in net position. The purpose of the statements is to present the revenues recognized by the University, both operating and nonoperating, and the expenses incurred by the University, operating and nonoperating, and any other revenues, expenses, gains and losses recognized or incurred by the University.

Generally, operating revenues are received for providing goods and services to the various customers and constituencies of the University. Operating expenses are those expenses paid to acquire or produce the goods and services provided in return for the operating revenues, and to carry out the mission of the University. Nonoperating revenues are revenues received for which goods and services are not provided. GASB Statement No. 34 requires that state appropriations be classified as nonoperating.

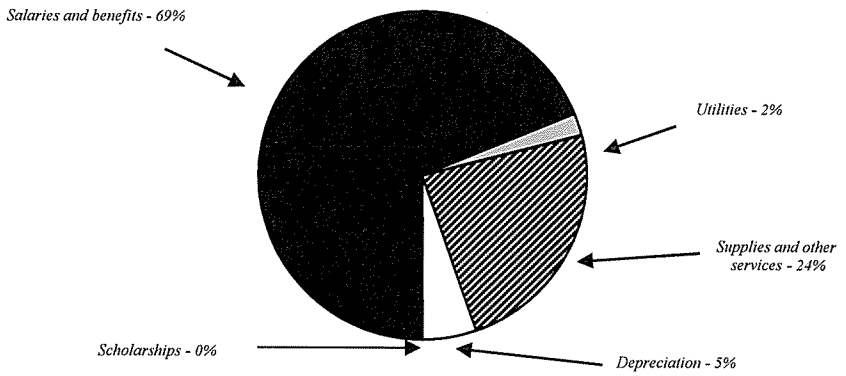
Approximately one-half of the operating revenues of the University are hospital patient care revenues. The remainder consists primarily of tuition and fees, grants and contracts, auxiliary enterprise and other revenues. The following illustration presents the major sources of University revenues (operating, nonoperating and other) for the current period:

Sources of Revenues



University expenses are presented using natural expense classifications. Salaries and benefits represent the majority of the University's operating expenses. The following illustration presents the major University operating expenses, including the hospitals, using natural classification for the current period:

Operating Expenses by Natural Classification



Capital Assets and Debt Administration

During the current period, construction and construction planning continued on the Medical Professional Office Building. Additionally, several other smaller construction and renovation projects at the University and Hospitals remained ongoing during the current period. The construction of New Hall, the renovation of the Student Center and the expansion of the USA Children's and Women's Hospital was essentially completed in fiscal 2014.

In June 2013, the University issued the University Facilities Revenue Capital Improvement Bonds, Series 2013-A, 2013-B and 2013-C, with a face value of $50,000,000. The net proceeds of these bonds will be used to fund the construction of a new professional medical office building as well as other construction and other capital projects on the main campus of the University.

In March 2014, the University issued the University Facilities Revenue Refunding Bond, Series 2014-A, with a face value of $41,245,000. The proceeds of this bond were used to

refund the University's Series 2004 bonds in connection with the termination of the swaption, as discussed below.

In order to realize debt service savings currently from future debt refunding, in January 2008, the University entered into a synthetic advance refunding of the outstanding Series 2004 and 2006 bonds. This transaction was effected through the sale of two swaptions by the University to the counterpart and resulted in an up-front payment to the University totaling $9,328,000 in exchange for selling the counterparty the option to enter into an interest rate swap with respect to the Series 2004 and 2006 bonds. A portion of this payment was considered a borrowing and was included in the long-term debt of the University. THE fair value component of the refunding associated with the swaps was considered an investment derivative and, as such, the change in the fair value component was reflected as a component of investment income.

In December 2013, the counterpart exercised its option with respect to the 2004 swaption and forced the University into an underlying swap. The University refunded its Series 2004 bonds, issued the 2014-A variable rate bond and terminated the Series 2004 swaption. As a result of this termination, the borrowing arising from the Series 2004 swaption of $1,696,000 and the investment derivative of $5,213,000 were written off and an investment loss of $2,229,000 was recognized in 2014. A borrowing arising from the 2014 swap of $9,138,000 was recognized and is reported, net of amortization, in the statement of net position.

The University's bond credit rating is A1 as rated by Moody's Investors Services and A+ as rated by Standard and Poor's Rating Services. Neither rate has changed during 2014 or 2015.

Economic Outlook

While enrollment and tuition have generally increased in recent years, state appropriations prior to 2006 were relatively flat. However, in the 2008, 2007 and 2006 fiscal years, the University experienced increases of 16%, 19% and 17%, respectively. These increases were unusually high. For the 2009 fiscal year, the University's original state appropriation decreased 12.8% or approximately $17,882,000. Additionally, in December 2008 the Governor of Alabama announced proration of 9%, or approximately $10,967,000; and in July 2009, the Governor announced additional proration of 2%, or approximately $2,437,000. Therefore, the total decrease in the 2009 state appropriation was approximately $31,286,000 to $108,451,000, or 22.4% lower than in 2008.

A state appropriation in the amount of approximately $105,639,000 was authorized and received for the year ended September 30, 2012.

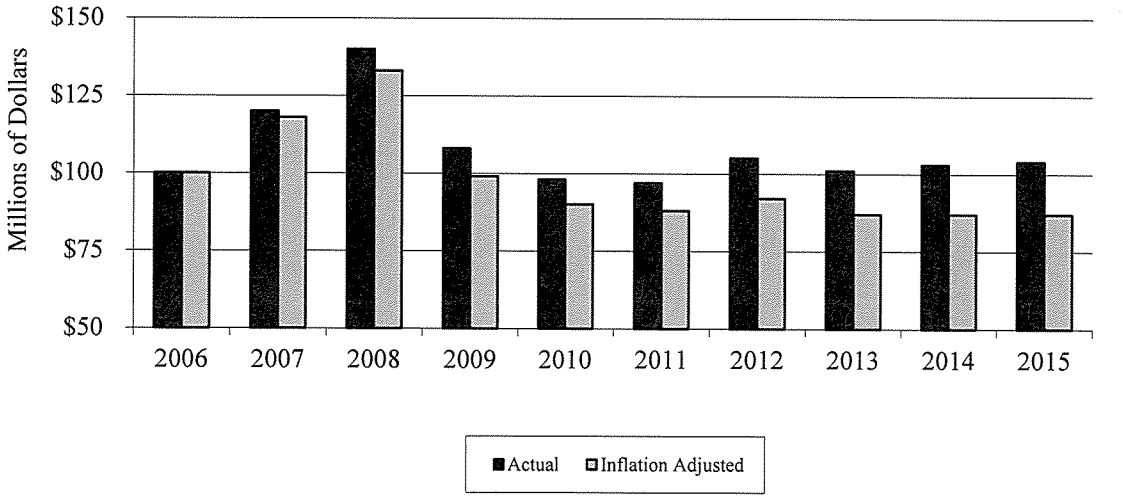
A state appropriation in the amount of approximately $102,585,000 was authorized and received for the year ended September 30, 2013.

A state appropriation in the amount of approximately $103,696,000 was authorized and received for the year ending September 30, 2014.

A state appropriation in the amount of approximately $103,974,000 has been authorized and is being received for the year ending September 30, 2015. This represents a $279,000 increase from the fiscal 2014 appropriation received. While no announcement has been made, the University is aware that reductions in its 2015 appropriation are possible

State appropriations (actual and adjusted for inflation) for the last ten years are illustrated below:

State Appropriations - Ten-year Trend



In addition to state appropriations, the University is subject to declines in general economic conditions in the United States and, specifically, the State of Alabama.

Weakening of the economy could have a potential negative impact on the University's enrollment, extramural funding, endowment performance, and health care operations.

Other than the issues presented above, University administration is not aware of any other currently known facts, decisions, or conditions that are expected to have a significant effect on the University's financial position or results of operations during fiscal year 2015 beyond those unknown variables having a global effect on virtually all types of business operations.

University of South Alabama

Statements of Net Position

December 31, 2014 and 2013

(In thousands)

	2014	2013
Assets		
Current assets		
Cash and cash equivalents	$ 86,252	$ 93,596
Investments, at fair value	151,621	141,770
Net patient service receivables	28,908	37,999
Accounts receivable, affiliates	14,522	20,433
Accounts receivable, other	63,171	68,847
Notes receivable, net	286	6,677
Prepaid expenses, inventories and other	11,962	10,175
Total current assets	356,722	379,497
Noncurrent assets		
Restricted cash and cash equivalents	36,142	81,405
Restricted investments	46,453	-
Investments, at fair value	25,980	395
Accounts receivable	2,563	4,263
Notes receivable, net	4,661	4,343
Other noncurrent assets	25,763	27,296
Capital assets (net of accumulated depreciation)	573,030	567,364
Total noncurrent assets	714,592	685,066
Total Assets	1,071,314	1,064,563
Deferred outflows	696	-
Total Assets and deferred outflows	1,072,010	1,064,563
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	48,850	66,300
Unrecognized revenue	81,674	64,207
Deposits	2,821	3,324
Current portion of long-term debt	14,152	13,007
Total current liabilities	147,497	146,838
Noncurrent liabilities		
Long-term debt	376,655	383,637
Other long-term liabilities	31,019	30,954
Total noncurrent liabilities	407,674	414,591
Total liabilities	555,171	561,429
Net position		
Net investment in capital assets	233,146	229,047
Restricted, nonexpendable		
Scholarships	19,284	16,335
Other	21,765	20,824
Restricted, expendable		
Scholarships	16,051	12,130
Other	45,699	44,663
Unrestricted	180,894	180,135
Total net positon	$ 516,839	$ 503,134

See accompanying notes to basic financial statements.

University of South Alabama

Statements of Revenues, Expenses and Changes in Net Position

Three Months Ended December 31, 2014 and 2013

(In thousands)

	2014	2013
Revenues		
Operating revenues		
Tuition and fees (net of scholarship allowances)	$ 46,222	$ 36,773
Patient services and other (net of contractual allowances and bad debt expense)	62,160	57,118
Federal grants and contracts	3,319	4,116
State grants and contracts	1,808	999
Private grants and contracts	14,303	12,793
Auxiliary enterprises (net of scholarship allowances)	4,049	3,606
Other operating revenues	16,460	9,873
Total operating revenues	148,321	125,278
Expenses		
Operating expenses		
Salaries and benefits	109,574	105,727
Supplies and other services	38,073	32,609
Scholarships and fellowships	124	826
Utilities	3,510	3,212
Depreciation and amortization	8,461	7,412
Total operating expenses	159,742	149,786
Operating loss	(11,421)	(24,508)
Nonoperating revenues (expenses)		
State appropriations	25,993	25,674
Investment income and gains (losses) on investments	1,997	3,996
Interest on indebtedness	(3,982)	(3,305)
Other nonoperating revenues	5,753	5,135
Other nonoperating expenses	(1,641)	(13)
Net nonoperating revenues	28,120	31,487
Income (loss) before other revenues, expenses, gains or losses	16,699	6,979
Capital appropriations	-	618
Capital gifts and grants	27	201
Additions to endowment	563	2,346
Increase in net position	17,289	10,144
Net position		
Beginning of period, before cumulative effect of change in accounting principal	499,550	492,990
End of period	$ 516,839	$ 503,134

See accompanying notes to basic financial statements.

University of South Alabama

Statement of Cash Flows

Three Months Ended December 31, 2014 and 2013

(in thousands)

	2014	2013
Cash flows from operating activities:		
Receipts related to tuition and fees	$ 9,816	$ 1,467
Receipts from and on behalf of patients and third-party payers	64,145	64,911
Receipts from grants and contracts	16,321	16,327
Receipts related to auxiliary enterprises	1,682	1,396
Payments to suppliers and vendors	(43,489)	(29,956)
Payments to employees and related benefits	(112,434)	(111,818)
Payments for scholarships and fellowships	(124)	(826)
Other operating receipts	29,541	11,917
Net cash used in operating activities	(34,542)	(46,582)
Cash flows from noncapital financing activities:		
State appropriations	25,993	8,558
Endowment gifts	563	2,346
Agency funds received	138	135
Agency funds disbursed	(234)	(160)
Student loan program receipts	618	775
Student loan program disbursements	(368)	(421)
Other nonoperating revenues	5,489	3,428
Other nonoperating expenses	(1,641)	(13)
Net cash provided by noncapital financing activities	30,558	14,648
Cash flows from capital and related financing activities:		
Proceeds from issuance of capital debt	-	-
Capital gifts and grants	27	329
Purchases of capital assets	(3,857)	(5,565)
Proceeds from sale of capital assets	3,846	3,698
Principal payments on capital debt	(4,650)	(4,650)
Interest payments on capital debt	(2,556)	(2,500)
Net cash used in capital and related financing activities	(7,190)	(8,688)
Cash flows from investing activities:		
Interest and dividends on investments	2,954	1,955
Proceeds from sales of investments	13,286	10,460
Purchases of investments	(10,921)	(17,915)
Net cash used in investing activities	5,319	(5,500)
Net decrease in cash and cash equivalents	(5,855)	(46,122)
Cash and cash equivalents (unrestricted and restricted):		
Beginning of year	128,249	221,123
End of period	$ 122,394	$ 175,001

University of South Alabama

Statement of Cash Flows

Three Months Ended December 31, 2014 and 2013

(in thousands)

	2014	2013
Reconciliation of operating loss to net cash used in operating activities:		
Operating loss	$ (11,421)	$ (24,508)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation and amortization expense	8,461	7,412
Changes in operating assets and liabilities, net:		
Student receivables	(49,678)	(43,198)
Net patient accounts receivable	1,436	(8,156)
Grants and contracts receivables	(2,783)	(1,979)
Other receivables	(8,194)	(7,313)
Prepaid expenses, inventories, and other	(1,321)	321
Accounts payable and accrued liabilities	1,034	14,986
Deferred revenue	27,924	15,853
Net cash used in operating activities	$ (34,542)	$ (46,582)

See accompanying notes to basic financial statements.

1. Summary of Significant Accounting Policies

Reporting Entity

The accompanying basic financial statements present the financial position and activities of the University of South Alabama (the University), which is a component unit of the State of Alabama.

The financial reporting entity, as defined by Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity* and amended by GASB Statement No. 39, *Determining Whether Certain Organizations Are Component Units,* and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus*, consists of the primary government and all of its component units. Component units are legally separate organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the financial statements to be misleading or incomplete. Accordingly, at year-end, the basic financial statements include the accounts of the University, as the primary government, and the accounts of the following entities as component units.

During 2013, the University adopted GASB Statement No. 61, the Financial Reporting Entity: Omnibus, which amends GASB Statements No. 14 and No. 39, and provides criteria for determining whether criteria organization should be reported as component units based on the nature and significance of their relationship with the primary government. Such criteria include the appointment of a voting majority of the board of the organization, the ability to impose the will of the primary government on the organization and the financial benefits/burden between the primary government and the potential component unit. The statement also clarifies reporting and disclosure requirements for those organizations. Based on these criteria, the University reports the University of South Alabama Foundation (USA Foundation), the University of South Alabama Health Services Foundation (USAHSF), and the USA Research and Technology Corporation (the Corporation) as discretely presented component units in its annual financial statements. For quarterly reporting purposes, discretely presented component unit financial statements are not presented.

The University is also affiliated with the South Alabama Medical Science Foundation. This entity is not considered a component unit of the University under the provisions of GASB Statement Nos. 14, 39 and 61.

GASB Statement No. 61 requires the University, as the primary government, to include in its basic financial statements, as a blended component unit, organizations that, even though they are legally separate entities, meet certain requirements as defined by GASB Statement No. 61. Based on these criteria, the University reports the Professional Liability Trust Fund, the General Liability Trust Fund and the USA HealthCare Management, LLC as blended component units. For quarterly reporting purposes, only the USA HealthCare Management, LLC is presented as a blended component unit.

Professional Liability and General Liability Trust Funds

The medical malpractice liability of the University is maintained and managed in a separate professional liability trust fund (the PLTF) in which the University, USAHSF, and USA HealthCare Management, LLC are the only participants. In accordance with the bylaws of the trust fund, the president of the University is responsible for appointing members of the trust fund policy committee. Additionally, the general liability of the University is maintained and managed in a general liability trust fund (the GLTF) for which the University is responsible, as defined by GASB Statement No. 14. The PLTF and GLTF are separate legal entities which are governed by the University Board of Trustees through the University president.

USA HealthCare Management, LLC

In June 2010, the University's Board of Trustees approved the formation of USA HealthCare Management, LLC (the LLC). The University is the sole member of the LLC, which was organized for the purpose of managing and operating on behalf of and as agent for, substantially all of the health care enterprises of the University.

University of South Alabama Foundation

The USA Foundation is a not-for-profit corporation that was organized for the purpose of promoting education, scientific research and charitable purposes, and to assist in developing and advancing the University in furthering, improving and expanding its properties, services, facilities, and activities. Because of the significance of the relationship between the University and the USA Foundation, the USA Foundation is considered a component unit of the University. The Board of Directors of the USA Foundation is not appointed or controlled by the University. The University receives distributions from the USA Foundation primarily for scholarship, faculty and other support. The USA Foundation presents its financial statements in accordance with standards issued by the Financial Accounting Standards Board (FASB). The USA Foundation has a June 30 fiscal year end which differs from the University's September 30 fiscal year end.

University of South Alabama Health Services Foundation

The USAHSF is a not-for-profit corporation that exists to provide a group medical practice for physicians who are faculty members of the University and to further medical education and research at the University. Because of the significance of the relationship between the University and USAHSF, USAHSF is considered a component unit of the University. The USAHSF reimburses the University for salaries, certain administrative expenses, Dean's clinical assessment and other support services. The USAHSF presents its financial statements in accordance with standards issued by the FASB.

USA Research and Technology Corporation

The Corporation is a not-for-profit corporation that exists for the purpose of furthering the educational and scientific mission of the University by developing, attracting, and

retaining technology and research industries in Alabama that will provide professional and career opportunities to the University's students and faculty. Because of the relationship between the University and the Corporation, the Corporation is considered a component unit of the University. The Corporation presents its financial statements in accordance with the GASB.

In September 2010, the Corporation caused the formation of NovALtech, LLC (NovALtech). NovALtech is a single-member limited liability company that exists for the purpose of engaging in scientific research and development activities and facilitating the transfer and utilization of technology, patents, processes, copyrights, formulae and other know-how. The activities of NovALtech are included in the financial statements of the Corporation.

Measurement Focus and Basis of Accounting

For financial reporting purposes, the University is considered a special purpose governmental agency engaged only in business-type activities, as defined by GASB Statement No. 34. Accordingly, the University's basic financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred.

The University prepares its basic financial statements in accordance with U. S. generally accepted accounting principles, as prescribed by the GASB, including all applicable effective statements of the GASB and all statements of the FASB issued through November 30, 1989 that do not conflict with GASB pronouncements. The University has elected not to apply the provisions of any pronouncements of the FASB issued after November 30, 1989.

Use of Estimates

The preparation of financial statements in conformity with U. S. generally accepted accounting principles requires that management make estimates and assumptions affecting the reported amounts of assets and liabilities, revenues and expenses, as well as disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

In particular, laws and regulations governing the Medicare and Medicaid programs are extremely complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates related to these programs could change by a material amount in the near term.

Cash and Cash Equivalents

Cash and cash equivalents are defined as petty cash, demand accounts and any short-term investments that take on the character of cash. These investments generally, but not always, have maturities of less than three months and include repurchase agreements and money market accounts.

Investments and Investment Income

Investments are recorded at fair value. Investments received by gift are recorded at fair value at the date of receipt. Changes in the fair value of investments are reported in investment income.

Derivatives

In fiscal 2010, the University adopted the provisions of GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*. GASB 53 establishes a framework for accounting and financial reporting related to derivative instruments, requiring the fair value of the derivatives to be recognized in the basic financial statements

The University has two interest rate swaptions which were entered into in January 2008. As a result of entering into the swaptions, the University received up-front payments. Swaptions are considered hybrid instruments which are required to be bifurcated into the fair value of the derivative and a piece that reflects a borrowing for financial statement purposes, which will accrete interest over time. The University determined that as of the current period, the swaptions were not hedging derivative instruments. Therefore, the swaptions are required to be recorded as investment derivatives, with the change in fair value flowing through the statements of revenues, expenses, and changes in net assets.

Accounts Receivable

Accounts receivable primarily result from net patient service revenue. Accounts receivable from affiliates primarily represent amounts due from USAHSF for salaries, and certain administrative and other support services. Accounts receivable – other includes amounts due from students, the federal government, state and local governments, or private sources in connection with reimbursement of allowable expenditures made pursuant to the University's grants and contracts. Accounts receivable are recorded net of estimated uncollectible amounts.

Inventories

The University's inventories primarily consist of bookstore inventories and medical supplies and pharmaceuticals. Bookstore inventories are valued at the lower of cost (moving average basis) or market. Medical supplies and pharmaceuticals are stated at the lower of cost (first-in, first-out basis) or market.

Capital Assets

Capital assets are recorded at cost, if purchased or at fair value at date of donation. Depreciation is provided over the useful life of each class of depreciable asset using the straight-line method. Major renewals and renovations are capitalized. Costs for repairs and maintenance are expensed when incurred. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts and the gain or loss, if any, is included in nonoperating revenues (expenses) in the statements of revenues, expenses, and changes in net assets.

All capital assets other than land are depreciated using the following asset lives:

Buildings, infrastructure and certain building components	40 to 100 years
Fixed equipment	10 to 20 years
Land improvements	8 to 20 years
Library materials	10 years
Other equipment	4 to 15 years

Certain buildings are componentized for depreciation purposes.

Interest costs for certain assets constructed are capitalized as a component of the cost of acquiring those assets.

Unrecognized Revenue

Student tuition, fees, and dormitory rentals are deferred and recognized over the applicable portion of each school term.

Operating lease rental payments related to the University's lease of USA Knollwood Hospital to the Infirmary Health System, Inc. are deferred and recognized as revenue over the term of the lease using the straight-line method. This lease was terminated in July 2013. As such no amounts remain in unrecognized revenue at December 31, 2013 related to this transaction.

Classifications of Net Position

The University's net position is classified as follows:

Net investment in capital assets represents the University's total investment in capital assets, net of outstanding debt obligations related to those capital assets. To the extent debt has been incurred but not yet expended for capital assets; such debt is excluded from the calculation of *net investment in capital assets.*

Restricted, nonexpendable net position consists of endowment and similar type funds which donors or other outside sources have stipulated, as a condition of the gift instrument, the principal is to be maintained inviolate and in perpetuity, and invested for the purpose of producing present and future income, which may either be expended or added to principal.

Restricted, expendable net position includes resources that the University is legally or contractually obligated to spend in accordance with restrictions imposed by external parties.

Unrestricted net position represents resources derived from student tuition and fees, state appropriations, net patient service revenue, sales and services of educational activities and auxiliary enterprises. Auxiliary enterprises are substantially self-supporting activities that provide services for students, faculty, and staff. While unrestricted net assets may be

designated for specific purposes by action of management or the Board of Trustees, they are available for use at the discretion of the governing board, to meet current expenses for any purpose. Substantially all unrestricted net assets are designated for academic and research programs and initiatives, and capital programs.

When an expense is incurred that can be paid using either restricted or unrestricted resources, the University addresses each situation on a case-by-case basis prior to determining the resources to be used to satisfy the obligation.

Scholarship Allowances and Student Financial Aid

Student tuition and fees, and certain other revenues from students, are reported net of scholarship discounts and allowances in the statements of revenues, expenses, and changes in net assets. Scholarship discounts and allowances are the difference between the stated charge for goods and services provided by the University and the amount that is paid by students and/or third parties making payments on the students' behalf. Certain governmental grants, such as Pell grants and other federal, state, or nongovernmental programs are recorded as either operating or nonoperating revenues in the University's basic financial statements based on their classification as either an exchange or nonexchange transaction. To the extent that revenues from such programs are used to satisfy tuition and fees and certain other student charges, the University has recorded a scholarship discount and allowance.

Donor Restricted Endowments

The University is subject to the "Uniform Prudent Management of Institutional Funds Act (UPMIFA)" of the Code of Alabama. This law allows the University, unless otherwise restricted by the donor, to spend net appreciation, realized and unrealized, on the endowment. The law also allows the University to appropriate for expenditure or accumulate to an endowment fund such amount as to University determines to be prudent for the purposes for which the endowment was established. The University's endowment spending policy provides that 5% of the three-year invested net asset moving average value (inclusive of net realized and unrealized gains and losses), as measured at September 30, is available annually for spending. The University's policy is to retain the endowment net interest and dividend income and net realized and unrealized appreciation with the endowment after distributions allowed by the spending policy have been made. These amounts, unless otherwise directed by the donor, are included in restricted, expendable net assets.

Classification of Revenues

The University has classified its revenues as either operating or nonoperating revenues.

Operating revenues include activities that have the characteristics of exchange transactions such as student tuition and fees, net of scholarship discounts and allowances; sales and services of auxiliary enterprises, net of scholarship allowances; most federal, state, and local grants and contracts; and net patient service revenue.

Nonoperating revenues include activities that have the characteristics of nonexchange transactions, such as gifts and contributions, and other revenue sources such as state appropriations, investment income, and gifts.

Gifts and Pledges

Pledges of financial support from organizations and individuals representing an unconditional promise to give are recognized in the basic financial statements once all eligibility requirements, including time requirements, have been met. In the absence of such a promise, revenue is recognized when the gift is received. Endowment pledges generally do not meet eligibility requirements, as defined by GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions* and are not recorded as assets until the related gift has been received. Unconditional promises that are expected to be collected in future years are recorded at the present value of the estimated future cash flows.

Grants and Contracts

The University has been awarded grants and contracts for which funds have not been received or expenditures made for the purpose specified in the award. These awards have not been reflected in the basic financial statements, but represent commitments of sponsors to provide funds for specific research or training projects. For grants that have allowable cost provisions, the revenue will be recognized as the related expenditures are made. For grants with work completion requirements, the revenue is recognized as the work is completed. For grants without either of the above requirements, the revenue is recognized as it is received.

Net Patient Service Revenue

Net patient service revenue is reported at estimated net realizable amounts due from patients, third-party payers and others for healthcare services rendered, including estimated retroactive revenue adjustments due to future audits, reviews and investigations. Retroactive adjustments are considered in the recognition of revenue on an estimated basis in the period the related services are rendered and such amounts are adjusted in future periods, as adjustments become known or as years are no longer subject to such audits, reviews and investigations.

Recently Adopted Accounting Pronouncements

In 2013, the University adopted the provisions of GASB Statement No. 61, *The Financial Reporting Entity: Omnibus*. GASB Statement No. 61 amends GASB Statements No. 14 and 39 and modifies certain requirements for inclusion of component units in the financial reporting entity. GASB Statement No. 61 requires that for organizations that previously were included as component units my meeting the fiscal dependency criterion, a financial benefit or burden relationship also would need to be present between the primary government and that organization for it to be included in the reporting entity as a component unit. Statement No. 61 also established criteria to require inclusion based on other additional factors, such as organization board appointment, financial benefit or

burden and operational management of the organization. The adoption of this statement had no financial reporting entity impact on the University's component units; however it did require additional disclosures for blended component units.

In 2013, the University also adopted the provisions of GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred inflows of Resources, and Net Position* and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities,* during the year ended September 30, 2014. Retroactive application of the standard was required for all prior periods presented.

GASB Statement No. 63 provides financial reporting guidance for deferred outflows or resources and deferred inflows of resources. GASB Statement No. 65 establishes accounting and reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reports as assets and liabilities and recognizes, as outflows or resources or inflows of resources, certain items that were previously reported as assets and liabilities. The University had historically deferred certain debt financing costs related to its bond issues and was amortizing those costs over the term of the related bond issue. GASB Statement No. 65 requires that debt issuance costs, except any portion related to prepaid insurance costs, be recognized as an expense in the period incurred.

Compensated Absences

The University accrues annual leave for employees as incurred at rates based upon length of service and job classification.

Change in Accounting Principle

The University adopted the provisions of GASB Statement Number 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position*, and GASB Statement Number 65, *Items Previously Reported as Assets and Liabilities*. Statements 63 and 65 require that certain items previously reported as deferred inflows and outflows of resources now be reported as current period inflows and outflows. Retroactive application of the standards is required for all prior periods presented.

The University generally incurs issuance costs in connection with the issuance of its bond indebtedness. As prescribed by the prevailing accounting standards at the time of issue, these charges were deferred and amortized over the life of each bond issue. Statement 65 requires that, with the exception of bond insurance costs, these charges be treated in outflows of resources (period costs) in the year in which they are incurred.

The adoption of the provisions of statements 63 and 65 reduced the University's beginning net position at October 1, 2011 by $1,774,000.

2. Income Taxes

The University is classified as both a governmental entity under the laws of the State of Alabama and as a tax-exempt entity under Section 501(a) of the Internal Revenue Code as an organization described in Section 501(c)(3). Consistent with that designation, no provision for income taxes has been made in the accompanying basic financial statements.

3. Cash

Pursuant to the Security for Alabama Funds Enhancement Act, funds on deposit may be placed in an institution designated as a qualified public depository (QPD) by the State of Alabama. QPD institutions pledge securities to a statewide collateral pool administered by the State Treasurer's office. Such financial institutions contribute to this collateral pool in amounts proportionate to the total amount of public fund deposits at their respective institutions. The securities are held at the Federal Reserve Bank and are designated for the State of Alabama. Additional collateral was not required for University funds on deposit with QPD institutions. At September 30, 2014, the net public deposits subject to collateral requirements for all institutions participating in the pool totaled approximately $9,342,196,000.

4. Investments

The investments of the University are invested pursuant to the University of South Alabama "Nonendowment Cash Pool Investment Policy," the "Endowment Fund Investment Policy," and the "Derivatives Policy" (collectively referred to as the University Investment Policies) as adopted by the Board of Trustees. The purpose of the nonendowment cash pool investment policy is to provide guidelines by which pooled funds not otherwise needed to meet daily operational cash flows can be invested to earn a maximum return, yet still maintain sufficient liquidity to meet fluctuations in the inflows and outflows of University operational funds. Further, endowment fund investment policies exist to provide earnings to fund specific projects of the endowment fund, while preserving principal. The University Investment Policies require that management apply the "prudent person" standard in the context of managing its investment portfolio.

Certain investments, primarily related to the University's endowment assets, are pooled. The University uses this pool to manage its investments and distribute investment income to individual endowment funds.

Credit Risk and Concentration of Credit Risk

The University Investment Policies limit investment in corporate bonds to securities with a minimum "A" rating, at the time of purchase, by both Moody's and Standard and

Poor's. Investments in corporate paper are limited to issuers with a minimum quality rating of P-1 by Moody's, A-1 by Standard and Poor's or F-1 by Fitch.

Additionally, the University Investment Policies require that not more than 10% of the cash, cash equivalents and investments of the University be invested in the obligations of a single private corporation and not more than 35% of the cash, cash equivalents and investments of the University be invested in the obligations of a single government agency.

Interest Rate Risk

The University's Investment Policies do not specifically address the length to maturity on investments which the University must follow; however, they do require that the maturity range of investments be consistent with the liquidity requirements of the University.

5. Derivative Transactions - Swaption

In January 2008, the University entered into a synthetic advance refunding of the outstanding Series 2004 and 2006 bonds with a counterparty. This transaction was effected through the sale of two swaptions by the University to the counterparty. The transactions resulted in an up-front payment to the University totaling $9,328,000 in exchange for selling the counterparty the option to enter into an interest rate swap with respect to the Series 2004 and 2006 bonds in 2014 and 2016, respectively.

Objective of the derivative transaction

The objective of this transaction is to realize debt service savings currently from future debt refunding and create an economic benefit to the University.

Terms

A summary of the transactions is as follow:

Issue	Date of Issue	Option Expiration Date	Effective Date of Swap	Termination Date	Payment Amount
Series 2004 bonds	2-Jan-08	16-Dec-13	15-Mar-14	15-Mar-24	$ 1,988,000
Series 2006 bonds	2-Jan-08	1-Sep-16	1-Dec-16	1-Dec-36	7,340,000

As further discussed in note 8, in December 2013, the counterparty exercised its option with respect to the 2004 swaption. The University refunded its Series 2004 bonds, issued the Series 2014-A variable rate bond and terminated the Series 2004 swaption. As a result of this termination, the borrowing arising from the Series 2004 and the investment derivative were written off and an investment loss of $2,229,000 was recognized and

reported in the statements of revenues, expenses and changes in net position for the year ended September 30, 2014. A borrowing arising from the 2014 swap of $9,138,000 was recognized and is reported, net of amortization, as long-term debt in the statement of net position.

As outlined in the 2008 agreement, if the counterpart exercise its option in 2016 related to the 2006 swaption, the University would, at the counterparty's option, be compelled to enter into an underlying swap. If the option is exercise, the University would begin to make payments on the notional amount, currently $100,000,000 for the 2006 bonds of the underlying swap contract. Simultaneously, the University would call outstanding 2006 bonds and issue variable rate demand notes in their place. Under the swap contract, the University would pay a fixed rate of 5.0% on the 2006 bonds to the counterpart and would receive payments based on 68% of the one-month LIBOR index plus 0.25%. Alternatively, although it is not anticipated that this option would be to the University's advantage, the University could, at its option, cash settle the swap and retain its right to refund the 2006 bonds.

If the interest rate environment is such that the counterparty chooses to not exercise its option related to the 2006 swaption, the swaption would be cancelled and the University would have no further obligation under this agreement.

In December 2013, Wells Fargo exercised its option related to the Series 2004 swaption.

Financial statement presentation

A swaption is considered a hybrid instrument and as such the payment by the counterparty to the University must be bifurcated into two components, a borrowing component and an embedded derivative component, and each component treated separately. The embedded derivative value of the swaption represents the fair value resulting from the fact that the fixed rate stated in the swaption is greater than the at-the-market rate. The initial value of the borrowing is the difference between the upfront payment and the fair value of the embedded derivative and represents the time value to the counterparty for holding the option, or the probability weighted, discounted values of a range of future possible outcomes. The value of the derivative and borrowings at the date of execution of this transaction are as follows:

	2004 Bonds	2006 Bonds
Embedded derivatives	$ 918,000	3,343,000
Borrowings	1,070,000	3,997,000
	$ 1,988,000	7,340,000

The values of the borrowings are included in long-term debt on the University's statements of net assets. Interest is being accreted, and added to the borrowings through the expiration date of the option.

The fair values of the embedded investment derivatives are reported as investment assets if the derivatives are assets or other noncurrent liabilities, depending of the fair values of the derivatives. The change in the fair market values of the derivatives is reported as a component of investment income in the statements of revenues, expenses and changes in net assets.

Risks associated with this transaction

Certain risks are inherent to derivative transactions.

Interest rate risk. Interest rate risk, as a result of rising short-term interest rates causing higher interest rate payments, is effectively hedged by the University's fixed rate bonds. If the counterparty exercises its options, the underlying swaps are expected to effectively hedge the potentially higher payments on VRDNs as well. The University is also subject to interest rate risk as a result of changes in long-term interest rates, which may cause the value of fixed rate bonds or interest rate derivatives to change. If long-term interest rates fall subsequent to the execution of this transaction, the value of the swaptions will change, with negative consequences for the University.

Market access risk. This transaction assumes that VRDNs will be issued as a replacement of the 2004 and 2006 bonds. If the University is unable to issue variable rate bonds after the counterparty exercises its right under the swaptions, the University would still be required to begin making periodic payments on the swaps, even though there are no related bonds. Alternatively, the University could choose to liquidate the swaps, which may create a substantial cash outlay.

Basis risk. If the counterparty exercises its option, there is a risk that the floating payments received under the swaps will not fully offset the variable rate payments due on the assumed VRDNs.

Credit risk. Although the underlying swap exposes the University to credit risk should the swap be executed, the swaption itself does not expose the University to credit risk. If the option is exercised on one or both issues, the University would begin to make payments on the appropriate notional amount of the underlying swap contract. In that situation, if the fair value of the swap is positive, the University would be exposed to credit risk on the swap in the amount of its fair value. As of the current date, the swap counterparty was rated Aa3 by Moody's investors Services and AA by Standard and Poor's Rating Services.

Termination risk. The University may be required to terminate the swaptions or swaps under certain circumstances, such as credit downgrades or other events specified in the contracts. In the event that a position needs to be terminated, the University may owe a substantial amount of money to terminate the contracts. As of the current date, no events of termination have occurred.

6. Bonds Payable

Bonds payable consisted of the following at the end of the current period:

University Tuition Revenue Bonds, Series 1999 Capital Appreciation, 4.7% to 5.25%, payable November 2011 through November 2018

University Tuition Revenue Refunding and Capital Improvement bonds, Series 2006, 5.00%, payable through June 2037

University Facilities Revenue Capital Improvement Bonds, Series 2008, 3.00% to 5.00%, payable through August 2038.

University Facilities Revenue Capital Improvement Bond, Series 2010, 3.81%, payable through August 2030.

University Facilities Revenue Capital Improvement Bond, Series 2012-A, 2.92%, payable through August 2032.

University Facilities Revenue Capital Improvement Bond, Series 2012-B, 2.14%, payable through February 2018.

University Facilities Revenue Capital Improvement Bond, Series 2013-A, 2.83% payable through August 2033.

University Facilities Revenue Capital Improvement Bond, Series 2013-B, 2.83% payable through August 2033.

University Facilities Revenue Capital Improvement Bond, Series 2013-C, 2.78% payable through August 25

University Facilities Revenue Refunding Bond, Series 2014-A, variable rate payable at 68% of LIBOR plus 0.73%, payable through March 2024

Borrowing arising from swaption, Series 2006 Bonds

Borrowing arising from interest rate swap

Substantially all student tuition and fee revenues secure University bonds. Additionally, security for Series 2008 bonds include Children's and Women's Hospital revenues in amounts not exceeding $10,000,000. Series 1999 Current Interest Bonds began maturing November 2002, and Series 1999 Capital Appreciation Bonds began maturing November 2011. Series 1999 Bonds are not redeemable prior to maturity. Series 2004 Bonds began maturing in March 2005 and are redeemable beginning in March 2014. Series 2006 Bonds begin maturing in December 2024 and are redeemable beginning in December 2016. Series 2008 Bonds began maturing in August 2009 and are redeemable beginning September 2018. Series 2010 bonds began maturing in August 2011 and are redeemable beginning in February 2020. The 2012-A and 2012-B bonds began maturing

in August 2013. The 2012-A Bond is redeemable beginning in August 2021. The 2012-B Bond is redeemable beginning in January 2015. The 2013-A, 2013-B and 2013-C Bonds began maturing in August 2014 and are redeemable beginning in June 2023. The 2014-A bonds begin maturing in March 2015 and are not redeemable

In January 2008, the University entered into a synthetic advance refunding of the outstanding Series 2004 and 2006 bonds. This transaction was effected through the sale of two swaptions by the University to a counterparty. The proceeds from each sale, totaling $9,328,000, consist of two components, a time value and an intrinsic value. The intrinsic value of the payment is considered a borrowing and is included in long-term debt. As a result of this transaction, the counterparty has the option to compel the University to enter into swap arrangements with respect to its Series 2004 (occurred in March 2014) and 2006 bonds at their respective redemption dates. See note 5 for a complete description of this transaction.

The University defeased certain indebtedness during 1978 and 1984 by depositing funds in escrow trust accounts sufficient to provide for the subsequent payment of principal and interest on the defeased indebtedness. Neither the assets of the escrow trust accounts nor the defeased indebtedness is included in the accompanying statements of net assets.

The University is subject to restrictive covenants related to certain note and bonds payable. As of the end of the current period, management believes the University was in compliance with such financial covenants.

7. Net Patient Service Revenue

The Hospitals have agreements with governmental and other third-party payers that provide for reimbursement at amounts different from their established rates. Contractual adjustments under third-party reimbursement programs represent the difference between the Hospitals' billings at established rates for services and amounts reimbursed by third-party payers.

A summary of the basis of reimbursement with major-third party payers follows:

Medicare – Substantially all acute-care services rendered to Medicare program beneficiaries are paid at prospectively determined rates. These rates vary according to patient classification systems that are based on clinical, diagnostic, and other factors. Additionally, the Hospitals are reimbursed for both direct and indirect medical education costs (as defined), principally based on per-resident prospective payment amounts and certain adjustments to prospective rate-per-discharge operating reimbursement payments. The Hospitals generally are reimbursed for certain retroactively settled items at tentative rates, with final settlement determined after submission of annual cost reports by the Hospitals and audits by the Medicare fiscal intermediary. The cost report for the USA Medical Center has been audited and settled through 2008. The Medical Center cost

report has, however, been reopened related to disproportionate share issues affecting all PPS acute care hospitals nation-wide. The cost report for USA Children's and Women's Hospital has been audited and settled through 2009. Revenue from the Medicare program accounted for approximately 14% and 13% of the Hospitals' net patient service revenue for the year ended June 30, 2012 and 2011, respectively.

Blue Cross – Inpatient services rendered to Blue Cross subscribers are paid at a prospectively determined per diem rate. Outpatient services are reimbursed under a cost reimbursement methodology. For outpatient services, the Hospitals are reimbursed at a tentative rate with final settlement determined after submission of annual cost reports by the Hospitals and audits thereof by Blue Cross. The Hospital's Blue Cross cost reports have been audited through 2010 and settled for all fiscal years through 2009. Revenue from the Blue Cross program accounted for approximately 17% and 18% of the Hospitals' net patient service revenue for the years ended June 30, 2012 and 2011, respectively.

Medicaid – Inpatient services rendered to Medicaid program beneficiaries are reimbursed at all-inclusive prospectively determined per diem rates. Outpatient services are reimbursed based on an established fee schedule.

The Hospitals qualify as Medicaid essential providers and, therefore, also receive supplemental payments based on formulas established by the Alabama Medicaid Agency. There can be no assurance that the Hospitals will continue to qualify for future participation in this program or that the program will not ultimately be discontinued or materially modified.

Revenue from the Medicaid program accounted for approximately 25% and 29% of the Hospital's net patient service revenue for the years ended June 30, 2012 and 2011.

Other – The Hospitals have also entered into payment agreements with certain commercial insurance carriers, health maintenance organizations, and preferred provider organizations. The bases for payments to the Hospitals under these agreements include discounts from established charges and prospectively determined daily and case rates.

8. Derivative Transaction – Interest Rate Swap

The University is a party to a derivative with Wells Fargo Bank, the counterpart. As more fully described in note 5, in December 2003, Wells Fargo exercised its option with respect to the synthetic advance refunding of the Series 2004 bonds to enter into an interest rate swap agreement with the University with an effective date of March 15, 2014. The resulting derivative is a "receive-variable, pay-fixed" interest rate swap. As part of the overall plan of the synthetic refunding of the 2004 bonds, the University redeemed those bonds in April 2014 with proceeds from the 2014-A bond.

Objectives of the transaction. AS noted the interest rate swap was the result of the original January 2008 synthetic advance refunding of the Series 2004 bonds. The objective of that transaction was to realize debt service savings currently from the future debt refunding and create an economic benefit to the University.

The swap will terminate in March 2024, when the 2014-A bond matures. The notional amount of the swap will at all times match the outstanding principal amount of the bond. Under the swap, the University pays the counterparty a fixed semi-annual payment based on an annual rate of 4.9753% and receives on a monthly basis a variable payment of 68% of the one-month London Interbank Offered Rate (LIBOR) plus 0.25%. Conversely, the Series 2014-A bonds bears interest on a monthly basis at 68% of the one-month LIBOR rate plus 0.73%.

Fair value. The interest rate swap had a negative fair value of approximately $(9,138,000) at its inception. This amount, net of amortization, is reported as a borrowing arising from the 2014 interest rate swap as long-term debt in the statement of net position.

The change in fair value during the current period is reported as a deferred outflow/inflow and a derivative asset/liability in the statement of net position since the interest rate swap is a hedging derivative instrument.

The fair value of the interest rate swap was estimated using the zero-coupon method. This method calculates the future net settlement payments required by the swap, assuming the current forward rates implied by the yield curve correctly anticipate future spot interest rates. These payments are then discounted using the spot rates implied by the current yield curve for hypothetical zero-coupon bonds due on the date of each future net settlement.

Interest rate risk. As the LIBOR rate decrease, the net payment on the swap increases. This, however, is mitigated by the fact that a decline in the LIBOR will also result in a decrease of the University's interest payment on the Series 2014-A bond. The University's exposure is limited to 0.48% of the notional amount, the difference in the payment from the counterparty and the interest payment on the 2014-A bond.

Credit Risk. As of the current date the University was not exposed to credit risk on the interest rate swap because it had a negative fair value. However, if interest rates change and the fair value of the derivative become positive, the University would have a gross exposure to credit risk in the amount of the derivative's fair value. As of the current date, the counterparty is rated Aa3 by Moody's Investor Services and AA- by Standard & Poor's Ratings Services.

Termination risk. The University may be required to terminate the swap based on certain standard default and termination events, such as failure to make payments, breach of agreement, and bankruptcy. As of the current date, no events of termination have occurred.

9. Employee Benefits

Retirement and Pension Plans

Employees of the University are covered by two pension plans: a cost sharing multiple-employer defined benefit pension plan administered by the Teachers' Retirement System of the State of Alabama (TRS), and a defined contribution pension plan.

Permanent employees of the University participate in TRS, a public retirement system created by an act of the State Legislature, with benefit provisions established by the Code of Alabama. Responsibility for general administration and operation of the TRS is vested in the Board of Control (currently 14 members). Benefits fully vest after 10 years of full-time, permanent employment. Vested employees may retire with full benefits at age 60 or after 25 years of service. Participating retirees may elect the maximum benefit, or may choose among four other monthly benefit options. Under the maximum benefit, participants are allowed 2.0125% of their average final salary (average of three highest years of annual compensation during the last ten years of service) for each year of service. The TRS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the Retirement Systems of Alabama, P.O. Box 302150, Montgomery, Alabama 36130-2150, or by calling (334) 832-4140.

All employees covered by this retirement plan must contribute 7.5% of their eligible earnings to TRS. An actuary employed by the TRS Board of Control establishes the employer-matching amount annually.

The defined contribution pension plan covers certain academic and administrative employees employed prior to October 1, 2009, and participation by eligible employees is optional. Under this plan, administered by Teachers Insurance and Annuity Association – College Retirement Equities Fund (TIAA-CREF), contributions by eligible employees are matched equally by the University up to a maximum of 3% of current annual pay.

Employees of the LLC may, at their option, participate in a defined contribution plan. Under this plan, eligible employees may make contributions to the plan which are matched, dollar-for-dollar, by the LLC up to 5% of compensation.

Compensated Absences

Regular University employees accumulate vacation and sick leave and hospital and clinical employees accumulate paid time off. These are subject to maximum limitations, at varying rates depending upon their employee classification and length of service. Upon

termination of employment, employees are paid all unused accrued vacation at and paid time off at their regular rate of pay up to a maximum of two times their annual accumulation rate. No accrual is recognized for sick leave benefits since no terminal cash benefit is available to employees for accumulated sick leave.

Other Postretirement Employee Benefits

In September 2003, the State of Alabama Legislature passed legislation that requires all colleges and universities to fund the healthcare premiums of its participating retirees. In prior years, such costs have been paid by the State. Beginning in October 2003, the University has been assessed a monthly premium by the Public Education Employees' Health Insurance Plan (PEEHIP) based on the number of retirees in the system and an actuarially determined premium.

10. Risk Management

The University, USAHSF and the LLC participate in the professional liability trust fund and the University and the LLC participates in the general liability trust fund. Both funds are administered by an independent trustee. These trust funds are revocable and use contributions by the University, USAHSF and the LLC, together with earnings thereon, to pay liabilities arising from the performance of its employees, trustees and other individuals acting on behalf of the University. If the trust funds are ever terminated, appropriate provision for payment of related claims will be made and any remaining balance will be distributed to the University, USAHSF and the LLC in proportion to contributions made.

Claims and expenses are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Those losses include an estimate of claims that have been incurred but not reported and the future costs of handling claims. These liabilities are generally based on actuarial valuations and are reported at their present value.

The University and HCM participate in a self-insured health plan, administered by an unaffiliated entity. Contributions by the University and the LLC and their employees, together with earnings thereon, are used to pay liabilities arising from healthcare claims. It is the opinion of University administration that plan assets are sufficient to meet future plan obligations.

11. Other Related Party

The South Alabama Medical Science Foundation (SAMSF) is a not-for-profit corporation that exists for the purpose of promoting education and research at the University. SAMSF

reimburses the University for certain administrative expenses and other related support services.

12. Commitments and Contingencies

Grants and Contracts

The University had been awarded certain amounts in grants and contracts for which resources had not been received and for which reimbursable expenditures had not been made for the purposes specified. These awards, which represent commitments of sponsors to provide funds for research or training projects, have not been reflected in the accompanying basic financial statements as the eligibility requirements of the award have not been met. Advances include amounts received from grant and contract sponsors which have not been earned under the terms of the agreements and, therefore, have not yet been included in revenues in the accompanying basic financial statements. Federal awards are subject to audit by Federal agencies. The University's management believes any adjustment from such audits will not be material.

Letter of Credit

In connection with the Hospitals' participation in the State of Alabama Medicaid Program, the University has established a $77,000 irrevocable standby letter of credit with Wells Fargo Bank. The Alabama Medicaid Agency is the beneficiary of this letter of credit. No funds are currently advanced under this letter.

Litigation

Various claims have been filed against the University alleging discriminatory employment practices and other matters. University administration and legal counsel are of the opinion the resolution of these matters will not have a material effect on the financial position or the statement of revenues, expenses, and changes in net assets of the University.

Rent Supplement Agreement

The University has entered into two irrevocable rent supplement agreements with the Corporation and a financial institution. These agreements require that, in the event the Corporation fails to maintain a debt service coverage ratio of one to one with respect to all of its outstanding indebtedness, the University will pay to the Corporation any and all rent amounts necessary to cause the Corporation's net operating income to be equal to the Corporation's annual debt service obligations. As of the end of the current period, no amounts were payable pursuant to these agreements.

State Bond Issue

The State of Alabama has made allocations to the University from bonds issued in prior years. Pursuant to the allocations, funds are available to the University for certain future

construction costs. The allocations have been reflected as revenue in the accompanying financial statements to the extent they have been incurred and approved by the State.

13. Significant New Accounting Pronouncements

In June 2012, the GASB issued Statement No. 68, *Accounting and Financial Reporting for Pensions*. GASB Statement No. 68 changes accounting and financial reporting for entities participating in certain pension plans and will be effective for the year ending September 30, 2015. Statement No. 68 will require the University to record its share, as determined by an independent actuary, of the net unfunded pension liability, and its share of the changes in the net pension liability, for all cost-sharing defined benefit plans in which it participates. In November 2013, the GASB issued Statement No. 71, *Pension Transition for contributions Made Subsequent to the Measurement Date*. GASB Statement No. 71 is was issued as an amendment of GASB Statement No. 68 with an objective of addressing an issue regarding application of the transition provisions of Statement No. 68 relating to amounts associated with contributions, if any, made by a state or local government employer or non-employer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability. Statement 71 will be effective for the year ending September 30, 2015. These financial statements do not reflect the implementation of Statements No. 68 and 71.

In January 2013, the GASB issued Statement No. 69, *Government Combinations and Disposals of Government Operations.* GASB Statement No. 69 establishes accounting and financial reporting standards related to government combinations and disposal of government operations and will be effective for the year ending September 30, 2015.

While the impact of the implementation of GASB Statement No. 68 has not yet been determined, it is expected that such implementation will have a material effect on the net position of the University. The effect of the implementation of GASB Statements Nos. 69 and 71 on the University has not been determined.

RESOLUTION

LINE OF CREDIT

WHEREAS, the University of South Alabama desires to establish a $5,000,000 revolving line of credit which will provide funds the majority of which will be used to finance the acquisition of property from the Mobile Area Water and Sewer System (MAWSS), and

WHEREAS, the University has received a variable interest rate quote on such a line of credit from Compass Bank of the one-month London Interbank Offered Rate (LIBOR) plus a spread of one percentage point (which spread remains fixed for the one-year term of the letter of credit and future renewals), which is a current market rate and which will reset monthly based on the then-current LIBOR rate,

THEREFORE, BE IT RESOLVED, the University of South Alabama Board of Trustees authorizes the establishment with Compass Bank of a $5,000,000 unsecured revolving line of credit with a variable interest rate set at one-month LIBOR plus one percentage point, and

BE IT FURTHER RESOLVED, the University of South Alabama Board of Trustees authorizes the President and the Vice President for Finance and Administration of the University of South Alabama to execute, attest, acknowledge and deliver any documents required, and to take all actions necessary on behalf of the University of South Alabama to carry out the actions authorized by this resolution, and

BE IT FINALLY RESOLVED, the University of South Alabama Board of Trustees authorizes the President and the Vice President for Finance and Administration or their designees to initiate advances on the line of credit as needed.

UNIVERSITY OF SOUTH ALABAMA
Vice President for Finance and Administration
AD 170

REC'D
Office of the President
FEB 20 2015
University of South Alabama

MEMORANDUM

DATE: February 20, 2015

TO: President Tony G. Waldrop

FROM: Stephen H. Simmons

SUBJECT: Compass Bank Line of Credit

Attached is a resolution for consideration by the Budget and Finance Committee concerning the Compass Bank line of credit for $5,000,000. The majority of the funds available through the line will be used for the acquisition of the MAWSS property. Compass provided a variable interest rate quote of one-month LIBOR plus a spread of one percentage point, which is in line with quotes we received from other banking partners and therefore is a market rate quote. The one percentage point spread is fixed for the one-year term of the letter of credit and future renewals. The one-month LIBOR rate changes daily, and will first be set on the day the documents are signed and thereafter will be reset monthly. Were the line of credit to be established today (February 20), the total interest rate would be 1.1735%.

With your approval, this item will be presented to the Board of Trustees at its meeting on March 6, 2015. Further, I recommend the adoption of the resolution by the Board of Trustees.

Attachment

RESOLUTION

CAPITAL TRANSFER
FROM THE UNIVERSITY OF SOUTH ALABAMA HEALTH SYSTEM
TO THE USA HEALTHCARE MANAGEMENT, LLC

WHEREAS, the University of South Alabama Health System created the USA HealthCare Management, LLC, in 2010 as its means to enter into broad healthcare opportunities, and

WHEREAS, the USA HealthCare Management, LLC, currently employs 59 percent of the University of South Alabama Health System employees, and

WHEREAS, the University of South Alabama is the sole member of the USA HealthCare Management, LLC, and

WHEREAS, the USA HealthCare Management, LLC, is the sole member of the Gulf Coast Regional Care Organization, created in 2014, and

WHEREAS, the Gulf Coast Regional Care Organization is exploring the opportunity to be the capitated Medicaid provider in the region, and

WHEREAS, the University of South Alabama Health System desires to capitalize the USA HealthCare Management, LLC, and

WHEREAS, this capital is necessary to meet Medicaid solvency requirements to establish a Health Home program and for other financial needs,

THEREFORE, BE IT RESOLVED, the Board of Trustees of the University of South Alabama authorizes the President to transfer $2.5 million from the University of South Alabama Health System accounts to the USA HealthCare Management, LLC, as a capital investment.

UNIVERSITY OF SOUTH ALABAMA
Vice President for Finance and Administration
AD 170

REC'D
Office of the President

FEB 20 2015

University of South Alabama

MEMORANDUM

DATE: February 20, 2015

TO: President Tony G. Waldrop

FROM: Stephen H. Simmons

SUBJECT: Funds Transfer Resolution

Attached is a resolution for consideration of the Budget and Finance Committee to authorize a $2.5 million funds transfer, as a capital investment, from the University of South Alabama Health System cash reserves to the USA HealthCare Management, LLC.

The University of South Alabama is the sole member of the USA HealthCare Management, LLC. Approximately $2 million of these funds will be maintained by the USA HealthCare Management, LLC, to meet Medicaid's solvency requirements for establishing a Health Home program in the Gulf Coast Regional Care Organization, LLC. These funds will be forfeited if the Regional Care Organization agreement is not implemented. Additional capital investments will be required if the Medicaid Regional Care Organization is implemented in 2016.

SHS/cbm

Attachment

UNIVERSITY OF SOUTH ALABAMA

BOARD OF TRUSTEES

AUDIT

UNIVERSITY OF SOUTH ALABAMA
BOARD OF TRUSTEES

AUDIT COMMITTEE

December 4, 2014
3:20 p.m.

A meeting of the University of South Alabama Board of Trustees Audit Committee was duly convened by Mr. John Peek, Chair, on Thursday, December 4, 2014, at 3:20 p.m. in the Board Room of the Frederick P. Whiddon Administration Building.

Members Present:	Ron Jenkins, Bryant Mixon, John Peek and Sandy Stimpson.
Member Absent:	Scott Charlton.
Other Trustees:	Chandra Brown Stewart, Steve Furr, Bettye Maye, Jimmy Shumock, Ken Simon, Steve Stokes, Mike Windom and Jim Yance.
Administration and Others:	Joe Busta, Lynne Chronister, Monica Curtis, Julie Estis (Faculty Senate), Ron Franks, Happy Fulford, Stan Hammack, Mike Haskins, David Johnson, Doug Marshall (Faculty Senate), Mark Peach (*KPMG*), Steve Simmons, John Smith, Ben Tipton, Jean Tucker, Tony Waldrop, Danielle Watson (SGA) and Kevin West (Faculty Senate).
Press:	Sally Ericson (*Press-Register*/al.com), Laura Havard (*Vanguard*) and Alyson Stokes (*Lagniappe*).

The meeting came to order and the attendance roll was called. Mr. Peek, Committee Chair, called for adoption of the minutes of the Committee meeting held on September 11, 2014. On motion by Capt. Jenkins, seconded by Sheriff Mixon, the minutes were approved unanimously.

Mr. Peek called upon Mr. Mark Peach, *KPMG* partner, who discussed the audits of the University's and the USA Research and Technology Corporation's (RTC) basic financial statements for the fiscal year ended September 2014, **ITEM 7**. With reference to a number of documents, Mr. Peach delivered the required communications to the Committee. He summarized the audit team's responsibilities and called attention to KPMG's contact information. He stated that, while internal controls are not subject to an opinion, any evidence of material weakness would be reported to the Committee. He said such evidence was not seen, nor was any indication of past audit differences. He stated full cooperation and access to the accounting records was provided to KPMG, and he complimented the University on the clear disclosures reported in the financial statements. He said the financial statements were straightforward and announced an unqualified opinion by KPMG. He added that the audit was completed in 45 days, an unusually short time frame. With regard to the A-133 audit on federal program administration, he advised that all compliance standards were met satisfactorily. Discussion shifted to data security. President Waldrop advised that a consultant would be engaged early in 2015 to assess information protection. Mr. Peach shared perspective on information management and breach deterrence.

Mr. Peach alerted the group that GASB 68, a mandate addressing underfunded pensions, would trigger a considerable change in financial reporting effective in 2015. He and Mr. Simmons talked about the significant impact GASB 68 would have on the bottom line of the University's financial statements, and Mr. Simmons stressed that actual cash balances and operations would not be affected. He said, to prepare, the Administration had consulted with the University of Alabama System on handling of GASB 68. He added that USA was working on projections and said numbers would be provided to the Board as soon as available. Mr. Peek recognized the importance of the GASB 68 discussion and the advantage of early awareness. He urged the group to remain mindful of the repercussions ahead. He asked Mr. Simmons to discuss the change in net financial position shown on the statements. Mr. Simmons said the contributing factors were the swaption transaction, no capital contributions received during the year, and revisions to Physicans Office Building estimates.

Mr. Peek called upon Mr. Simmons for presentation of **ITEM 7.A**, the Alabama Department of Examiners of Public Accounts Compliance Report for the period October 2012 through September 2013. Mr. Simmons said the examiners' review, which focuses on state transactions and regulatory matters, did not yield findings, as did the audit conducted previously which showed differences related to bid processing.

Mr. Peek called for presentation of **ITEM 8**, a report on the Office of Internal Audit. Mr. Simmons introduced Mr. Ben Tipton, Executive Director of the Office of Internal Audit/Chief Financial Compliance Officer. Mr. Tipton gave an overview of internal audit functions. He said reporting to the Board of Trustees is directed through the Audit Committee. Contrasting the fundamental differences between internal and external audit processes, he stated the scope of operations subject to internal review is generally more broad and mechanics are examined to a greater degree.

There being no further business, the meeting was adjourned at 3:56 p.m.

Respectfully submitted:

_____

John M. Peek, Chair

UNIVERSITY OF SOUTH ALABAMA INTERCOLLEGIATE ATHLETIC DEPARTMENT

Year ended September 30, 2014

(With Report of Independent Accountants on Applying Agreed-Upon Procedures Thereon)

UNIVERSITY OF SOUTH ALABAMA INTERCOLLEGIATE ATHLETIC DEPARTMENT

Year ended September 30, 2014

Table of Contents

	Page
Report of Independent Accountants on Applying Agreed-Upon Procedures	1
Exhibit A – Statement of Revenues and Expenditures	5
Notes to Statement of Revenues and Expenditures	6

KPMG LLP
Suite 1100
One Jackson Place
188 East Capitol Street
Jackson, MS 39201-2127

Report of Independent Accountants on Applying Agreed-Upon Procedures

Dr. Tony G. Waldrop, President
University of South Alabama:

We have performed the procedures enumerated below, which were agreed to by management of the University of South Alabama (the University), solely to assist you in evaluating whether the accompanying Statement of Revenues and Expenditures (the Statement) for the University of South Alabama Intercollegiate Athletic Department (the Athletic Department) for the year ended September 30, 2014 is in compliance with the National Collegiate Athletic Association (NCAA) Bylaw 3.2.4.16. The University's management is responsible for the Statement and the Statement's compliance with those requirements. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of management of the University. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings were as follows:

Statement of Revenues and Expenditures – Agreed-Upon Procedures

(a) We obtained the Statement for the year ended September 30, 2014, as prepared by management and shown in Exhibit A. We verified the mathematical accuracy of the Statement and compared the amounts on the Statement to corresponding amounts in the University's general ledger after considering eliminating entries between the University and the Jaguar Booster Club. All amounts on the Statement agreed to the general ledger except an adjustment of $141,241 was necessary to properly record ticket sales in the proper period in the general ledger.

(b) We compared actual Athletic Department expenditures per the University's general ledger to budgeted amounts and also inquired of Athletic Department management as to variances greater than $50,000 of prior year amounts. Management provided explanations for all variances which exceeded the identified scope.

(c) University management provided a summary of the University's internal control unique to the Athletic Department. We read the summary documents that include information regarding the general control environment and internal control procedures unique to intercollegiate athletics which assist in ensuring that recorded revenues and expenditures in the Statement are complete and accurate and expenditures are properly authorized.

(d) We performed the following procedures on operating revenues as presented in Exhibit A:

(i.) Ticket sales – We agreed revenue for Men's Football, Men's Baseball, Men's Basketball, Women's Softball, and Women's Basketball per the adjusted general ledger to the ticket sales

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registers, noting that the adjusted general ledger and ticket sales registers agreed to within a difference of $22,554.

(ii.) Student fees – We gained an understanding of the process of allocating student fees to the University's athletic program and to individual sports. In accordance with the internal allocation approved by University management, the University has an all inclusive rate per semester hour. Athletics receives fees equal to the prior year amounts, plus or minus growth in total credit hours, plus 4.5% to be held as a special reserve. For Fall 2014, athletics will receive fees equal to the prior year amounts, plus or minus growth in total credit hours, plus 3.5% to be held as a special reserve. Additionally, we recalculated the University's allocation of total student fees to within management's 2% acceptable tolerance range.

(iii.) Guarantees – We obtained a detail of revenue guarantees paid to the University noting that revenue guarantees related principally to Men's Basketball and Men's Football. We obtained copies of signed agreements or other supporting documentation with Texas State University, Kent State University, the U.S. Naval Academy, and Gonzaga University and ensured that the terms of the contracts or other supporting documentation supported the revenue recorded on the Statement. The amounts examined supported 67% of the total current year guarantees.

(iv.) Contributions – We obtained a listing of contributions received by the University and agreed the listing to the general ledger without exception. We noted that the University did not receive any individual contributions in excess of 10% of total contributions.

(v.) Direct state or other government support – We noted that there were no direct state or other government support amounts received in fiscal year 2014.

(vi.) Direct institutional support – We obtained the supporting schedules for direct institutional support. Additionally, we recalculated the allocation of institutional support to individual sports based on management's methodology, noting no exceptions.

(vii.) NCAA/conference distributions, including all tournament revenues – We obtained the detail of NCAA and conference distributions from the general ledger and selected 61% of the total dollar amount of the remittances from the NCAA and Sunbelt Conference for testing. We compared amounts to examined check copies or wire remittances for each of the amounts received, noting no exceptions.

(viii.) Program sales, concessions, novelty sales, and parking – We obtained a detail of program sales, concessions, novelty sales, and parking and agreed the detail to the general ledger, noting no exceptions. We agreed a sample of three revenue receipts to bursar receipt, journal entry, and other supporting documentation as applicable without exception.

(ix.) Royalties, licensing, advertisements and sponsorships – We obtained the agreements with IMG College and Reebok International, Ltd. for all multimedia services to gain an understanding of the terms and conditions. We agreed a sample of revenue receipts to bursar receipt, journal entry, and other supporting documentation as applicable without exception. The amounts tested constitute 27% of the revenue for this line item on the Statement. We verified that revenue related to these contractual agreements was recognized appropriately in fiscal year 2014 in accordance with the agreements, noting no exceptions.

(x.) Other – We obtained a detail of other income received by the Athletic Department and agreed it to the general ledger without exception. We agreed a sample of five items to deposit receipts, journal entry, and other supporting documentation as necessary without exception.

(e) We performed the following procedures on operating expenditures, as presented in Exhibit A:

(i.) Athletics student aid – We obtained a detail of student athletes. From that detail, we selected ten individual students (student numbers J00494621, J00436971, J00499489, J00424731, J00495954, J00467146, J00286697, J00496796, J00426864, and J00425335) and compared those individual student's financial aid awards to their student accounts to ensure that the student account appropriately reflected the student aid, noting no exceptions.

(ii.) Guarantees – We obtained a detail of guarantee expenditures and agreed the detail to the general ledger without exception. We obtained individual contracts with University of Detroit Mercy for $5,000, Mississippi State University for $150,000, and Kent State University for $150,000 and agreed amounts per the contracts to the check copy and journal entry, noting no exceptions.

(iii.) Coaching/support staff/administrative salaries, benefits, and bonuses – We selected ten coaches – Men's Basketball Head Coach (employee ID J00493724), Women's Basketball Asst. Coach (employee ID J00210712), M/W Cross Country and Track Head Coach (employee ID J00102541), Football Asst. Coach (employee ID J00525596), Football Asst. Coach (employee ID J00486963), Men's Golf Head Coach (employee ID J00086554), Softball Asst. Coach (employee ID J00382805), Softball Head Coach (employee ID J00214405), Volleyball Asst. Coach (employee ID J00454452), Baseball Asst. Coach (employee ID J00434373), and five athletic administrators – Asst. Athletic Director, Sports Medicine (employee ID J00106778), Director, Athletic Academic Services (employee ID J00464149), Associate Athletic Director, Marketing/Promotion (employee ID J00262984), Associate Athletic Director, Facilities (employee ID J00013354), Associate Director, Athletics Compliance (employee ID J00417362). For each of the employees, we compared the employee's wages per their W-2 to approved wages and salaries per the employee's personnel file, noting no exceptions.

(iv.) All other expenditures – We selected thirty-one individual vouchers from the 2014 fiscal year within the following expenditure categories: recruiting; team travel; equipment, uniforms, and supplies; game expenses; fund-raising, marketing, and promotion; sports camps; direct facilities, maintenance and rentals; spirit groups; medical expense and medical insurance; membership and dues; and other. We examined invoice copies and direct pay requests or purchase orders (where applicable) for the expenditures on the vouchers in the table below, which comprise approximately 3% of the expenditures not included in the categories listed in (e)(i.), (e)(ii.), and (e)(iii.) noting that amounts per the vouchers agreed to the invoice copies and direct pay request or purchase order without exception.

Number	Voucher no.	Number	Voucher no.
1	I0845941	17	J0095314
2	J0105705	18	Z0124199
3	I0920265	19	I0873745
4	I0830719	20	J0100724
5	J0098526	21	I0825836
6	Z0120433	22	I0840550
7	J0095443	23	I0830852
8	J0097450	24	I0902706
9	I0863558	25	I0838116
10	I0861458	26	I0921708
11	I0841645	27	J0105231
12	I0888052	28	B0003383
13	I0862273	29	Z0139976
14	I0857872	30	I0824833
15	I0882588	31	I0924840
16	I0840576		

* * * * * * *

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on the compliance of the accompanying Statement of Revenues and Expenditures for the University of South Alabama Intercollegiate Athletic Department for the year ended September 30, 2014 (Exhibit A). Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is solely for the information and use of management of the University and is not intended to be and should not be used by anyone other than these specified parties.

KPMG LLP

January 15, 2015

Exhibit A

UNIVERSITY OF SOUTH ALABAMA INTERCOLLEGIATE ATHLETIC DEPARTMENT

Statement of Revenues and Expenditures

Year ended September 30, 2014

(Unaudited)

NCAA description	Nonprogram specific	Men's Baseball	Men's Basketball	Men's Golf	Men's Tennis	Men's Track	Men's Football	Women's Basketball	Women's Golf	Women's Soccer	Women's Tennis	Women's Track	Women's Volleyball	Women's Softball	Total
Operating revenues:															
Ticket sales	$ —	80,579	183,179	—	—	—	1,127,264	3,037	—	—	—	—	—	12,182	1,406,241
Student fees	—	200,437	80,175	51,541	57,268	538,317	5,924,029	74,448	45,814	188,984	51,541	423,781	91,628	114,535	7,842,498
Guarantees	—	—	193,000	—	—	—	500,000	17,000	—	—	—	—	12,500	—	722,500
Contributions	545,625	57,201	27,775	9,865	7,425	8,090	6,168	1,100	7,770	1,545	100	550	4,692	48,868	726,774
Direct institutional support	4,060,205	586,523	1,326,253	199,321	208,465	40,000	540,762	1,115,234	203,592	284,017	309,958	—	536,043	630,292	10,040,665
NCAA/conference distributions	—	111,848	44,739	28,761	31,957	300,392	399,458	41,544	25,565	105,457	28,761	236,479	51,131	63,913	1,470,005
Program sales, concessions, novelty sales, and parking	—	3,681	—	—	—	—	137,409	—	—	—	—	—	—	91	141,181
Royalties, licensing, advertisements, and sponsorships	261,800	35,000	—	—	—	—	176,926	—	—	—	—	—	—	—	473,726
Other	25,837	14,563	25,000	25,758	10,000	15,940	50,639	25,000	20,400	10,000	10,000	10,000	10,000	15,000	268,137
Total operating revenues	4,893,467	1,089,832	1,880,121	315,246	315,115	902,739	8,862,655	1,277,363	303,141	590,003	400,360	670,810	705,994	884,881	23,091,727
Operating expenditures:															
Athletic student aid	260,120	266,854	401,004	120,691	125,944	300,526	2,152,403	415,506	154,528	307,071	214,440	412,354	367,564	272,411	5,771,416
Guarantees	—	13,969	27,127	—	—	—	450,000	1,000	—	3,044	—	—	—	1,500	496,640
Coaching salaries, benefits, and bonuses paid by the University	—	409,840	656,674	87,722	80,614	119,643	1,736,594	454,834	73,723	112,063	75,981	119,643	143,599	277,233	4,348,163
Support staff/administrative salaries, benefits, and bonuses paid by the University and related entities	2,792,064	47,277	96,862	5,376	9,570	9,434	899,291	69,301	1,366	9,637	14,113	9,434	7,545	35,578	4,006,848
Recruiting	6,696	72,612	107,188	9,108	1,651	7,976	259,638	71,250	3,037	18,805	970	6,526	25,921	27,071	618,449
Team travel	34,661	163,869	223,988	43,584	50,683	76,542	969,241	114,723	13,075	60,816	63,883	62,625	92,561	129,359	2,099,610
Equipment, uniforms, and supplies	331,276	90,490	66,323	13,771	21,375	25,064	493,518	49,918	25,056	27,366	17,336	20,507	23,371	45,399	1,250,770
Game expenses	45,773	40,250	116,887	525	5,150	990	190,831	69,002	—	11,543	3,875	810	11,638	14,828	512,102
Fundraising, marketing, and promotion	405,349	320	—	—	—	—	8,340	—	—	—	—	—	—	—	414,009
Direct facilities, maintenance, and rentals	648,157	14,702	50,000	220	3,000	—	339,323	52,908	220	1,783	3,000	—	1,639	20,217	1,135,169
Spirit groups	251,498	—	—	—	—	—	—	—	—	—	—	—	—	—	251,498
Medical expense and medical insurance	208,529	—	2,067	—	—	—	318,734	—	—	—	—	—	—	35	529,365
Membership and dues	119,550	—	1,230	6,228	495	—	4,669	—	5,179	390	—	—	—	315	138,056
Other	356,373	101,475	19,878	85,518	5,462	49,921	598,618	23,677	55,167	32,994	1,955	8,118	22,684	26,824	1,388,664
Total operating expenditures	5,460,046	1,221,658	1,769,228	372,743	303,944	590,096	8,421,200	1,322,119	331,351	585,512	395,553	640,017	696,522	850,770	22,960,759
Revenue in excess of expenses	$ (566,579)	(131,826)	110,893	(57,497)	11,171	312,643	441,455	(44,756)	(28,210)	4,491	4,807	30,793	9,472	34,111	130,968

See accompanying report of independent accountants on applying agreed-upon procedures.

UNIVERSITY OF SOUTH ALABAMA INTERCOLLEGIATE ATHLETIC DEPARTMENT

Notes to Statement of Revenues and Expenditures

Year ended September 30, 2014

(1) Summary of Significant Accounting Policies and Reporting Practices

The accompanying statement of revenues and expenditures includes revenue, expense, and transfer accounts of the University of South Alabama Intercollegiate Athletic Department (the Department), which oversees the University of South Alabama's (the University) intercollegiate athletics program. The Statement was prepared in accordance with the accrual basis of accounting.

Included in Exhibit A are allocations made by the University to the Department, in accordance with the University's practice of allocations.

(2) Financial Aid

Exhibit A includes athletic financial aid awards for students participating in athletic programs. Financial aid awarded to athletic participants on the basis of other criteria, such as need or academic excellence, is not reflected in Exhibit A.

(3) Booster Activities

The revenues and expenditures of the Jaguar Booster Club are recorded in the Statement. The University has no other outside booster clubs.

UNIVERSITY OF SOUTH ALABAMA

BOARD OF TRUSTEES

DEVELOPMENT, ENDOWMENT AND INVESTMENTS

UNIVERSITY OF SOUTH ALABAMA
BOARD OF TRUSTEES

December 4, 2014
2:15 p.m.

A meeting of the University of South Alabama Board of Trustees was duly convened by Dr. Steve Furr, Chair *pro tempore*, on Thursday, December 4, 2014, at 2:17 p.m. in the Board Room of the Frederick P. Whiddon Administration Building. Chairman Furr welcomed Trustees and guests, and called for blanket approval of the revised Committee agendas. On motion by Dr. Stokes, seconded by Capt. Jenkins, the revised Committee agendas were adopted unanimously.

DEVELOPMENT, ENDOWMENT AND INVESTMENTS COMMITTEE

Members Present:	Ron Jenkins, Ken Simon, Steve Stokes, Mike Windom and Jim Yance.
Member Absent:	Tom Corcoran.
Other Trustees:	Chandra Brown Stewart, Steve Furr, Bettye Maye, Bryant Mixon, John Peek, Jimmy Shumock and Sandy Stimpson.
Administration and Others:	Terry Albano, Joe Busta, Lynne Chronister, Monica Curtis, Julie Estis (Faculty Senate), Ron Franks, Happy Fulford, Stan Hammack, Mike Haskins, David Johnson, Matt Kinnear (*Gerber/Taylor*), Gay and Douglas Lane (*Douglas C. Lane*), Doug Marshall (Faculty Senate), Norman Pitman, Steve Simmons, John Smith, Jean Tucker, Tom Van Zant (*Commonfund*), Tony Waldrop, Danielle Watson (SGA), Kevin West (Faculty Senate) and Scott White (*Private Advisors*).
Press:	Sally Ericson (*Press-Register*/al.com), Laura Havard (*Vanguard*) and Alyson Stokes (*Lagniappe*).

The meeting of the Development, Endowment and Investments Committee came to order and the attendance roll was called. Mr. Yance, Committee Chair, called for consideration of the minutes of the Committee meeting held on September 11, 2014. On motion by Mr. Windom, seconded by Capt. Jenkins, the Committee voted unanimously to approve the minutes.

Concerning **ITEM 3**, the reports on endowment investment performance, inclusive of annual presentations by investment managers, Mr. Yance reported an excellent year for the endowment, noting a 16 percent increase in value for the fiscal year June 2013 to June 2014. Mr. Albano stated year-end endowment values are reported to the National Association of College and University Business Officers (NACUBO), and Mr. Yance referenced the University's position in the 10th percentile of institutions reporting endowment totals to NACUBO. Mr. Yance and Mr. Albano projected the positive momentum to continue for fiscal year 2014-2015.

Mr. Albano introduced endowment managers Mr. Matt Kinnear representing *Gerber/Taylor*, Mr. Tom Van Zant representing *Commonfund*, Mr. Douglas Lane and his wife Mrs. Gay Lane representing *Douglas C. Lane* and Mr. Scott White representing *Private Advisors*. Each

manager discussed portfolio performance with reference to corresponding data, shared assumptions on the economy, and responded to questions and comments from Trustees.

Mr. Albano reported on overall performance, declaring the fiscal year ended 2014 as one of the most impressive with regard to benchmark performance. He said the endowment outperformed the relative index by over 2 percentage points. The gain for the period October 1, 2013, to September 30, 2014, was 10.43 percent versus the relative index of 8.31 percent. Mr. Albano stated fiscal year 2014 closed with an endowment value of approximately $142 million. He asked Mr. Pitman to discuss small-cap and international stocks. Mr. Pitman shared insight on market reversion and volatility, risk and diversification, and opportunistic investing. Mr. Albano addressed asset allocation, noting consistency with the guidelines set forth in the University's endowment policy. He described performance since inception in May 2000 through the end of fiscal year 2014, as positive, reporting that the gain, on an annualized basis, was 5.21 percent versus the respective index of 4.45 percent, an outperformance of close to 80 basis points.

Mr. Albano addressed **ITEM 4**, a resolution acknowledging the annual evaluation of USA's endowment and non-endowment investment policies, as required by the Southern Association of Colleges and Schools (SACS). (For copies of resolutions, policies and other authorized documents, refer to the minutes of the December 5, 2014, Board of Trustees Meeting). He stated changes are not recommended at this time. On motion by Judge Simon, seconded by Mr. Windom, the Committee voted unanimously to recommend approval by the Board of Trustees.

Mr. Yance asked Mr. Pitman to comment on the bond market. Mr. Albano discussed fluctuations in the value of the U. S. dollar since endowment inception. Judge Simon conveyed appreciation to Mr. Albano and Mr. Pitman for their work with the investment managers. With regard to a previous report on the withdrawal of gains from overweighted asset classes, Mr. Yance observed a considerable accumulation of cash, inclusive of funds reported by Development. Mr. Albano estimated the cache at near $10 million. Based upon the optimistic economic forecast by the managers, Mr. Yance suggested reinvesting a portion of the money.

Mr. Yance asked Mr. Shumock to address **ITEM 5**, a resolution to approve nominees for the Jaguar Athletic Fund (JAF) positions of director and board officer as recommended. Mr. Shumock explained the function of the JAF, as well as Board service rotations, and he noted himself as one of the individuals nominated. He said the slate of nominees had been approved by the JAF Board and advised of the requirement by SACS for JAF board service to be ratified by the Board of Trustees. On motion by Mr. Windom, seconded by Judge Simon, the Committee voted unanimously to recommended approval by the Board of Trustees.

Mr. Yance called upon Dr. Busta for presentation of **ITEM 6**, a report from the Division of Development and Alumni Relations. Dr. Busta stated a pledge projection report has been developed with the cooperation of Mr. Albano and Mr. Simmons. The report shows between $14 and $15 million in commitments, and the majority is for endowments. Dr. Busta expressed

content for a positive shift in the numbers of unsolicited gifts coming in, calling this a sign the development program is maturing. Photos representing various activities were shown. Dr. Busta discussed results of the 2014 United Way campaign chaired Ms. Chronister. He said 2,465 employees contributed $258,000, representing a 11.3 percent increase in participation. He reported a seven percent increase in leadership giving, and a 17 percent increase in Women's Leadership Council membership, whose giving increased by 19 percent for $71,512 raised. Dr. Franks is chair-elect for next year's drive. Dr. Busta said 175 guests attended the National Alumni Association's (NAA) *Wall of Honor* recognition ceremony on November 14 at Moulton Tower and Alumni Plaza. During the ceremony, bronze plaques were unveiled to reveal the names of 179 new NAA lifetime members. Other plaques feature the names of other leaders in the USA community, such as distinguished alumni award recipients. Dr. Busta announced a $50,000 pledge to create the Southeast Asian American Store Owners Association Endowed Scholarship to support children of small business owners in Alabama, Mississippi, Florida, Georgia and Louisiana. The scholarship is eligible for Mitchell-Moulton Scholarship Initiative (MMSI) matching funds. Dr. Busta discussed gifts from the Sonneborn Estate, including a bronze bust of Abraham Lincoln, a replica of a life-sized statue located in Chicago's Lincoln Park. The piece was produced by artist Augustus Saint-Gaudens. Another gift, donated by Mr. and Mrs. Charles Edward Mundine, Jr., (Elizabeth), is a painting on display in the President's Office by artist George Washington Nicholson titled "Gypsy Encampment." Dr. Busta reported on the 6th annual *Celebrate Hope* gala held November 20. The Mapp Family Foundation hosted the event which grossed approximately $470,000 for the Mitchell Cancer Institute (MCI). Fourteen restaurants participated. Dr. Busta reported on the Children's & Women's Hospital campaign, noting the goal was surpassed. He said plans are under way for a campaign celebration early in 2015. In conclusion, he discussed NAA lifetime membership totals.

Mr. Yance introduced **ITEM 6.A**, a resolution expressing gratitude for the J. L. Bedsole Foundation's generous commitment of $1 million to establish an endowed scholarship for financially challenged students, designating it the *J. L. Bedsole Foundation Scholarship.* He said Bedsole Foundation representative Mr. Bestor Ward would attend the December 5 Board meeting. On motion by Mr. Windom, seconded by Mr. Jenkins, the Committee voted unanimously to recommend approval by the Board of Trustees.

There being no further business, the meeting was adjourned at 3:20 p.m.

Respectfully submitted:

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James A. Yance, Chair

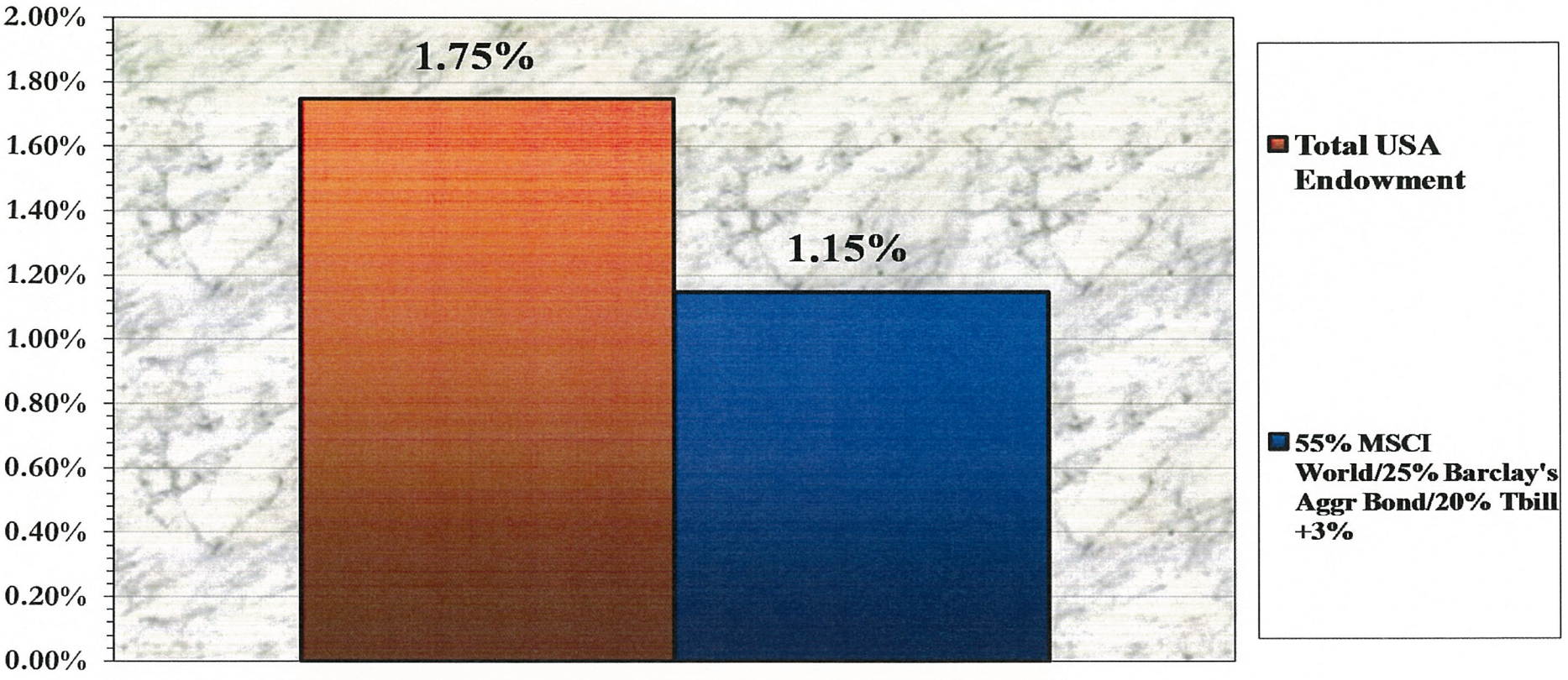


University of South Alabama
Endowment Investment Performance
Review/Analysis

Fiscal Year
2015

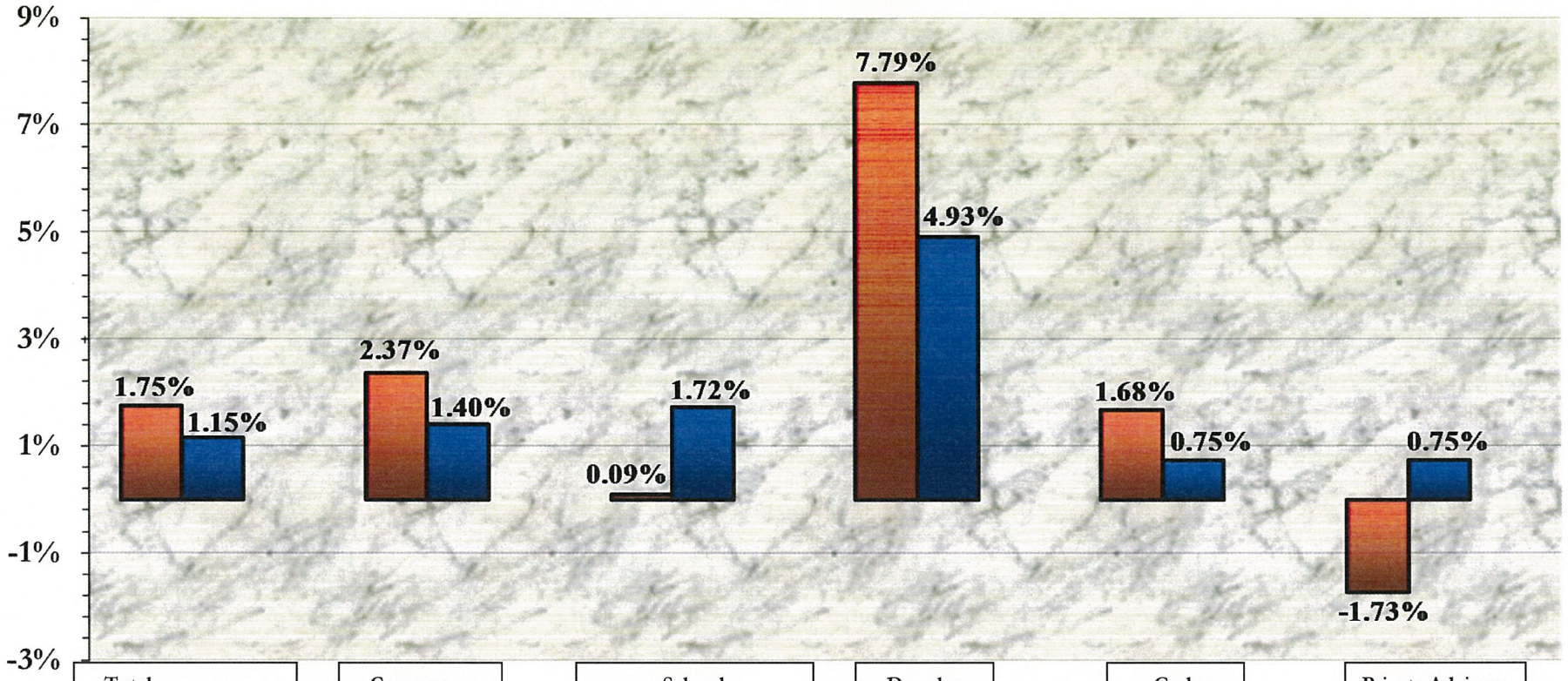
TOTAL USA ENDOWMENT
FISCAL YEAR 2015
October 1, 2014 To December 31, 2014

Balance: $ 144,138,196



Outperformed 0.60 %

ENDOWMENT FUND MANAGERS
FISCAL YEAR 2015
October 1, 2014 To December 31, 2014



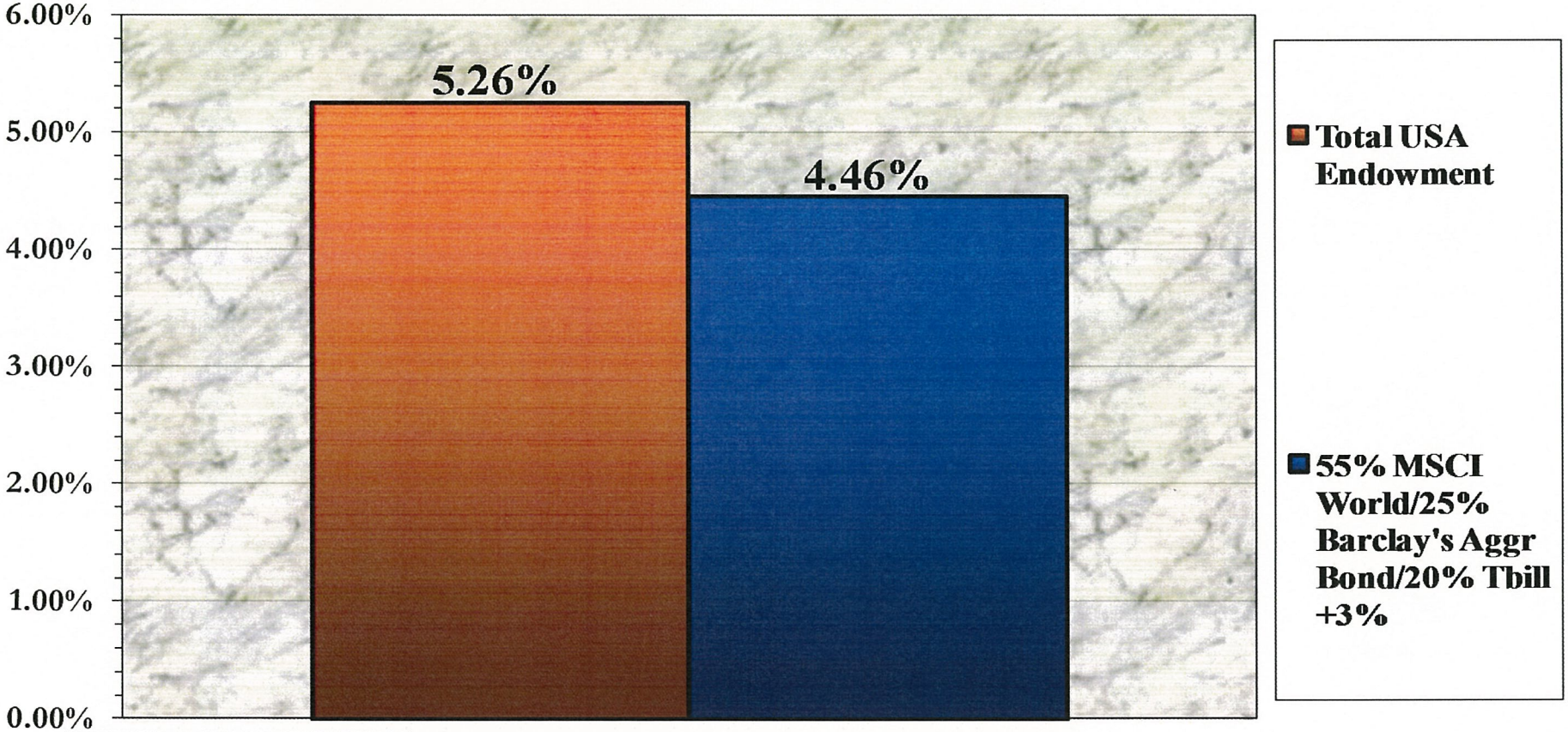
Total Univ. Endowment	Common Fund	Schwab	Douglas Lane	Gerber Taylor	Private Advisors
MSCI World/Barclays US Agg Bond TR/T-Bill +3%	MSCI World/ Barclays US Agg. Bond TR	MSCI Small Cap/MSCI EAFE NR/MSCI EM PR/Russell 2000/Barclays TIP/BofAML USD Libor 3 mo. CM/Barclays US Agg. TR/S&P 500 TR	S&P 500 TR	T-Bill +3%	T-Bill +3%
$ 144,138,196	$ 69,012,223	$ 37,182,979	$ 8,493,473	$ 22,281,613	$ 7,167,908

TOTAL USA ENDOWMENT BREAKDOWN
FISCAL YEAR 2015

Manager	Money Market	Large Cap Equity	Small Cap Equity	International	Fixed	Hedge	Total	%
Private Advisors	$ -	$ -	$ -	$ -	$ -	$ 7,167,908	$ 7,167,908	5%
Schwab	$ 2,713,146	$ 7,694,015	$ 7,781,565	$ 13,787,244	$ 5,207,009	$ -	$ 37,182,979	26%
Doug Lane	$ 713,452	$ 7,780,021	$ -	$ -	$ -	$ -	$ 8,493,473	6%
Common Fund	$ -	$ 37,551,764			$ 31,460,459		$ 69,012,223	48%
Gerber Taylor	$ -	$ -	$ -	$ -	$ -	$ 22,281,613	$ 22,281,613	15%
Total	**$ 3,426,598**	**$ 53,025,801**	**$ 7,781,565**	**$ 13,787,244**	**$ 36,667,467**	**$ 29,449,521**	**$ 144,138,196**	**100%**
%	2%	37%	5%	10%	25%	20%	100%	
Policy %		25-55%	0-8%	5-15%	15-35%	10-30%	100%	

TOTAL USA ENDOWMENT
SINCE INCEPTION
APRIL 1, 2000 To December 31, 2014
Annualized

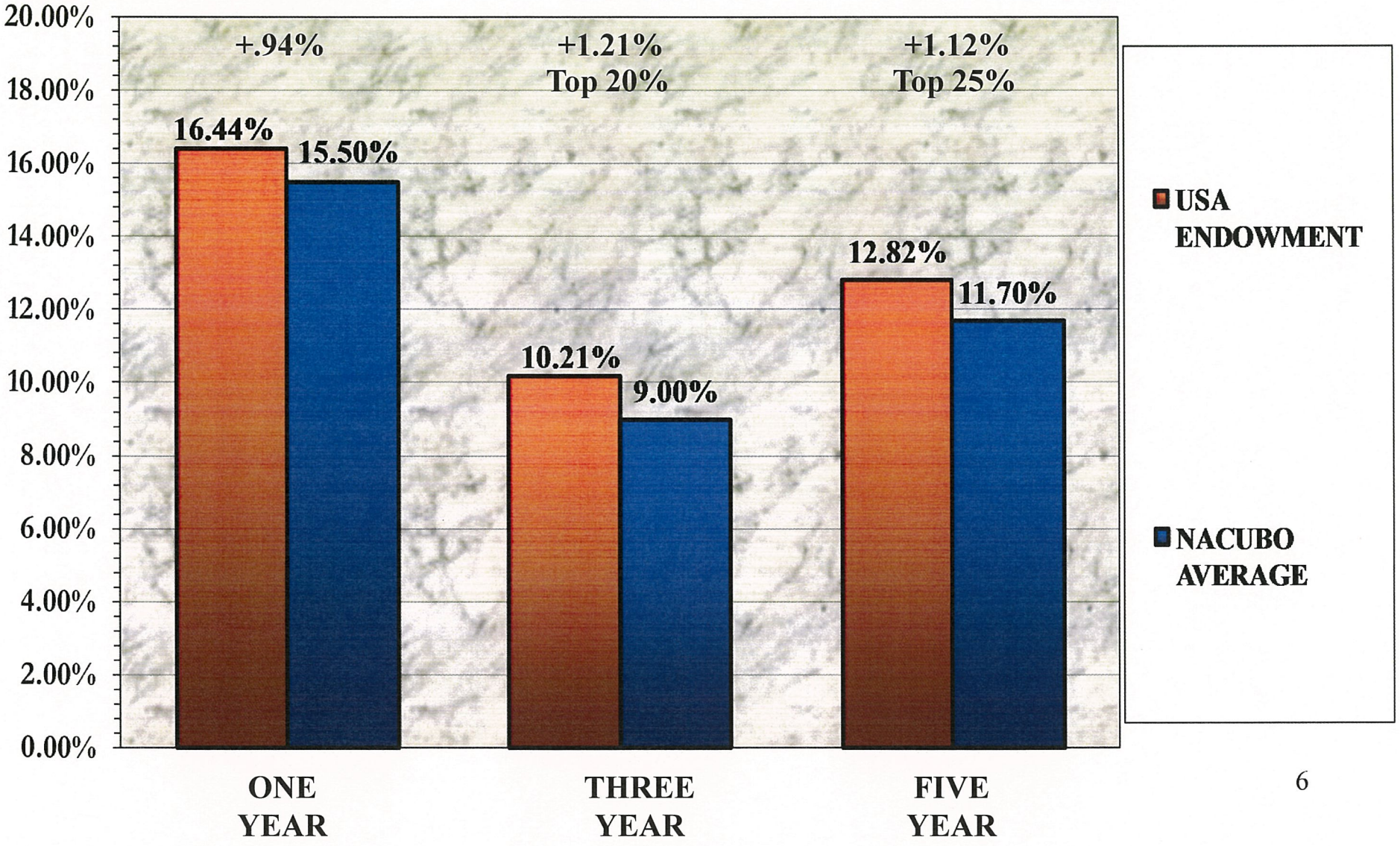
Balance: $ 144,138,196



Outperformed 0.80 %

USA ENDOWMENT vs NACUBO AVERAGE PERFORMANCE
YEAR ENDING
JUNE 2014

FY Year End 2014
Balance: $ 141,993,274



UNIVERSITY OF SOUTH ALABAMA

BOARD OF TRUSTEES

SPECIAL ACKNOWLEDGEMENT

POSTHUMOUS RESOLUTION
HONORING DR. JAMES LOWE, JR.,
PRESIDENT, BISHOP STATE COMMUNITY COLLEGE

WHEREAS, the University of South Alabama seeks to honor exceptional individuals who have given a substantial part of their lives to serving others and who have distinguished themselves throughout their professional careers, and

WHEREAS, Dr. James Lowe, Jr., was a teacher, head football coach, athletics director, principal and assistant superintendent, and served as an administrator with the Alabama State Department of Education, and

WHEREAS, Dr. Lowe served as Vice Chancellor for Instructional and Student Services in the Alabama Community College System; Vice Chancellor of College Operations at the Department of Postsecondary Education; Interim President of Northwest-Shoals Community College; and Dean of Academic Instruction at Chattahoochee Valley Community College, and

WHEREAS, Dr. Lowe was named Interim President in 2007 and made permanent President of Bishop State Community College in 2008, and

WHEREAS, Dr. Lowe provided the leadership required to bring Bishop State Community College from very difficult and challenging circumstances to an institution that now functions at a high level with a focus on serving the workforce training needs of a dynamic economy in Mobile and the surrounding areas, and

WHEREAS, Dr. Lowe was instrumental in forging partnerships with the University of South Alabama, and

WHEREAS, Dr. Lowe was a man who exhibited the highest level of honor, integrity and leadership in his personal and professional life,

THEREFORE, BE IT RESOLVED that the University of South Alabama hereby expresses its sincere appreciation to the late Dr. James Lowe, Jr., for his generous service in education to the State of Alabama, and

BE IT FURTHER RESOLVED that the University of South Alabama extends its most sincere condolences and deepest sympathies to the family, friends and colleagues of Dr. James Lowe, Jr., and its gratitude for his support and friendship.