UNIVERSITY OF SOUTH ALABAMA
BOARD OF TRUSTEES COMMITTEE MEETINGS
SEPTEMBER 12, 2019
WHIDDON ADMINISTRATION BUILDING - SUITE 130, BOARD ROOM
1:30 P.M.

AUDIT COMMITTEE ***RON GRAHAM, CHAIR***

Roll Call
Approve: Minutes
6 Report: KPMG Auditors
7 Report: Independent Audit of the USA Foundation Consolidated Financial Statements and Disproportionate Share Hospital Funds Combined Financial Statements, Years Ended June 30, 2019 and 2018

DEVELOPMENT, ENDOWMENT AND INVESTMENTS COMMITTEE ***JIM YANCE, CHAIR***

Roll Call
Approve: Minutes
8 Report: Endowment and Investment Performance * Commonfund
9 Recommendation to Approve: Changes to the University's Endowment Funds Investment Policies and Guidelines
10 Recommendation to Approve: Director of the Jaguar Athletic Fund, Inc.
11 Recommendation to Approve: Commendation of Hargrove Engineers + Constructors
12 Report: Development and Alumni Relations

HEALTH AFFAIRS COMMITTEE ***SCOTT CHARLTON, M.D. CHAIR***

Roll Call
Approve: Minutes
13 Recommendation to Approve: USA Health Community Health Needs Assessment and Implementation Strategies
14 Report: USA Health and College of Medicine

ACADEMIC AND STUDENT AFFAIRS COMMITTEE ***MIKE WINDOM, CHAIR***

Roll Call
Approve: Minutes
15 Recommendation to Approve: Tenure
16 Recommendation to Approve: Pat Capps Covey College of Allied Health Professions Out-of-State Graduate Tuition
17 Recommendation to Approve: Creation of Jaguar Realty, LLC – Mitchell College of Business
18 Report: Academic Affairs
19 Report: Student Affairs
20 Report: Research and Economic Development

BUDGET AND FINANCE COMMITTEE ***TOM CORCORAN, CHAIR***

Roll Call
Approve: Revised Agenda
Approve: Minutes
21 Report: Quarterly Financial Statement, Nine Months Ended June 30, 2019
22 Report: Bonded Indebtedness
23 Recommendation to Approve: Changes to USA Main Campus Street Names
24 Recommendation to Approve: Amendment and Restatement of the University of South Alabama 403(b) Plan
25 Recommendation to Approve: University Total Budget for 2019-2020
25.A Recommendation to Approve: Salary Increase

LONG-RANGE PLANNING COMMITTEE ***CHANDRA BROWN STEWART, CHAIR***

Roll Call
26 Report: 2019 Scorecard

COMMITTEE OF THE WHOLE ***JIMMY SHUMOCK, CHAIR***

Roll Call
Approve: Evaluation and Compensation Committee Minutes and Committee of the Whole Minutes
27 Recommendation to Approve: Executive Committee
28 Approve: Executive Session

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Approve: Revised Agenda
1 Approve: Minutes
2 Report: Board of Trustees Scholar
3 Report: University President
4 Report: Faculty Senate President
5 Report: Student Government Association President

CONSENT AGENDA

9 Approve: Changes to the University's Endowment Funds Investment Policies and Guidelines
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16 Approve: Pat Capps Covey College of Allied Health Professions Out-of-State Graduate Tuition
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25.A Approve: Salary Increase

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SPECIAL ACKNOWLEDGEMENT

11 Approve: Commendation of Hargrove Engineers + Constructors

UNIVERSITY OF SOUTH ALABAMA

BOARD OF TRUSTEES

MEETING SCHEDULE

THURSDAY, SEPTEMBER 12, 2019:

1:30 p.m. **Committee Meetings (Consecutive)** **Administration Bldg., Rm. 130**

FRIDAY, SEPTEMBER 13, 2019:

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

BOARD OF TRUSTEES

STANDING COMMITTEES
2019-2022

EXECUTIVE COMMITTEE:

- James H. Shumock, **Chair *pro tempore***
- Arlene Mitchell, **Vice Chair**
- Katherine Alexis Atkins, **Secretary**
- E. Thomas Corcoran
- Steven P. Furr, M.D.
- Kenneth O. Simon
- James A. Yance

ACADEMIC AND STUDENT AFFAIRS COMMITTEE:

- Scott A. Charlton, M.D.
- Steven P. Furr, M.D., **Vice Chair**
- William Ronald Graham
- Robert D. Jenkins III
- Lenus M. Perkins
- Margie Malone Tuckson
- Michael P. Windom, **Chair**

AUDIT COMMITTEE:

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- James A. Yance, **Chair**

EVALUATION AND COMPENSATION COMMITTEE:

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- Arlene Mitchell
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- Margie Malone Tuckson, **Vice Chair**
- James A. Yance
- Sabrina G. Bessette, M.D., ex officio
- John V. Marymont, M.D., ex officio
- Tony G. Waldrop, Ph.D., ex officio

UNIVERSITY OF SOUTH ALABAMA

BOARD OF TRUSTEES

AGENDA

MINUTES

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HEALTH AFFAIRS COMMITTEE ***SCOTT CHARLTON, M.D., CHAIR***

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UNIVERSITY OF SOUTH ALABAMA

MEMORANDUM

Board of Trustees

DATE: September 3, 2019

TO: USA Board of Trustees

FROM: Alexis Atkins
Secretary, Board of Trustees

SUBJECT: Meeting Minutes

Included herein are the unapproved minutes for meetings of the Board of Trustees and standing committees held on June 5 and 6, 2019. Please review these documents for amendment or approval at the September 12 and 13, 2019, meetings.

UNIVERSITY OF SOUTH ALABAMA
BOARD OF TRUSTEES

June 6, 2019
10:30 a.m.

A meeting of the University of South Alabama Board of Trustees was duly convened by Judge Ken Simon, Chair *pro tempore,* on Thursday, June 6, 2019, at 10:34 a.m. in the Board Room of the Frederick P. Whiddon Administration Building.

Members Present: Alexis Atkins, Chandra Brown Stewart, Scott Charlton, Tom Corcoran, Ron Graham, Ron Jenkins, Arlene Mitchell, Lenus Perkins, Jimmy Shumock, Ken Simon, Steve Stokes, Margie Tuckson, Mike Windom and Jim Yance.

Members Absent: Steve Furr and Kay Ivey.

Administration and Others: Les Barnett, Robert Berry, Lynne Chronister, John Cleary, Josh Cogswell, Joel Erdmann, Monica Ezell, Paul Frazier, Mike Haskins, Vallarie Hernandez, Dave Johnson, Cassandra Joseph, Nick Lawkis, Trey Lemley, John Marymont, Susan McCready (Faculty Senate), Abe Mitchell, Mike Mitchell, Matthew Reichert, Rod Rocconi, Sabrina Simon, Sarah Simon, Zach Simon, John Smith, Margaret Sullivan, Jean Tucker, Sahilee Waitman (SGA), Mary Claire Wright (Davidson High School), Tony Waldrop, Scott Weldon and Alec Yasinsac.

Media: Ebonee Burrell (The Vanguard).

The meeting came to order and Chairman Simon called on Mr. Windom, who recognized the 75th anniversary of D-Day and requested a moment of silence to reflect on the sacrifices of veterans.

The attendance role was called and Chairman Simon requested consideration of **ITEM 2** as follows, as was unanimously recommended for Board approval by the Committee of the Whole at a meeting on June 5, 2019. On motion by Dr. Stokes, seconded by Ms. Atkins, the Board voted unanimously to approve the resolution:

RESOLUTION
2019-2020 BOARD MEETING SCHEDULE

WHEREAS, Article II, Section 1, of the Bylaws provides that the Board shall schedule annually, in advance, regular meetings of the Board to be held during the ensuing year, and may designate one of such meetings as the annual meeting of the Board,

THEREFORE, BE IT RESOLVED that the regular meetings of the University of South Alabama Board of Trustees shall be held on the following dates:

Friday, September 13, 2019
Thursday, December 5, 2019
Friday, March 6, 2020
Friday, June 5, 2020

FURTHER, BE IT RESOLVED that the date of June 5, 2020, be designated as the annual meeting of the University of South Alabama Board of Trustees for 2019-2020.

Chairman Simon called for consideration of the minutes of the March 15, 2019, meeting of the Board of Trustees, **ITEM 1**. On motion by Ms. Mitchell, seconded by Mr. Shumock, the minutes were adopted unanimously.

Chairman Simon called for presentation of **ITEM 3**, the President's Report. President Waldrop recognized Honorary Trustee Mr. Abe Mitchell. He also gave information on the recent graduating class and Spring Commencement exercises held on May 4, 2019, noting the keynote speakers were former NFL player and environmental advocate Mr. Ovie Mughelli and retired Executive Director for Governmental Relations and USA alumnus Mr. Happy Fulford.

President Waldrop called on Dr. Erdmann for an update on Hancock Whitney Stadium. As aerial footage was viewed, Dr. Erdmann stated construction was proceeding at a good pace for completion in time for the 2020 football season. He discussed stadium, parking and ticket access and encouraged fan support of the 2019 season, noting nationally broadcast home matches against the University of Memphis and Georgia Southern University. Chairman Simon mentioned the first game against the University of Nebraska in Lincoln on August 31, 2019.

President Waldrop called on Dr. Marymont, who shared details on a new partnership between USA Health's Department of Emergency Medicine and the City of Orange Beach. He stated the collaboration involved second-year resident physicians accompanying first responders on emergency calls, which would provide residents a better understanding of the emergency rescue environment and patients at scenes would benefit from their teamwork with paramedics. In turn, he said Orange Beach first responders would be able to work in the emergency rooms at University Hospital and Children's & Women's Hospital in order to strengthen the skills they use in the community.

President Waldrop recognized Associate Vice President for University Development Dr. Josh Cogswell, advising that he had recently earned a doctorate degree and would soon leave the University to pursue an academic appointment. Dr. Cogswell said he would be joining the College of Business at Nichols State University as a faculty member.

President Waldrop advised of the completion of a national search to fill the position of Executive Director of Governmental Relations and announced that USA alumnus Mr. Lawkis was selected. Mr. Lawkis expressed appreciation for the confidence placed in him, and he shared background on the performance-based budget process which resulted in an appropriation increase of $7.2 million, or 6.5 percent – the largest received in 10 years. He added that one-time funding totaling $4 million for building maintenance and technology purchases was secured as well.

President Waldrop called on Provost Johnson, who discussed the recent national search to fill the position of dean for the College of Engineering. He announced the selection of Dr. John M. Usher as dean of the College of Engineering effective August 1, 2019. He stated Dr. Usher's current role was as professor and head of the Department of Industrial and Systems Engineering at Mississippi State University. He noted that Dr. John Steadman, who served as dean for 16 years, would assume a faculty position.

President Waldrop recognized Employee of the Quarter Ms. Vallarie Hernandez, secretary in the College of Education and Professional Studies' Department of Integrative Studies. He read remarks from the nomination, presented Ms. Hernandez with a plaque commemorating the honor, and said she would receive $500 and a reserved parking spot for the quarter.

President Waldrop read an email received from a USA alumna and parent of a Spring 2019 graduate. The message conveyed pride for the progress of the University and for the maturity her son developed over four years as a South Alabama student.

Chairman Simon recognized Ms. Ebonee Burrell, editor-in-chief of The Vanguard.

Chairman Simon called for a report from Faculty Senate President Dr. Susan McCready, **ITEM 4**. Dr. McCready shared information about herself; introduced Faculty Senate Vice Chair Dr. John Cleary, Secretary Mr. Trey Lemley and Past President Dr. Matthew Reichert; talked about the broad expertise of the faculty; and stated she looked forward to working with the Board.

Chairman Simon introduced Student Government Association (SGA) President Ms. Sahilee Waitman for a report, **ITEM 5**. Ms. Waitman talked about her background and passion for student advocacy; conveyed pride for the student leadership at South; and stated SGA's platform of activities and projects for the coming year would focus on the mental, physical and financial well-being of students.

Chairman Simon called for consideration of consent agenda **ITEMS 10, 12, 20** and **21** as follows, which were unanimously recommended for Board approval by the respective committee that met on June 5, 2019. On motion by Mr. Corcoran, seconded by Ms. Atkins, the Board voted unanimously to approve the resolutions:

RESOLUTION
USA HOSPITALS MEDICAL STAFF BYLAWS AND RULES AND REGULATIONS REVISIONS

WHEREAS, revisions to the USA Hospitals Medical Staff Bylaws and Rules and Regulations, attached hereto as approved at the April 29, 2019, Medical Staff meeting that was held electronically via email, are recommended for Board approval by the Medical Executive Committees, General Medical Staff 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.

RESOLUTION
PROFESSOR EMERITUS

WHEREAS, Dennis W. Fell, MD, PT, Professor of Physical Therapy, has retired from the University of South Alabama, and

WHEREAS, in recognition of Dr. Fell's contributions to the University through extraordinary teaching technique and in the generation of new knowledge through research and scholarship; in serving to positively inspire students; and through dedication to

the treatment and healing of patients, all for which, in accordance with University policy, the applicable faculty committee, Chair of the Department of Physical Therapy, Dean of the Pat Capps Covey College of Allied Health Professions, Provost and Senior Vice President for Academic Affairs, and President have duly recommended that he be appointed to the rank of Professor Emeritus,

THEREFORE, BE IT RESOLVED, the Board of Trustees of the University of South Alabama hereby appoints Dr. Dennis W. Fell to the rank of Professor Emeritus with the rights and privileges thereunto appertaining, and

BE IT FURTHER RESOLVED that, in recognition of his extraordinary accomplishments and dedicated service to the University of South Alabama, the Board of Trustees conveys its deep appreciation to Dr. Fell.

RESOLUTION
PROCUREMENT OF ATHLETICS DEPARTMENT AIR-CHARTER TRANSIT SERVICES

WHEREAS, the University of South Alabama Department of Intercollegiate Athletics (the "Athletics Department") utilizes the services of air-charter transit companies to transport its athletic teams to intercollegiate athletic events, and

WHEREAS, a primary requirement of any air-charter transit company utilized is to ensure the safety of our student-athletes, coaches and staff, and

WHEREAS, the quality and reliability of those air-charter transit companies have become more disparate in recent years, and

WHEREAS, the selection of air-charter transit services through negotiation rather than competitive bidding allows not only cost but quality, reliability and safety of charter transit companies to be given the consideration they are due during the procurement process, and

WHEREAS, the Code of Alabama section 41-16-27 provides that, in certain situations, transit services to be utilized by a university's athletics department may be awarded without competitive bidding, and

WHEREAS, the University's Athletics Administration believes that it is in the best interest of the University and its student-athletes to acquire such air-charter transit services through a negotiation process rather than the competitive-bidding process,

THEREFORE, BE IT RESOLVED, the University of South Alabama Board of Trustees approves the procurement of air-charter transit services for use by the University's Department of Intercollegiate Athletics through a negotiation process consistent with state law.

RESOLUTION
CONTRACT OFFICERS

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

WHEREAS, other individuals and positions of the University have, from time to time, been given authority by the Board of Trustees to sign such contractual agreements and documents on behalf of the Board of Trustees,

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 sign and enter into contractual instruments, agreements, grants, and other similar legal documents 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 contracts that are on templates pre-approved by the University Attorneys, and

BE IT FURTHER RESOLVED that the University of South Alabama Board of Trustees also authorizes and approves the positions of Executive Vice President; Provost and Senior Vice President for Academic Affairs; Vice President for Finance and Administration; Vice President for Medical Affairs; Chief Executive Officer and Senior Associate Vice President for Medical Affairs; University Treasurer; and Chief Financial Officer and Assistant Vice President for Medical Affairs as contracting officers of the University of South Alabama with all necessary power, responsibilities, authorities, and obligations to enter into contractual instruments, agreements, grants, and other similar legal documents for and on behalf of the University of South Alabama and its Board of Trustees.

Chairman Simon called for a report from the Audit Committee. Mr. Shumock, Committee Chair, stated, at a meeting on June 5, 2019, Mr. Berry discussed the risk assessment process and related activities, and advised of plans for an in-depth educational session in the fall.

Chairman Simon called for a report from the Development, Endowment and Investments Committee. Mr. Yance, Committee Chair, stated, at a meeting on June 5, 2019, endowment performance for the fiscal year through April 30, 2019, and since inception was reported; Hancock Whitney Bank representatives discussed the University's investments; a possible change to the hedge fund index was discussed; and an update was delivered on the Upward & Onward and South Fund campaigns and related activities. He thanked Ms. Sullivan and Angelia and Steve Stokes for their leadership and conveyed best wishes to Dr. Cogswell.

Chairman Simon called for a report from the Health Affairs Committee. On behalf of Dr. Furr, Committee Chair, Dr. Charlton stated, at a meeting on June 5, 2019, reports were delivered on the positive outcome of a recent Joint Commission survey of University Hospital and positive data published by the American Association of Medical Colleges about South's program.

Chairman Simon called for a report from the Academic and Student Affairs Committee. Dr. Charlton, Committee Chair, stated, at a meeting on June 5, 2019, the Committee voted unanimously to recommend Board approval of **ITEM 13** as follows. On motion by Ms. Atkins, seconded by Mr. Shumock, the Board voted unanimously to approve the resolution:

RESOLUTION
TENURE AND PROMOTION

WHEREAS, in accordance with University policy, faculty applications for tenure and promotion have been reviewed by the respective faculty peers, departmental chair, col-

lege dean, and by the Provost and Senior Vice President for Academic Affairs or the Vice President for Medical Affairs, and the President, and, of those faculty considered, the following individuals are hereby recommended for tenure and/or promotion,

THEREFORE, BE IT RESOLVED, the University of South Alabama Board of Trustees approves and grants tenure and/or promotion to the following individuals effective August 15, 2019.

PAT CAPPS COVEY COLLEGE OF ALLIED HEALTH PROFESSIONS:

Promotion to Associate Professor:
Inna Shokolenko

Promotion to Professor:
Brenda Beverly

COLLEGE OF ARTS AND SCIENCES:

Tenure:
Donald Beebe
Kara Burns
Susan Fitzsimmons
Alma Hoffmann
Jeffrey Krause
John Lehrter
David Messenger
Hosik Min
William Peterson

Promotion to Senior Instructor:
Jacob Dasinger

Promotion to Associate Professor:
Donald Beebe
Kara Burns
Alma Hoffman
Jeffrey Krause
Hosik Min
William Peterson

Promotion to Professor:
Benjamin Hill
Kimberly Zlomke

MITCHELL COLLEGE OF BUSINESS:

Tenure:
Ermanno Affuso
Amelia Baldwin
John Cummings
Gregory Prescott

Promotion to Associate Professor:
Ermanno Affuso
John Cummings
Gregory Prescott

COLLEGE OF EDUCATION AND PROFESSIONAL STUDIES:

Tenure:
Hank Bounds
Ryon McDermott

Promotion to Associate Professor:
Ryon McDermott

COLLEGE OF MEDICINE:

Tenure:
Ssang-Taek Lim
Michael T. Lin
Promotion to Senior Instructor:
Jacob Dasinger

Promotion to Professor:
Anthony G. Martino

Promotion to Associate Professor:
Sabrina G. Bessette
Ramachandra Bhat
William Bogan Brooks, III
Jason Luke Engeriser
Ssang-Taek Lim
Michael T. Lin

COLLEGE OF NURSING:

Promotion to Associate Professor
John Elkins
Ashley Marass

Promotion to Senior Instructor:
Jeanene Cockrell

Dr. Charlton advised that the Committee voted unanimously to recommend Board approval of **ITEM 14** as follows, which he noted would not authorize a tuition and fees increase, but would authorize an average two percent increase in housing and meal plan rates. He stressed that South's tuition and fees would continue to be among the lowest in Alabama. On motion by Ms. Mitchell, seconded by Mr. Windom, the Board voted unanimously to approve the resolution:

RESOLUTION
TUITION, FEES, AND HOUSING AND DINING RATES - 2019-2020

WHEREAS, the University of South Alabama is committed to maintaining high-quality educational and student services programs, and

WHEREAS, it has been determined that USA can maintain educational objectives and standards for excellence in its RN to BSN program while implementing a decrease in the tuition per credit hour for that program, which is hereby recommended, and

WHEREAS, the University continues to maintain outstanding educational and student services programs, and after extensive analysis of the financial needs of the University in 2019-2020 and beyond, the University Administration and Budget Council have determined that increases in charges for housing and dining fees are necessary, and

WHEREAS, student housing must address continuing maintenance, renovation, and technology needs in order to ensure high-quality on-campus accommodations,

THEREFORE, BE IT RESOLVED, that the Board of Trustees of the University of South Alabama approves the RN to BSN program tuition reduction and the recommended housing and dining rates for the 2019-2020 academic year as set forth in the attached schedules.

Chairman Simon called for a report from the Budget and Finance Committee. Mr. Corcoran, Committee Chair, stated, at a meeting on June 5, 2019, Mr. Weldon discussed the quarterly financial statements ended March 31, 2019, advised of South's net position of approximately $1.6 million, and shared information on a student payment plan that had been implemented.

As part of the Academic and Student Affairs Committee report, Dr. Charlton said reports on the Student Health Center and ionic liquids research were delivered at the Committee meeting.

Dr. Charlton called on Provost Johnson, who introduced Dean of the School of Computing Dr. Alec Yasinsac; Director of the Center for Forensics, Information Technology and Security Mr. Les Barnett; and Davidson High School teacher Ms. Mary Claire Wright. Mr. Barnett shared specifics about K-12 outreach programs designed to recruit students and prepare them for college and computing careers. Ms. Wright talked about the significant impact of a partnership with South that availed unique computing activities to students over four years. She said students participating had higher grades and many chose to come to South.

Dr. Charlton called on Ms. Chronister, who advised of the involvement of South faculty and students in projects related to the discovery of the Clotilda, the last known ship to have illegally trafficked slaves from Africa to Alabama. In conjunction, Ms. Tuckson recommended the book Barracoon by Zora Neale Hurston. She and Mr. Perkins shared historical perspective.

Chairman Simon called for a report from the Evaluation and Compensation Committee. Mr. Windom, Committee Chair, shared that, at a meeting on June 5, 2019, he advised the process of evaluating President Waldrop's performance was less extensive this year and of plans to revamp future processes to include objective criteria connected to the strategic priorities. He reiterated the Committee's agreement that President Waldrop's performance over the preceding year exceeded expectations and he was eligible for a salary increase if one was approved for general University employees. Chairman Simon concurred President Waldrop had done an excellent job. President Waldrop conveyed appreciation and acknowledged that the progress of the University was the result of many people working together, crediting specifically the leadership team and his wife, Julee.

Chairman Simon acknowledged guests joining the meeting following a tour of South's simulation lab and some offered feedback about the experience.

Chairman Simon called for a report from the Nominating Committee. Mr. Yance, Committee Chair, presented the Committee's recommendation for the nomination of Mr. Shumock as Chair *pro tempore*, Ms. Mitchell as Vice Chair and Ms. Atkins as Secretary. Chairman Simon called for a second. Mr. Windom seconded and the Board voted unanimously to approve the slate of officers for three-year terms becoming effective following the meeting.

Chairman Simon invited Ms. Atkins to join him, Chair-elect Shumock and President Waldrop for the presentation of ITEM **8** as follows. Mr. Perkins read the resolution and Ms. Atkins shared thanks on behalf of her family and expressed excitement for the continued partnership with the University, the Jaguar football team and Hancock Whitney Stadium. On motion by Mr. Yance, seconded by Capt. Jenkins, the Board voted unanimously to approve the resolution:

RESOLUTION
RECOGNITION OF MR. JIM FUCHS, MS. ALEXIS ATKINS AND BUDWEISER-BUSCH DISTRIBUTING CO., INC.

WHEREAS, the University of South Alabama is a leading comprehensive public university recognized for educational, research and health care excellence, as well as for its positive intellectual, cultural and economic impact on those it serves, and

WHEREAS, Jaguar Athletics is an integral component of the University, and contributes to the University mission by advancing academic and athletic excellence among student-athletes, enlivening campus life, engaging alumni and friends throughout the nation and supporting economic development for the Gulf Coast region, and

WHEREAS, Mr. Jim Fuchs, Ms. Alexis Atkins and Budweiser-Busch Distributing Co., Inc., are ardent supporters of Jaguar Athletics, distinguishing themselves by becoming the football program's first corporate donors in 2008 and providing visionary leadership for the business community across the region, and

WHEREAS, Mr. Fuchs, Ms. Atkins and Budweiser-Busch Distributing Co., Inc., have generously committed $1 million to assist the University of South Alabama in building the state-of-the-art Hancock Whitney Stadium, a facility that will expand and enhance aware-

ness of the University of South Alabama and the City of Mobile, as well as the competitiveness of the Jaguar Athletics program, and

WHEREAS, Ms. Atkins has distinguished herself through dedicated service to the University of South Alabama as a member of the Board of Trustees, past president of the USA National Alumni Association, and board member of the Jaguar Athletic Fund, and has promoted the progress of the University's fundraising campaigns as a volunteer leader and generous donor,

THEREFORE, BE IT RESOLVED, the University of South Alabama Board of Trustees commends and thanks Mr. Jim Fuchs, Ms. Alexis Atkins and Budweiser-Busch Distributing Co., Inc., for their loyal support of the University and the USA Jaguars football program, and

BE IT FURTHER RESOLVED that, in recognition of the exemplary partnership between the University of South Alabama and Mr. Fuchs, Ms. Atkins and Budweiser-Busch Distributing Co., Inc., the south terrace of Hancock Whitney Stadium will be known as the *Michelob Ultra Terrace*.

Chairman Simon asked his wife, Sabrina, to stand with him and the following resolution was read by Mr. Graham. Chairman Simon said it was an honor and privilege to serve as Board Chair and work alongside fellow Trustees, President Waldrop and others. He recognized family members in attendance. On motion by Mr. Yance, seconded by Ms. Mitchell, the Board voted unanimously to approve the resolution. Chairman and Mrs. Simon removed the veil from his portrait that would be installed in the Board Room and Trustees and guests gave a round of applause:

RESOLUTION
COMMENDATION OF MR. KENNETH O. SIMON AS CHAIR PRO TEMPORE EMERITUS

WHEREAS, Mr. Kenneth O. Simon has served faithfully as a member of the Board of Trustees of the University of South Alabama since his appointment in 2009, and

WHEREAS, Mr. Simon served as Chair Pro Tempore of the Board of Trustees from 2016 to 2019 and as Board Vice Chair from 2013 to 2016, and

WHEREAS, Mr. Simon and his wife, Sabrina, are loyal supporters of South Alabama and, over the years, have contributed generously to advance the mission of the Institution, and

WHEREAS, the Simons' gifts have included support for the 50th Anniversary Annual Fund, the USA Health Mitchell Cancer Institute Fund for Excellence, and the USA Board of Trustees Endowed Scholarship, and creation of the Lavonne Simon Endowed Book Award in memory of Mr. Simon's mother, the first African-American graduate of the University of South Alabama, and

WHEREAS, Mr. Simon serves on the Steering Committee for *Upward & Onward*, the University's $150-million fundraising campaign dedicated to elevating and accelerating every aspect of the University of South Alabama, and

WHEREAS, Mr. Simon, who earned his undergraduate degree in 1976 as one of seven siblings who enrolled at South, was elected as the University's first African-American President of the Student Government Association and was later elected as the first African-American to fill the role of Chair Pro Tempore of South's Board of Trustees, serving as an inspiration and role model to many, and

WHEREAS, Mr. Simon's guidance has been critical to the University's progress, as demonstrated through his service on the Board's Executive Committee; Development, Endowment and Investments Committee; Academic and Student Affairs Committee; and Health Affairs Committee, and

WHEREAS, the positive results of Mr. Simon's leadership as Board Chair will be realized for years to come, made possible by initiatives he championed, such as, enrollment of the most academically accomplished class in South Alabama history; introduction of the Board's first self-assessment program; and the groundbreaking of Hancock Whitney Stadium, the Simulation Building, the Julian and Kim MacQueen Alumni Center and the Fanny Meisler Trauma Center at University Hospital, and

WHEREAS, Mr. Simon, through his wisdom, philanthropy and steadfast guidance, has played a prominent role in advancing the interests of all University of South Alabama constituencies,

THEREFORE, BE IT RESOLVED that the Board of Trustees of the University of South Alabama expresses its sincere appreciation to Mr. Kenneth O. Simon for his many contributions and invaluable service to the Board, to the entire University community, and to the people of the state of Alabama, all of whom have benefited from his knowledge, dedication and generosity, and confers upon him the honorary title of *Chair Pro Tempore Emeritus* of the University of South Alabama Board of Trustees.

Chairman Simon called for a recess at 12:05 p.m., noting that the meeting would resume following lunch.

The meeting resumed at 1:20 p.m. and Chairman Simon called for comments from Associate Vice President for Institutional Effectiveness Dr. Angela Coleman. Dr. Coleman gave an overview of the self-evaluation survey and response. She said the feedback received was generally positive and that qualitative comments and suggestions added value. She indicated the survey results could inspire the Board to set goals and identify actions, noting, for instance, specific feedback pertaining to orientation, education and the strategic plan. She guided the discussion through the six survey areas: (1) mission and strategic direction, (2) governance, (3) fiduciary responsibility, (4) CEO evaluation, (5) board function and logistics and (6) board expectations. Trustees shared experiences, views and suggestions on ways to improve function.

There being no further business, the meeting was adjourned at 2:35 p.m.

Attest to: Respectfully submitted:

_____ _____

Arlene Mitchell, Secretary Kenneth O. Simon, Chair *pro tempore*

UNIVERSITY OF SOUTH ALABAMA

BOARD OF TRUSTEES

AUDIT COMMITTEE

UNIVERSITY OF SOUTH ALABAMA
BOARD OF TRUSTEES

Audit Committee

June 5, 2019
1:30 p.m.

A meeting of the Audit Committee of the University of South Alabama Board of Trustees was duly convened by Mr. Jimmy Shumock, Chair, on Wednesday, June 5, 2019, at 1:32 p.m. in the Board Room of the Frederick P. Whiddon Administration Building.

Members Present:	Alexis Atkins, Scott Charlton, Ron Graham, Ron Jenkins and Jimmy Shumock.
Other Trustees:	Chandra Brown Stewart, Tom Corcoran, Arlene Mitchell, Lenus Perkins, Margie Tuckson, Mike Windom and Jim Yance.
Administration and Others:	Robert Berry, Lynne Chronister, Joel Erdmann, Monica Ezell, Paul Frazier, Mike Haskins, David Johnson, Nick Lawkis, John Marymont, Susan McCready (Faculty Senate), Mike Mitchell, Rod Rocconi, John Smith, Margaret Sullivan, Jean Tucker, Sahilee Waitman (SGA), Tony Waldrop and Scott Weldon.

The meeting came to order and the attendance roll was called. Mr. Shumock called for consideration of the minutes of the meeting held on March 15, 2019. On motion by Capt. Jenkins, seconded by Mr. Graham, the Committee voted unanimously to adopt the minutes.

Mr. Shumock called on Mr. Berry for an update on the activities of the Office of Internal Audit, **ITEM 6**. Mr. Berry gave an overview on the risk assessment process underway. He reviewed goals and the manner in which the work was being carried out, advised of training provided to University units, and said data collected from the campus community had been compiled into a report and delivered to the Committee. Mr. Shumock said the Committee would consider the information and take part in an educational session in the coming months.

There being no further business, the meeting was adjourned at 1:37 p.m.

Respectfully submitted:

_____
James H. Shumock, Chair



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University of South Alabama report to the audit committee

Audit plan and strategy for the year ending September 30, 2019

September 12, 2019

Introduction

To the Audit Committee of University of South Alabama

We are pleased to have the opportunity to meet with you on September 12, 2019 to discuss our audit of the University of South Alabama as of and for the year ending September 30, 2019.

The audit of the basic financial statements, prepared in accordance with U.S. generally accepted accounting principles, will be conducted in accordance with auditing standards generally accepted in United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Controller General of the United States.

We plan to issue an auditors' report on the basic financial statements of the University of South Alabama and its aggregate discretely presented component units. Other planned audit deliverables include reports issued in connection with Uniform Guidance, debt covenant compliance report, debt agreed-upon procedures report, NCAA agreed-upon procedures report, material written communications between KPMG and Management, and required communications between KPMG and the Audit Committee.

The terms of our engagement, including the objective and scope of our audit, our responsibilities and the responsibilities of management, are recorded in the engagement letter executed on June 7, 2019.

This document, which outlines our risk assessment and planned audit strategy, is being provided to you in advance of the meeting to allow you sufficient time to consider the key matters and enhance the quality of our discussions.

We believe the contents of this document should provide a good platform for our discussions when we do meet. We will be pleased to elaborate further on matters covered in this document at the meeting.

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Agenda

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Scope

Scope of work	Audits of the: — University of South Alabama basic financial statements — Federal Financial Awards in accordance with Uniform Guidance — South Alabama Medical Science Foundation financial statements — USA Research and Technology Corporation financial statements — Gulf Coast TotalCare basic financial statements — University of South Alabama Health Care Authority basic financial statements
Applicable financial reporting framework	— U.S. Generally Accepted Accounting Principles — Title 2 U.S. Code of Federal Regulations Part 200 (2 CFR 200), Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)
Applicable auditing standards	— U.S. Generally Accepted Auditing Standards — Government Auditing Standards
Other terms of engagement	— Debt covenant compliance report — Debt agreed-upon procedures report — NCAA agreed-upon procedures report

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Client service team

Team member	Title	Focus
Mark Peach	Engagement Partner	University
Ashley Willson	Engagement Partner	Healthcare
Lori Nissen	Concurring Review Partner	University and Healthcare
Melinda Gratwick	Engagement Senior Manager	University and Uniform Guidance
Amanda Price	Engagement Senior Manager	Healthcare
Brad Phillips	Director	Technology Systems & Controls
David Stark	Partner	Exempt Organization Tax Matters

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Materiality in the context of the audit

We will apply materiality in the context of the preparation and fair presentation of the financial statements, considering the following factors:

- Professional standards require that we exercise professional judgment when we consider materiality and its relationship with audit risk when determining the nature, timing, and extent of our audit procedures, and when evaluating the effect of misstatements.
- Information is material if its misstatement or omission could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.
- Judgments about materiality are made in light of surrounding circumstances and are affected by the size or nature of a misstatement, or a combination of both.
- Judgments about matters that are material to users of the financial statements are based on a consideration of the common financial information needs of users as a group. The possible effect of misstatements on specific individual users, whose needs may vary widely, is not considered.
- Judgments about the size of misstatements that will be considered material provide a basis for
  a) Determining the nature and extent of risk assessment procedures;
  b) Identifying and assessing the risks of material misstatement; and
  c) Determining the nature, timing, and extent of further audit procedures.

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Deliverables and timeline

01/15/2020 | **09/30/19** | **11/15/2019** | **12/31/2019**

By 01/15/20
- Debrief on audit process

By 12/31/19
- Attend Audit Committee meeting and perform required communications
- Issue NCAA Agreed-upon procedures



By 09/30/19
- Perform risk assessment procedures and identify risks
- Determine audit approach
- Evaluate entity-level controls
- Understand accounting and reporting activities
- Evaluate design and implementation of selected controls including general IT controls, where applicable.
- Coordination with Internal Audit
- Meetings with management to discuss key issues
- Perform interim substantive audit procedures
- Present audit plan to Audit Committee

By 11/15/19
- Perform analytical or other procedures to roll forward account balances to year-end
- Perform remaining audit procedures
- Discuss key issues and deficiencies identified with management
- Review of financial statement disclosures
- Obtain written representation from management
- Issue audit opinion on financial statements

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Deliverables and timeline (continued)

Planning and interim procedures	
— Pre-audit planning meeting with University senior management	June 7, 2019
— Pre-audit planning meeting with Healthcare senior management	May 13, 2019
— Planning and risk assessment procedures, evaluation and compliance tests of internal controls, and interim substantive testing- University	August 5 – August 30, 2019
— Planning and risk assessment procedures, evaluation and compliance tests of internal controls, and interim substantive testing- Healthcare	June 2019 – August 2019
— Single Audit fieldwork– Student Financial Aid	June 2019 – October 2019
Final procedures	
— Final audit field work dates – University	October 14 – November 15, 2019
— Final audit field work dates – Healthcare	October 14 – November 15, 2019
— Final Single Audit procedures	September 30 – November 15, 2019
— Delivery of drafts for all University and Healthcare financial statements to auditors	October 25, 2019
— Delivery of University, Single Audit, USA Research and Technology Corporation, Gulf Coast TotalCare, and University of South Alabama Health Care Authority reports	November 15, 2019
— Post-audit meetings with senior management	January 2020

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Involvement of others

Financial statement audit substantive procedures

- Internal Audit- will provide direct assistance with expense testing, employee payroll testing, certain inventory observations and price testing.
- Specialists needed to perform planned audit procedures or evaluate the audit results related to significant risks
  - Information Resource Management (IRM) team will evaluate general information technology controls and certain application level controls
  - Valuation specialist will evaluate the fair value of interest rate swaps
  - Tax specialist will obtain and document an understanding of the University's tax status, considering applicable tax laws and regulations, the University's operations and/or changing in design that could cause the University to lose its tax status (also includes University related entities).
- Pension actuary will evaluate the pension and other postretirement benefit obligations
- Self-insurance actuary will evaluate the medical malpractice self-insurance liabilities

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Risk assessment

Based on our risk assessment procedures, the following are significant risks/financial statement level risks that may result in a material misstatement (due to fraud or error) in the financial statements and our planned audit approach in response to such significant risks:

Significant Risks/financial statement level risks:

Due to Error

— Certain accounts with significant estimates which are based on management assumptions

- Valuation of self-insurance reserves
- Valuation of patient receivables

Due to Fraud

— Risk of management override of controls – *Management is in a unique position to perpetrate fraud because of management's ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. Although the level of risk of management override of controls will vary from entity to entity, the risk nevertheless is present in all entities.*

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Risk assessment (continued)

Significant audit areas	Significant estimates	Significant unusual transactions/other items	Information technology matters
— Investments — Due to/from third-party payors — Accounts receivable reserves — Professional and general liability costs and reserves — Interest rate swaps — GASB 68: Accounting and Financial Reporting for Pensions — GASB 72: Fair Value Measurement and Application — GASB 75: Accounting and Financial Reporting for Postretirement Benefits other than Pensions — Net Patient Revenue — Tuition and fees	— Valuation of alternative investments — Valuation of self-insurance liabilities — Valuation of swaps — Valuation of General and Professional Liability Trust Funds — Valuation of patient accounts receivable — Third party settlement assets and liabilities	— None	— General information technology environment — Application controls relevant to the financial statement audit and audit performed in accordance with the Uniform Guidance

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Objectives of an audit

- The objective of an audit of financial statements is to enable the auditor to express an opinion about whether the financial statements that have been prepared by management with the oversight of the Audit Committee are presented fairly, in all material respects, in conformity with generally accepted accounting principles.
- We plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether caused by error or fraud. Although not absolute assurance, reasonable assurance is a high level of assurance.
- Our audit includes:
  - Performing tests of the accounting records and such other procedures as we consider necessary in the circumstances to provide a reasonable basis for our opinion.
  - Assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation.

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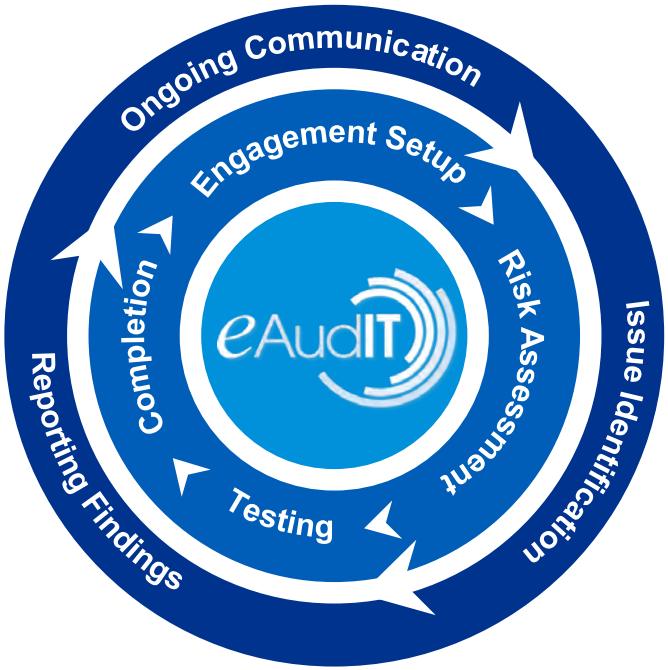
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KPMG's audit approach and methodology

Technology-enabled integrated audit work flow

Engagement Setup
- Tailor the eAudIT work flow to your circumstances
- Access global knowledge specific to your industry
- Team selection and timetable

Completion
- Update risk assessment
- Perform completion procedures and overall evaluation of results and financial statements
- Form and issue audit opinion on financial statements
- Obtain written representation from management
- Required Audit Committee communications
- Debrief audit process



Risk Assessment
- Understand your business and financial processes
- Identify significant risks
- Plan involvement of specialists and others including experts, internal auditors, service organizations and other auditors
- Determine audit approach
- Evaluate design and implementation of internal controls, if applicable

Testing
- Test effectiveness of internal controls, if applicable
- Perform substantive tests

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KPMG independence quality controls

KPMG maintains a comprehensive system of quality controls designed to maintain our independence and to comply with regulatory and professional requirements. In our professional judgment, we are independent with respect to the University of South Alabama, as that term is described by professional standards.

- Submission of all worldwide engagements through Sentinel, a KPMG independence and conflict checking system (includes services for/relationships with the audit client, its affiliates, and its affiliated persons)
- Tracking partner rotation requirements using **PRS (Partner Rotation System),** the firm's automated partner rotation tracking system
- Automated investment tracking system used by all KPMG member firms (KICS)
- Training and awareness programs, including a required annual independence training deployed globally
- Annual independence confirmation required for all existing partners and employees and for all new individuals who subsequently join the firm
- Independence Confirmation Work Paper required to be completed by audit engagement teams which addresses a variety of independence matters and requires review by the Engagement Quality Control Reviewing Partner
- Compliance testing programs
- Formal disciplinary policy and process

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Independence of mind and in appearance

Independence consists of independence of mind and in appearance. Independence in appearance is the avoidance of circumstances that would cause a reasonable and informed third party who has knowledge of all relevant information, including safeguards applied, to reasonably conclude that the integrity, objectivity, or professional skepticism of the firm or members of the audit engagement team is compromised.

Close personal relationships between firm personnel and audit client personnel can impact the appearance of independence or an auditor's independence of mind.

KPMG has issued reminders and conducted training regarding KPMG's existing policies that require interactions between firm personnel and audit client personnel (including client entertainment) be directly related to a business purpose, reasonable, and infrequent (i.e., generally no more than four times a year). Additionally, firm policies prohibit the receipt or granting of any gift with a value in excess of $100 between firm and audit client personnel.

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Shared responsibilities – Independence

In order for us to fulfill our professional responsibility to maintain and monitor independence in relation to the University, timely information is required from University management regarding the following:

- The University's affiliates – This includes entities that are part of the financial statements and other entities that meet the definition of an affiliate under AICPA independence rules (e.g., sister companies under control of a common parent company where both the audit client and sister company are material to the controlling company, entities included in an investment company complex, etc.)
- The University's officers and directors
- Information regarding any pending transactions which may result in new affiliates, officers, or directors

Payment of fees – Audit and all other professional services

Professional standards require that fees for any previously rendered professional service provided more than one year prior to the date of the current year audit report have been paid.

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Recently issued GASB Statements

GASB Statement No. 83, *Certain Asset Retirement Obligations* - This statement will be effective for the University beginning with the fiscal year ending September 30, 2019. Statement 83 establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for ARO's.

GASB Statement No. 84, *Fiduciary Activities* - This statement will be effective for the University beginning with the fiscal year ending September 30, 2020. Statement 84 addresses the criteria for identifying fiduciary activities of all state and local governments.

GASB Statement No. 87, *Leases* – This statement will be effective for the University beginning with the fiscal year ending September 30, 2021. Statement 87 establishes a single model for lease accounting whereby certain leases that were previously classified as operating leases will now be reported on the statements of net position.

GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements* - This statement was issued to enhance note disclosure for debt agreements. Statement 88 is effective for the University beginning with the fiscal year September 30, 2019.

GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period* - This statement will be effective beginning with fiscal year September 30, 2021. Statement 89 requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus.

GASB Statement No. 90, *Majority Equity Interests* - This statement will be effective for the University beginning with the fiscal year ending September 30, 2020. Statement 90 specifies that a majority equity interest in a legally separate organization should be reported as an investment using the equity method, with certain exceptions, if a government holding of the equity interest meets the definition of an investment.

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KPMG's Audit Committee Institute (ACI)

ACI programs

- Audit Committee Roundtable Series
  - Approximately 25 cities each Spring/Fall
- Quarterly Audit Committee Webcast
  - A quarterly Webcast providing updates and insights into issues affecting Audit Committee/board oversight—from key accounting and regulatory changes to developments in risk oversight.
- 16th Annual Audit Committee Issues Conference
  - January 2020, Orlando, Florida

Suggested publications (available for download at www.kpmg.com/aci)

- Directors Quarterly
- Global Boardroom Insights
- On the 2019 Audit Committee and Board Agendas
- Global Audit Committee Survey

Resources

- ACI Web site: www.kpmg-institutes.com/institutes/aci.html
- ACI mailbox: auditcommittee@kpmg.com
- ACI hotline: 1-877-KPMG-ACI
- *Audit Committee Insights – U.S. and International editions (biweekly electronic publications):* www.kpmginsights.com

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Appendix – Responsibilities

Required communications and other matters

Authority	Responsibilities
Management responsibilities – Financial statements	— Fairly presenting the financial statements, including disclosures in conformity with U.S. GAAP — Adjusting the financial statements to correct material misstatements and affirming in the representation letter that the effects of any uncorrected misstatements aggregated by the auditor are immaterial, both individually and in the aggregate, to the financial statements taken as a whole
Management responsibilities – ICOFR	— Design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error
Management responsibilities – Other	— To provide the auditor with: (1) access to all information of which management is aware is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters; (2) additional information that the auditor may request from management for the purpose of the audit; and (3) unrestricted access to persons within the entity from whom the auditor determines it necessary to obtain audit evidence — Identifying and ensuring that the University complies with laws and regulations applicable to its activities, and for informing the auditor of any known material violations of such laws and regulations — Providing the auditor with a letter confirming certain representations made during the audit, that includes but is not limited to management's: (1) disclosure of all significant deficiencies, including material weaknesses, in the design or operation of internal controls that could adversely affect the University's financial reporting (2) acknowledgement of their responsibility for the design and implementation, and maintenance of internal controls to prevent and detect fraud
Audit Committee responsibilities	— Oversight of the financial reporting process and ICOFR — Oversight of the establishment and maintenance by management of programs and controls designed to prevent, deter, and detect fraud
Management and the Audit Committee responsibilities	— Setting the proper tone and creating and maintaining a culture of honesty and high ethical standards — Ensuring that the entity's operations are conducted in accordance with the provisions of laws and regulations, including compliance with the provisions of laws and regulations that determine the reported amounts and disclosures in the University's financial statements.

The financial statement audit does not relieve management or the Audit Committee of their responsibilities.

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Appendix – Responsibilities (continued)

Required communications and other matters

Authority	Responsibilities
KPMG – Audit objectives	— Forming and expressing an opinion about whether the financial statements that have been prepared by management with the oversight of the Audit Committee are prepared, in all material respects, in accordance with U.S. GAAP
KPMG responsibilities – Audit	— Performing the audit in accordance with U.S. GAAS and that the audit is designed to obtain reasonable, rather than absolute, assurance about whether the financial statements as a whole are free from material misstatement — Performing an audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting
KPMG responsibilities – Other information in documents containing financial statements	— The auditors' report on the financial statements does not extend to other information in documents containing audited financial statements, excluding required supplementary information — The auditor's responsibility is to make appropriate arrangements with management or the Audit Committee to obtain information prior to the report relevant date and to read the other information to identify material inconsistencies with the audited financial statements or misstatement of facts — Any material inconsistencies or misstatement of facts that are not resolved prior to the report release date, and that require revision of the other information, may result in KPMG modifying or withholding the auditors' report or withdrawing from the engagement — We have performed the following procedures with respect to other information: - Reading information in the Annual Financial Report for consistency with audited financial statements

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Appendix – Responsibilities (continued)

Required communications and other matters

Authority	Responsibilities
KPMG responsibilities – Communications	— Communicating significant matters related to the financial statement audit that are in our professional judgment, relevant to the responsibilities of the Audit Committee in overseeing the financial process. U.S. GAAS does not require us to design procedures for the purpose of identifying matters to communicate to the Audit Committee — Communicating if we suspect or identify noncompliance with laws and regulations exist, unless matters are clearly inconsequential — Communicating to management and the Audit Committee in writing all significant deficiencies and material weaknesses in internal control identified during the audit, including those that were remediated during the audit and reporting to management in writing all deficiencies noted during our audit that, in our professional judgment, are of sufficient importance to merit management's attention. The objective of our audit of the financial statements is not to report on the University's internal control — Conducting the audit in accordance with professional standards and complying with the rules and responsibility of the Code of Professional Conduct of the American Institute of Certified Public Accountants and the official standards of relevant CPA Societies, and relevant state boards of accountancy — Communicating to the Audit Committee circumstances, if any, that affect the form and content of the auditors' report — Communicating if we plan to withdraw from the engagement and the reasons for the withdrawal — Communicating to the Audit Committee if we conclude no reasonable justification for a change to the audit engagement exists and we are not permitted by management to continue the original audit engagement — When applicable, we are also responsible for communicating particular matters required by law or regulation, by agreement with the entity, or by additional requirements applicable to the engagement — Communicating if we have identified or suspect fraud involving; (a) management, (b) employees who have a significant role in internal control, (c) others, when the fraud results in a material misstatement in the financial statements, and (d) other matters related to fraud that are, in the auditors' professional judgment, relevant to the responsibilities of the Audit Committee — Communicating significant findings and issues arising during the audit in connection with the entity's related parties. — Communicating conditions and events, considered in the aggregate, that raise substantial doubt about an entity's ability to continue as a going concern for reasonable period of time.

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Appendix – Interaction with the audit committee

Required communications and other matters

The following inquiries are required in accordance with AU-C 260:

Authority	Inquiries
Audit Committee inquiries	— Is the Committee aware of matters relevant to the audit, including, but not limited to, violations or possible violations of laws and regulations? — What are the Committee's views about fraud risks in the University? — Does the Committee have knowledge of fraud, alleged fraud, or suspected fraud affecting the University? — Who is the appropriate person (Audit Committee chair or full committee) for communication of audit matters during the audit? — How are responsibilities allocated between management and the Audit Committee? — What are the entity's objectives and strategies and related business risks that may result in material misstatements? — Are there any areas that warrant particular attention during the audit and additional procedures to be undertaken? — Is the Committee aware of any significant communications with regulators? — What are the Committee's attitudes, awareness, and actions concerning (a) the entity's internal controls and their importance in the entity, including oversight of effectiveness of internal controls, and (b) detection of or possibility of fraud? — Is the Committee aware of any developments in financial reporting, laws, accounting standards, corporate governance, and other related matters? — Have there been any actions taken based on previous communications with the auditor?

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Appendix

On the 2019 Higher Education Audit Committee Agenda *

Drawing on insights from our 2019 Global Audit Committee Pulse Survey as well as interactions over the last year with audit committees and senior management of higher education organizations, we have highlighted four items that audit committees should keep in mind as they consider and carry out their 2019 agendas:

i. **Core responsibilities: Financial reporting, internal control, and external/internal auditors**

ii. **Enterprise risk management (ERM)**

* Full publication available on the KPMG Government Institutes website: http://www.kpmg-institutes.com/institutes/government-institute/articles/2019/03/on-the-2019-higher-education-audit-committee-agenda.html

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Questions?

For additional information and Audit Committee resources, including Director Roundtable Series in approximately 25 cities each Spring, a Quarterly webcast, and suggested publications, please visit KPMG's Audit Committee Institute (ACI) at www.kpmg.com/ACI.

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UNIVERSITY OF SOUTH ALABAMA FOUNDATION

Consolidated Financial Statements as of and for the
Years Ended June 30, 2019 and 2018, and
Independent Auditors' Report

UNIVERSITY OF SOUTH ALABAMA
FOUNDATION

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
University of South Alabama Foundation:

We have audited the accompanying consolidated financial statements of the University of South Alabama Foundation (the "Foundation"), which comprise the consolidated statements of financial position as of June 30, 2019 and 2018, and the related consolidated statements of activities and changes in net assets and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Foundation's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Foundation as of June 30, 2019 and 2018, and the results of its activities, changes in its net assets, and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 2 to the consolidated financial statements, the Foundation retrospectively adopted the provisions of Accounting Standards Update No. 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*, effective July 1, 2018. Our opinion is not modified with respect to this matter.

Deloitte + Touche LLP

August 8, 2019

UNIVERSITY OF SOUTH ALABAMA
FOUNDATION

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS OF JUNE 30, 2019 AND 2018
(Dollars in thousands)

	2019	2018
ASSETS		
CASH AND CASH EQUIVALENTS	$ 1,520	$ 1,099
INVESTMENTS AT FAIR VALUE:		
Equity securities	150,796	137,722
Timber and mineral properties	164,307	160,949
Real estate	61,508	69,163
Other	5,809	5,805
OTHER ASSETS	444	450
TOTAL	$ 384,384	$375,188
LIABILITIES AND NET ASSETS		
LIABILITIES:		
Accounts payable	$ 135	$ 184
Other liabilities	737	794
Total liabilities	872	978
NET ASSETS:		
Without donor restrictions	89,245	97,487
With donor restrictions	294,267	276,723
Total net assets	383,512	374,210
TOTAL	$ 384,384	$375,188

See notes to consolidated financial statements.

UNIVERSITY OF SOUTH ALABAMA
FOUNDATION

CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2019
(Dollars in thousands)

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, GAINS, LOSSES, AND OTHER SUPPORT:			
Net realized and unrealized gains (losses) on investments	$ (2,731)	$ 19,146	$ 16,415
Rents, royalties, and timber sales	3,080	152	3,232
Interest and dividends	925	1,289	2,214
Gifts	1	4,136	4,137
Required match of donor contributions	(4)	4	-
Interfund interest	(500)	500	-
Other income	335		335
Net assets released from program restrictions (Note 9)	7,683	(7,683)	-
Total revenues, gains, losses, and other support	8,789	17,544	26,333
EXPENDITURES:			
Program services:			
Faculty support	2,473		2,473
Scholarships	1,172		1,172
Other academic programs	6,390		6,390
Total program services	10,035	-	10,035
Management and general	2,195		2,195
Other investment expense	1,591		1,591
Depletion expense	3,170		3,170
Depreciation expense	40		40
Total expenditures	17,031	-	17,031
(DECREASE) INCREASE IN NET ASSETS	(8,242)	17,544	9,302
NET ASSETS—Beginning of year	97,487	276,723	374,210
NET ASSETS—End of year	$ 89,245	$ 294,267	$ 383,512

See notes to consolidated financial statements.

UNIVERSITY OF SOUTH ALABAMA
FOUNDATION

CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2018
(Dollars in thousands)

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, GAINS, LOSSES, AND OTHER SUPPORT:			
Net realized and unrealized gains on investments	$ 4,059	$ 15,887	$ 19,946
Rents, royalties, and timber sales	3,499	157	3,656
Interest and dividends	743	1,381	2,124
Gifts	75	1,042	1,117
Required match of donor contributions	(6)	6	-
Interfund interest	(367)	367	-
Other income	31		31
Net assets released from program restrictions (Note 9)	7,682	(7,682)	-
Total revenues, gains, losses, and other support	15,716	11,158	26,874
EXPENDITURES:			
Program services:			
Faculty support	2,242		2,242
Scholarships	1,139		1,139
Other academic programs	6,507		6,507
Total program services	9,888	-	9,888
Management and general	2,118		2,118
Other investment expense	1,752		1,752
Depletion expense	4,072		4,072
Depreciation expense	77		77
Total expenditures	17,907	-	17,907
(DECREASE) INCREASE IN NET ASSETS	(2,191)	11,158	8,967
NET ASSETS—Beginning of year	99,678	265,565	365,243
NET ASSETS—End of year	$ 97,487	$ 276,723	$ 374,210

See notes to consolidated financial statements.

UNIVERSITY OF SOUTH ALABAMA
FOUNDATION

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018
(Dollars in thousands)

	2019	2018
OPERATING ACTIVITIES:		
Increase in net assets	$ 9,302	$ 8,967
Adjustments to reconcile increase in net assets to net cash used in operating activities:		
Net realized and unrealized gains on investments	(16,415)	(19,946)
Gift of equity securities	(3,188)	-
Depletion	3,170	4,072
Depreciation	40	77
Changes in operating assets and liabilities:		
Other assets	15	(15)
Accounts payable	(49)	97
Other liabilities	(56)	76
Net cash used in operating activities	(7,181)	(6,672)
INVESTING ACTIVITIES:		
Purchase of equity securities	(659)	(1,748)
Sale of equity securities	8,556	9,100
Acquisition of timberland		(25)
Reforestation of timber property	(281)	(107)
Other	(14)	(5)
Net cash provided by investing activities	7,602	7,215
NET INCREASE IN CASH AND CASH EQUIVALENTS	421	543
CASH AND CASH EQUIVALENTS—Beginning of year	1,099	556
CASH AND CASH EQUIVALENTS—End of year	$ 1,520	$ 1,099

See notes to consolidated financial statements.

1. ORGANIZATION

The University of South Alabama Foundation (the "Foundation") was incorporated in March 1968 for the purpose of promoting education, scientific research, and charitable purposes, and to assist in developing and advancing the University of South Alabama (the "University") in furthering, improving, and expanding its properties, services, facilities, and activities. Revenues are derived principally from investment income.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation—The accompanying consolidated financial statements include the accounts of the Foundation's wholly owned subsidiaries Knollwood Development, Inc.; Shubuta Timber Services, Inc.; and Brookley Bay Front Properties, LLC (hereinafter BBFP), an Alabama Limited Liability Company. All significant intercompany transactions have been eliminated in consolidation.

Net Assets—In order to ensure observance of limitations and restrictions placed on the use of the resources available to the Foundation, the accounts of the Foundation are maintained on the accrual basis in accordance with the principles of "fund accounting." Thus, resources for various purposes are classified into funds that are in accordance with activities or objectives specified. The Foundation presents its net assets and its revenues, expenses, gains, and losses, based on the existence or absence of donor-imposed restrictions in accordance with Accounting Standards Update ("ASU") 2016-14, *Not for Profit Entities (Topic 958): Presentation of Financial Statements of Not-For- Profit Entities*, as described in this note and summarized as follows.

- Net assets with donor restrictions contain donor-imposed restrictions that stipulate that resources be maintained permanently but permit the Foundation the use or expenditure of part or all of the income derived from the donated assets for specified or unspecified purposes. Net assets with donor restrictions also contain donor-imposed restrictions that permit the use or expenditure of the donated assets as specified or by the actions of the Foundation.

- Net assets without donor restrictions are not restricted by donors or the donor-imposed restrictions have expired.

The Foundation considers all of its assets to be endowment assets for the support of the University. It, therefore, classifies all of its assets as "endowment funds" for purpose of required disclosures for such funds. In the absence of directions imposed by donors to utilize such funds for specific programs or purposes at the University, the Foundation classifies the net assets of such funds as "without donor restrictions."

Support and Expenses—Contributions received and unconditional promises to give are measured at their fair values and are reported as increases in net assets at the date of receipt. The Foundation reports gifts of cash and other assets as donor restricted support if they are received with donor stipulations that limit the use of the donated assets or if they are designated as support for future periods. When a donor

restriction expires; i.e., when a stipulated time restriction ends or purpose restriction is accomplished, donor restricted net assets are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities and changes in net assets as net assets released from program restrictions.

The Foundation sometimes receives restricted contributions that are conditional on the Foundation matching the contribution. Upon approval of the Board of Directors, such matches are reported as a reclassification of net assets without donor restrictions to net assets with donor restrictions.

Cash and Cash Equivalents—The Foundation considers temporary cash investments with an original maturity date of three months or less when purchased to be cash equivalents. The carrying amounts reported in the accompanying consolidated statements of financial position for cash and cash equivalents approximate their fair value.

Investments in Securities—Investments in marketable equity securities with readily determinable fair market values are maintained and administered in a common pool and are recorded at fair value based on quoted market prices of each security in the accompanying consolidated statements of financial position. Separate accounts are maintained for each fund, as applicable.

Investments in Commonfund—The Commonfund for Nonprofit Organizations ("Commonfund") is a membership corporation that operates endowment funds for the exclusive benefit of institutions eligible for membership in the Commonfund. The Foundation holds investments in the Multi-Strategy Equity Fund of the Commonfund. The objective of the Multi-Strategy Equity Fund is to offer an investment in a single fund to provide all of the strategy and manager diversification that an endowment would normally require for equity allocation. The fund is designed to add value over long periods of time and to reduce volatility.

The Foundation's units in the Multi-Strategy Equity Fund are valued at their net asset value ("NAV") as a practical expedient as determined by Commonfund. Commonfund generally determines the unit values of each of its funds by reference to the fair values of the underlying investments, the majority of which consists of exchange-traded equity securities. Commonfund redemptions are paid on the last day of the month, with the request or notification required by the 20th day of the month. Further information about Commonfund's valuation procedures is as follows:

In the Multi-Strategy Equity Fund, as managed by the Commonfund, equity securities listed on securities exchanges are valued at the last sale price, except for those securities reported through the National Association of Securities Dealers Automated Quotation (NASDAQ) system, for which the NASDAQ official closing price is used. In the absence of either, the current bid price is used. Unlisted securities are valued at the current bid prices obtained from reputable brokers. Certain investments held by the funds may be traded by a market maker who may also be utilized to provide pricing information used to value such investments. Investments in units of other funds within Commonfund (known as "crossfund investments") are carried at the unit value of the crossfund investment.

In these funds, investments in limited partnerships and other investment funds are valued at fair value, which is generally the latest NAV made available by the fund manager or administrator prior to the valuation date. Other securities that are not readily marketable are also valued at fair value as deemed appropriate by management of Commonfund in consultation with the respective investment manager, with consideration given to the financial condition and operating results of the issuer, meaningful third-party transactions in the private market, and other factors deemed relevant. The amounts realized upon disposition of these investments may differ from the value reflected in the consolidated financial statements, and the differences could be material.

Timber—Timber and timberlands, including logging roads, are stated at fair value, based on an independent appraisal, derived from the application of the cost approach, the sales comparison approach, and the income capitalization approach, less the accumulated depletion for timber when harvested. The Foundation capitalizes timber and timberland purchases and reforestation costs and other costs associated with the planting and growing of timber, such as site preparation, seedling purchases, planting, herbicide application, and thinning of tree stands to improve growth. Timber costs, such as real estate taxes, forest management personnel salaries and fringe benefits, and other costs related to the timberlands are expensed as incurred.

Timber sale revenues for clear-cut or lump-sum sales are recognized when legal ownership of the timber transfers to the purchaser. Timber deeds set forth the legal rights and responsibilities of the buyer, and at closing, the full amount of the sale is due and payable and recognized at that time. Revenues from thinning of tree stands to improve growth are recognized as revenue as the buyer harvests the timber that is to be thinned. Timberland depletion is calculated on a unit cost basis and recognized when the related revenue is recognized.

Mineral Properties—Mineral properties are stated at estimated fair market value as determined by independent appraisals. Depletion of mineral properties is recognized over the remaining producing lives of the properties based on total estimated production and current-period production.

Real Estate—Real estate held for investment is stated at its estimated fair value based on independent appraisals.

Common Investment Pool—On June 5, 2006, the Board of Directors of the Foundation approved the establishment of a new investment pool, which consists of (1) all marketable equity securities held by the Foundation and (2) the Foundation's interest in land and timber, consisting of approximately 55,600 acres of timberland, known as the Equitable Tract, which the Foundation acquired in 1997 with financing that was provided, in part, from the Disproportionate Share Hospital Funds (the "DSH Funds") to the Foundation's Equitable Timber Fund.

Investment Income—Investment income or loss (including realized and unrealized gains and losses on investments, interest, dividends, rents, royalties, and timber sales) is included in the accompanying consolidated statements of activities and changes in net assets as increases or decreases in net assets without donor restrictions, unless the income or loss is restricted by donor or law, in which case, it is classified as donor restricted. Interfund interest is recorded at prevailing market rates on loans between funds to maintain the integrity of each fund's net assets.

Income Tax Status—The Internal Revenue Service has determined that the Foundation is a tax-exempt organization under Internal Revenue Code Section 501(c)(3).

Estimates—The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. The Foundation's investments include marketable equity securities, valued by reference to quoted market prices; investments in Commonfund portfolios valued at unit values based on the fair values of the underlying investments; and timberland, mineral properties, and other real estate valued by appraisals. Such assets are subject to fluctuation in value due to normal market volatility and to estimation risk in the case of assets for which quoted market values are not available. The values ultimately realized by the Foundation for all such assets may be different

from the values reported and these fluctuations may impact the Foundation's consolidated financial statements.

Recent Accounting Pronouncements—In 2018, the Financial Accounting Standards Board ("FASB") issued ASU 2018-08, *Not for Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made (Topic 958)*. ASU 2018-08 clarifies and improves the scope of accounting guidance for contributions received and contributions made with the objectives of assisting entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) within the scope of Topic 958, Not-for-Profit Entities, or as exchange (reciprocal) transactions subject to other guidance and (2) determining whether a contribution is conditional. The new guidance is effective for reporting periods beginning after December 15, 2019, and early adoption is permitted. The ASU is to be applied retrospectively in all periods presented in an entity's financial statements. The Foundation did not adopt this guidance as of year-end. The Foundation's management is currently assessing the impact of ASU 2018-18 on its consolidated financial statements.

In 2016, the FASB issued ASU 2016-14, *Not for Profit Entities (Topic 958): Presentation of Financial Statements of Not-For- Profit Entities*. ASU 2016-14 amends existing guidance for financial reporting by not for profit entities. The objectives are to reduce complexity and improve the utility of financial reporting for users of financial statements produced by not for profit entities. The Foundation adopted ASU 2016-14 for the current year. The principal changes required by ASU 2016-14 include eliminating the distinction between temporarily and permanently restricted net assets and enhancing quantitative and qualitative disclosures related to financial performance and the entity's liquidity and use of resources.

3. FAIR VALUE OF FINANCIAL INSTRUMENTS AND OTHER INVESTMENTS

The following methods and assumptions were used by the Foundation in estimating the fair value of its investments:

- **Cash and Cash Equivalents:** The carrying amount reported in the accompanying consolidated statements of financial position for cash and cash equivalents approximates their fair value.

- **Equity Securities:** Includes investments in marketable equity securities and investments in Commonfund.

  Marketable Equity Securities: Fair values are based on quoted market prices of each security that is actively traded in a public market. The Foundation's investment in such marketable equity securities was $96,151 and $84,072 at June 30, 2019 and 2018, respectively.

  Investments in Commonfund: Fair values are based on unit values, as determined by Commonfund. As more fully described in Note 2, Commonfund determines unit values for each of its portfolios based on the fair values of the underlying assets. The Foundation's investment in Commonfund portfolios was $54,645 and $53,650 at June 30, 2019 and 2018, respectively.

- **Timber, Mineral Properties, and Real Estate:** Fair values of timberland, mineral properties, and real estate are determined by independent third-party appraisers using standard appraisal practices particular to the investment being appraised.

- **Other:** Other consists primarily of the Foundation's interest in the Stallworth Land Company (the "Management Company"), a timberland management company (see Note 4).

4. INVESTMENTS

Investment income includes not only realized gains (losses), but also unrealized gains (losses) in securities, timberland investments, and real estate.

Investment income for the years ended June 30, 2019 and 2018, consisted of the following:

	2019	2018
Unrealized gains	$ 13,188	$ 15,736
Realized gains	3,227	4,210
Net realized and unrealized gains on investments	16,415	19,946
Timber sales	2,505	2,921
Rents	642	646
Royalties	85	89
Rents, royalties, and timber sales	3,232	3,656
Interest and dividends	2,214	2,124
Total investment income	$ 21,861	$ 25,726

Investments consisted of participation in the Foundation's pooled investment funds. Investment-related expenses of $359 and $347 are included in the Foundation's management and general expenses in the accompanying consolidated statements of activities and changes in net assets for the years ended June 30, 2019 and 2018, respectively.

On June 5, 2006, the Board of the Foundation approved the establishment of a New Investment Pool, which consisted of (1) all marketable equity securities held by the Foundation and (2) the Foundation's interest in the land and timber consisting of approximately 55,600 acres of timberland known as the Equitable tract, which the Foundation acquired in 1997 with financing that was provided, in part, from the DSH Funds to the Foundation's Equitable Timber Fund. Effective June 30, 2006, upon establishment of the Pool, the interest in the Pool allocated to the DSH Funds was equal in value to the sum of (1) the value of the interest that was allocated to the DSH Funds in the Foundation's existing securities pool at June 30, 2006, and (2) the amount of the aggregate receivable in principal and interest owed by the Equitable Timber Fund to the DSH Funds at June 30, 2006. All pooled investment activity subsequent to June 30, 2006, is allocated between DSH Funds and other Foundation funds based on each fund's initial share of the Pool, adjusted for subsequent contributions and distributions.

On September 28, 2010, the Foundation entered into an agreement with the University providing for the purchase from the University by the Foundation, acting through its wholly owned subsidiary BBFP, the Brookley Complex, for a purchase price of $20,000. The Foundation funded the purchase with proceeds realized by it upon the sale of equity investments from the Commonfund Multi-Equity Strategy Fund, within the New Investment Pool.

On June 4, 2015, the Board of the Foundation determined that the current value of the investment in the Brookley Complex, $23,000, would continue to be recorded as an asset of the Foundation held as a part of the New Investment Pool. Further, the Board determined that proceeds from a future sale would be used to restore to the holdings of the Foundation in the Commonfund Multi-Strategy Equity Fund the

aggregate value of the investments in such fund that were sold by the Foundation to provide the funds paid to the University to acquire the Brookley Complex, and the aggregate cumulative investment return produced by the investment in the Commonfund Multi-Strategy Equity Fund over the period from the date of the sale transactions until the date on which the proceeds are returned to the fund, all as reflected in the resolution adopted on June 4, 2015.

At June 30, 2019, the fair market value appraisal of the Brookley Complex was $53,200. The appraised value is included in the land and land improvements-held for investment. The Brookley Complex consists of approximately 330 acres, with approximately 1.25 miles of waterfront on Mobile Bay. It is adjacent to the Mobile Airport Authority/Brookley Aeroplex, which is the location of two manufacturing facilities, one for the Airbus 320 family of single aisle aircraft and a second, which is under construction, for the Airbus 220 family of single aisle aircraft.

Real estate as of June 30, 2019 and 2018, consisted of the following property held:

	2019	2018
Land and land improvements—held for investment	$60,448	$68,071
Building and building improvements—held for investment	1,060	1,092
Total	$61,508	$69,163

Other—Investments at June 30, 2019 and 2018, include an equity interest in a timberland management company. The Management Company's primary asset consists of timberland. The Foundation's proportionate share of the fair value of the Management Company is based upon the valuation of the trustee responsible for the management of the Company and the timber valuation. The equity interest resulted from a bequest known as the Stallworth Gift, which was received through bequest and devise under the Will of N. Jack Stallworth.

The fair value hierarchy classifies the inputs to valuation techniques used to measure fair value as either observable or unobservable inputs. Observable inputs are derived from quoted market prices for investments traded on an active exchange or in dealer markets where there is sufficient activity and liquidity to allow price discovery by substantially all market participants. The Foundation's observable inputs consist of investments in exchange-traded equity securities with a readily determinable market price. Other observable inputs are fair value measurements derived either directly or indirectly from quoted market prices. Investments that are not traded on an active exchange and do not have a quoted market price are classified as unobservable. The Foundation's unobservable inputs consist of investments in timber and real estate with fair values based on independent third-party appraisals performed by qualified appraisers specializing in timber and real estate investments.

In accordance with recent accounting pronouncements, the investment in Commonfund is not classified in the fair value hierarchy because such investment is measured at fair value using the NAV per share (or its equivalent) as a practical expedient. For purposes of the reconciliation of the fair value hierarchy to the amounts presented in the consolidated statements of financial position, the fair value amounts of the investment in Commonfund are presented as a reconciling item in the tables as "Investment in Commonfund."

The Foundation's investment assets as of June 30, 2019 and 2018 are summarized as follows:

	Fair Value Measurements at June 30, 2019			
Description	**Observable Inputs Based on Quoted Prices**	**Other Observable Inputs**	**Unobservable Inputs**	**Total**
Marketable equity securities	$96,151	$ -	$ -	$ 96,151
Timber and mineral properties			164,307	164,307
Real estate			61,508	61,508
Other investments			5,809	5,809
Total	$96,151	$ -	$231,624	327,775
Investment in Commonfund, measured at NAV				54,645
Total investment assets at fair value				$382,420

	Fair Value Measurements at June 30, 2018			
Description	**Observable Inputs Based on Quoted Prices**	**Other Observable Inputs**	**Unobservable Inputs**	**Total**
Marketable equity securities	$84,072	$ -	$ -	$ 84,072
Timber and mineral properties			160,949	160,949
Real estate			69,163	69,163
Other investments			5,805	5,805
Total	$84,072	$ -	$235,917	319,989
Investment in Commonfund, measured at NAV				53,650
Total investment assets at fair value				$373,639

For the year ended June 30, 2019, activity in investments valued at fair value based on unobservable inputs is as follows:

	Timber and Mineral Properties	Real Estate	Other Investments	Total
Beginning balance	$160,949	$ 69,163	$ 5,805	$235,917
Net unrealized gains (losses)	6,247	(7,620)	4	(1,369)
Reforestation	281			281
Depreciation/depletion	(3,170)	(35)		(3,205)
Ending balance	$164,307	$ 61,508	$ 5,809	$231,624

For the year ended June 30, 2018, activity in investments valued at fair value based on unobservable inputs is as follows:

	Timber and Mineral Properties	Real Estate	Other Investments	Total
Beginning balance	$160,351	$ 69,186	$ 5,808	$235,345
Net unrealized gains (losses)	4,533	10	(3)	4,540
Additions	25	7		32
Reforestation	112			112
Depreciation/depletion	(4,072)	(40)		(4,112)
Ending balance	$160,949	$ 69,163	$ 5,805	$235,917

Endowment—The Foundation's endowment funds consist of individual funds established for a variety of purposes. Endowment funds include both donor-restricted endowment funds and board-designated endowment funds. Net assets associated with endowments are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of the Law—The Foundation conducts the operations of the Foundation in accordance with the Alabama Uniform Prudent Management of Institutional Funds Act (UPMIFA), effective January 1, 2009, and continuing thereafter, unless otherwise determined by the Foundation. The Board of Directors and management of the Foundation interpret UPMIFA as obligating the Foundation to preserve, as donor-restricted assets, each original gift received by the Foundation as donor-restricted endowment funds. The Foundation, accordingly, classifies (for legal purposes) each such original gift, and any subsequent gifts, as permanently restricted. The remaining portion of any donor-restricted endowment that is not classified as permanently restricted is classified as temporarily restricted net assets, until such time as any of such remaining portion is appropriated for expenditure. In managing each endowment fund held by it, the Foundation considers, if relevant, the duration and preservation of the fund, the purposes of the Foundation and the fund, general economic conditions, any restrictions imposed by the donor, the possible effect of inflation or deflation, the expected total return from income

and appreciation of investments, the other resources of the Foundation, and the investment policy of the Foundation.

Endowment net asset composition as of June 30, 2019, by type of fund is as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-Restricted Endowment Funds	$ 71,311	$ 294,267	$ 365,578
Board-Designated Endowment Funds	17,934		17,934
Total	$ 89,245	$ 294,267	$ 383,512

Endowment net asset composition as of June 30, 2018, by type of fund is as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-Restricted Endowment Funds	$ 78,482	$ 276,723	$355,205
Board-Designated Endowment Funds	19,005		19,005
Total	$ 97,487	$ 276,723	$374,210

Changes in endowment net assets during the year ended June 30, 2019, are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Beginning balance	$ 97,487	$276,723	$374,210
Investment return:			
Investment income	4,005	1,441	5,446
Net unrealized and realized gains (losses)	(2,731)	19,146	16,415
Other income	335		335
Interfund interest	(500)	500	-
Total investment return	1,109	21,087	22,196
Gifts	1	4,136	4,137
Required match	(4)	4	-
Net assets released from restrictions	7,683	(7,683)	-
Expenditures	(17,031)		(17,031)
Net change	(8,242)	17,544	9,302
Ending balance	$ 89,245	$294,267	$383,512

Changes in endowment net assets during the year ended June 30, 2018, are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Beginning balance	$ 99,678	$ 265,565	$ 365,243
Investment return:			
Investment income	4,242	1,538	5,780
Net unrealized and realized gains	4,059	15,887	19,946
Other income	31		31
Interfund interest	(367)	367	-
Total investment return	7,965	17,792	25,757
Gifts	75	1,042	1,117
Required match	(6)	6	-
Net assets released from restrictions	7,682	(7,682)	-
Expenditures	(17,907)		(17,907)
Net change	(2,191)	11,158	8,967
Ending balance	$ 97,487	$ 276,723	$ 374,210

5. LIQUIDITY AND AVAILABILITY OF RESOURCES

The Foundation's financial assets available to meet cash needs for general expenditures within one year of June 30, 2019 were as follows:

Financial assets	
Cash and cash equivalents	$ 1,520
Other assets	10
Equity securities appropriated for spending in the following year	8,500
Total financial assets available within one year	$ 10,030

As part of the Foundation's liquidity management, the Foundation structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due. Cash withdrawals from the Foundation's managed investments coincide with the Foundation's spending obligations, but may be adjusted higher or lower based on the timing of when investment income is received and expenditures

become due. In addition to financial assets available within one year, the Foundation receives investment income from timber sales, rents and royalties, and interest and dividends that are used to meet the Foundation's general expenditures within one year as set forth in Note 4. The Foundation believes it has sufficient assets to meet its obligations.

6. FUNCTIONAL EXPENSES

The tables below present expenses of the Foundation by both their nature and function for fiscal years ended June 30, 2019 and 2018.

	June 30, 2019			
	Program Services	Management and General	Fundraising	Total
Grants to supporting organization	$ 10,035	$ -	$ -	$ 10,035
Depletion	3,170			3,170
Salaries and benefits	1,195	244	21	1,460
Professional services	693	94		787
Other expenses	357	77		434
Investment management expense	359			359
Property Taxes	253	7		260
Insurance	210	44		254
Forestry	232			232
Depreciation	34	6		40
	$ 16,538	$ 472	$ 21	$ 17,031

	June 30, 2018			
	Program Services	Management and General	Fundraising	Total
Grants to supporting organization	$ 9,888	$ -	$ -	$ 9,888
Depletion	4,072			4,072
Salaries and benefits	1,202	267	20	1,489
Professional services	815	84		899
Other expenses	351	77		428
Investment management expense	347			347
Property Taxes	240	8		248
Insurance	209	45		254
Forestry	205			205
Depreciation	70	7		77
	$ 17,399	$ 488	$ 20	$ 17,907

The majority of expenses are directly attributable to the various program services of the Foundation. Certain expenses are attributable to several activities including program services, management and general, and fundraising. Costs not directly attributable to a function are salaries and benefits, professional

services, other expenses, and insurance. Such expenses are allocated on a reasonable basis that is consistently applied and based on the Foundation's historical understanding of time and effort associated with each function.

7. BROOKLEY COMPLEX

In an effort to assist the University in furtherance of its tax-exempt purpose and in order to accelerate its support of the Pediatric Expansion of USA Children's and Women's Hospital, the Board of Directors authorized, in a resolution adopted on May 27, 2010, the Foundation to negotiate an agreement to purchase the Brookley Center campus owned by the University. The May 27, 2010, resolution revoked the May 22, 2008, resolution as it pertained to the support of the Pediatric Expansion of USA Children's and Women's Hospital. On November 10, 2010, BBFP, an Alabama limited liability company, having as its sole member the Foundation, purchased the Brookley Complex from the University for Twenty Million Dollars ($20,000) payable in five annual installments of Four Million Dollars ($4,000). BBFP paid the University Four Million Dollars ($4,000) at closing and entered into a non-interest-bearing installment note for Sixteen Million Dollars ($16,000). The installment note was fully paid on November 10, 2014.

The intention and expectation of the Board of the Foundation, as reflected in the resolutions adopted on May 27, 2010, and September 9, 2010, was that upon BBFP's payment to the University of the purchase price, the Foundation would begin funding, consistent with the resolutions, a target distribution of not less than three percent (3%) of the average net assets of the DSH Funds. In making such distributions, the Foundation, acting in response to requests, proposals or recommendations submitted to it by the University, would seek to distribute to the University, for the benefit of the University's hospitals and clinics, and the other programs of the University that benefit such hospitals and clinics, funding for programs, activities or such other expenditures as shall be designated by the Foundation, in its sole discretion, subject to certain financial and other conditions as defined in the resolutions. During the fiscal year ended June 30, 2019, in accordance with the intent of the Board of the Foundation, as expressed in the resolutions, the Board of the Foundation approved a total distribution of DSH Funds of $5,078, that included $3,369 for new hospital teletracking system, cardiopulmonary monitors for small babies, and a new MRI and an upgrade of an MRI, $1,082 for the Clinical Support Fund, and $627 for the Hospital Equipment Fund.

During the period of five years from the date of closing the transaction, and any extensions thereof, the University retains ownership of all buildings and improvements on the Brookley Complex property and an exclusive easement over all of the land. Upon the payment of the note, ownership of such buildings and improvements transfers to BBFP at the conclusion of the five-year period unless the parties agree to extend use by the University. The BBFP and the University agreed to extend the use period to November 10, 2019.

On April 26, 2019, BBFP entered into a Purchase and Sale Agreement ("PSA") with a private developer for the sale of approximately 290 acres of the Brookley Complex. Under the PSA, BBFP would retain approximately 40 acres, 10 acres of uplands and 30 acres of wetlands. Pursuant to the PSA, the prospective buyer has a period of 180 days from the signing of the PSA to determine the feasibility of the buyer's development of the property. Under the PSA, if the prospective buyer makes that determination, a sale of the property would occur in the fall of 2019.

8. NET ASSETS WITH DONOR RESTRICTIONS

At June 30, 2019 and 2018, net assets with donor restrictions were for the following purposes:

	2019	2018
Hospital, clinics, and related programs	$ 187,842	$ 180,050
Instruction	57,164	53,433
College of medicine—other than instruction	19,928	18,167
Student aid	20,775	16,467
Other	8,558	8,606
Total	$ 294,267	$ 276,723

Net assets with donor restrictions consist of temporarily restricted net assets and permanently restricted net assets. The amount of temporarily and permanently restricted net assets were $119,327 and $174,940 at June 30, 2019, and $105,955 and $170,768 at June 30, 2018, respectively.

At June 30, 2019 and 2018, net assets with board designated restrictions were for the following purposes:

	2019	2018
College of medicine—other than instruction	$ 12,092	$ 12,557
Instruction	4,238	4,814
Student aid	970	1,026
Other	634	608
Total	$ 17,934	$ 19,005

9. NET ASSETS RELEASED FROM PROGRAM RESTRICTIONS

Expenses were incurred that met temporary purpose-related restrictions on the use of certain net assets, resulting in a reclassification of net assets with donor restrictions to net assets without donor restrictions during the years ended June 30, 2019 and 2018, as follows:

	2019	2018
Instruction	$7,098	$7,013
Student aid	545	598
Other	40	71
Total	$7,683	$7,682

10. OTHER RELATED-PARTY TRANSACTIONS

At June 30, 2019 and 2018, net assets held by the Foundation, irrevocably for the benefit, as determined by the Foundation, of the University's hospitals, clinics, and related programs (DSH Funds) were $187,842 and $180,050, respectively.

11. RETIREMENT PLANS

The Foundation sponsors a contributory defined-contribution retirement plan for certain employees. The Foundation's contributions to the retirement plan were approximately $158 and $158 for the years ended June 30, 2019 and 2018, respectively.

12. SUBSEQUENT EVENTS

The Foundation evaluated subsequent events through August 8, 2019, which represents the date the consolidated financial statements were available to be issued, and made the determination that no events occurred subsequent to June 30, 2019, that would require disclosure in or would be required to be recognized in the consolidated financial statements.

* * * * * *

UNIVERSITY OF SOUTH ALABAMA
FOUNDATION

Disproportionate Share Hospital Funds
Combined Financial Statements as of and
for the Years Ended June 30, 2019 and 2018, and
Independent Auditors' Report

UNIVERSITY OF SOUTH ALABAMA
FOUNDATION

DISPROPORTIONATE SHARE HOSPITAL FUNDS
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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
University of South Alabama Foundation:

We have audited the accompanying combined financial statements of the Disproportionate Share Hospital Funds (the "DSH Funds") of the University of South Alabama Foundation, which comprise the combined statements of financial position as of June 30, 2019 and 2018, and the related combined statements of activities and changes in net assets and cash flows for the years then ended, and the related notes to the combined financial statements.

Management's Responsibility for the Combined Financial Statements

Management is responsible for the preparation and fair presentation of these combined financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of combined financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these combined financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the combined financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the combined financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the DSH Funds' preparation and fair presentation of the combined financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the DSH Funds' internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the combined financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of the DSH Funds as of June 30, 2019 and 2018, and the results of its activities, changes in its net assets, and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 2 to the combined financial statements, the DSH Funds retrospectively adopted the provisions of Accounting Standards Update No. 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*, effective July 1, 2018. Our opinion is not modified with respect to this matter.

Deloitte + Touche LLP

August 8, 2019

UNIVERSITY OF SOUTH ALABAMA
FOUNDATION

DISPROPORTIONATE SHARE HOSPITAL FUNDS
COMBINED STATEMENTS OF FINANCIAL POSITION
AS OF JUNE 30, 2019 AND 2018
(Dollars in thousands)

	2019	2018
ASSETS		
INVESTMENTS:		
New Investment Pool—interest in	$183,623	$175,878
Real estate	3,700	3,700
RECEIVABLE FROM AFFILIATES	519	472
TOTAL	$187,842	$180,050
NET ASSETS		
NET ASSETS:		
Without Donor Restrictions	$ -	$ -
With Donor Restrictions	187,842	180,050
Total net assets	187,842	180,050
TOTAL	$187,842	$180,050

See notes to combined financial statements.

UNIVERSITY OF SOUTH ALABAMA
FOUNDATION

DISPROPORTIONATE SHARE HOSPITAL FUNDS
COMBINED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2019
(Dollars in thousands)

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, GAINS, AND OTHER SUPPORT:			
Net realized and unrealized gains on investments	$ 13	$ 11,774	$ 11,787
Interest and dividends		781	781
Interfund interest		315	315
Net assets released from program restrictions	5,078	(5,078)	-
Total revenues, gains, and other support	5,091	7,792	12,883
EXPENDITURES:			
Program Services—other academic programs	5,078		5,078
Other investment expense	13		13
Total expenditures	5,091	-	5,091
INCREASE IN NET ASSETS	-	7,792	7,792
NET ASSETS AT BEGINNING OF YEAR		180,050	180,050
NET ASSETS AT END OF YEAR	$ -	$ 187,842	$ 187,842

See notes to combined financial statements.

UNIVERSITY OF SOUTH ALABAMA
FOUNDATION

DISPROPORTIONATE SHARE HOSPITAL FUNDS
COMBINED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2018
(Dollars in thousands)

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, GAINS, AND OTHER SUPPORT:			
Net realized and unrealized gains on investments	$ 12	$ 9,685	$ 9,697
Interest and dividends		813	813
Interfund interest		231	231
Net assets released from program restrictions	5,176	(5,176)	-
Total revenues, gains, and other support	5,188	5,553	10,741
EXPENDITURES:			
Program Services—other academic programs	5,176		5,176
Other investment expense	12		12
Total expenditures	5,188	-	5,188
INCREASE IN NET ASSETS	-	5,553	5,553
NET ASSETS AT BEGINNING OF YEAR		174,497	174,497
NET ASSETS AT END OF YEAR	$ -	$ 180,050	$ 180,050

See notes to combined financial statements.

UNIVERSITY OF SOUTH ALABAMA
FOUNDATION

DISPROPORTIONATE SHARE HOSPITAL FUNDS
COMBINED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018
(Dollars in thousands)

	2019	2018
OPERATING ACTIVITIES:		
Increase in net assets	$ 7,792	$ 5,553
Adjustments to reconcile increase in net assets to net cash used in operating activities:		
Net unrealized gains on investments	(11,411)	(8,940)
Gain on sale of investments	(376)	(757)
Changes in operating assets and liabilities:		
Receivable from affiliate	(47)	(31)
Net cash used in operating activities	(4,042)	(4,175)
INVESTING ACTIVITIES:		
Purchases of securities	(1,105)	(1,060)
Sale of securities	5,147	5,235
Net cash provided by investing activities	4,042	4,175
NET CHANGE IN CASH AND CASH EQUIVALENTS	-	-
CASH AND CASH EQUIVALENTS—Beginning of year		
CASH AND CASH EQUIVALENTS—End of year	$ -	$ -

See notes to combined financial statements.

1. ORGANIZATION

The University of South Alabama Foundation (the "Foundation") was incorporated in March 1968 for the purpose of promoting education, scientific research, and charitable purposes, and to assist in developing and advancing the University of South Alabama (the "University") in furthering, improving, and expanding its properties, services, facilities, and activities. Revenues are derived principally from investment income and contributions.

The Disproportionate Share Hospital Funds (the "DSH Funds") were matching funds disbursed by the Health Care Financing Administration of the U.S. Department of Health and Human Services to the states through their Medicaid agencies for the purpose of compensating hospitals, such as those operated by the University, that provided medical care and treatment to a disproportionate share of indigent patients in their respective areas.

Access to the DSH Funds for Alabama was made possible by the University of South Alabama Foundation Board, beginning in October 1989, when the Board of the Foundation approved the entry into the matching program. Over a one-year period, the Foundation made a monthly revolving contribution of $2 million, which yielded approximately $24 million in federal grant monies. The Board of Trustees of the University adopted a resolution in March 1990, authorizing the transfer of the DSH Funds to the Foundation to be held by it to preserve and ensure the continued viability of the University of South Alabama Hospitals ("University Hospitals") and their overall mission.

Litigation relating to the transfer of the DSH Funds was settled in November 1993, when an agreement was reached among the Department of Examiners of Public Accounts of the State of Alabama, the Board of Trustees of the University, and the Board of Directors of the Foundation, which required that all Medicaid DSH Funds received through September 30, 1994, be transferred to the Foundation and held irrevocably for the benefit, as determined by the Foundation, of the University Hospitals and clinics and the other programs of the University that benefit such hospitals and clinics which amount was $131,586. Further, the agreement recognized the Foundation as the lawful holder and owner of the DSH Funds and that the investment and management of the DSH Funds were solely within the authority of the Foundation's Board.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation—The accompanying combined financial statements include the DSH Funds and Knollwood Development, Inc., a wholly owned subsidiary of the Foundation and an affiliate originally funded by DSH Funds. All significant interfund transactions have been eliminated in combination.

Net Assets—In order to ensure observance of limitations and restrictions placed on the use of the resources available to the DSH Funds, the accounts of the DSH Funds are maintained on the accrual basis in accordance with the principles of "fund accounting." Thus, resources for various purposes are classified into funds that are in accordance with activities or objectives specified. The Foundation

presents its net assets and its revenues, expenses, gains, and losses based on the existence or absence of donor-imposed restrictions in accordance with Accounting Standards Update ("ASU") 2016-14, *Not for Profit Entities (Topic 958): Presentation of Financial Statements of Not-For- Profit Entities*, as described in this note and summarized as follows.

- Net assets with donor restrictions contain donor-imposed restrictions that stipulate that resources be maintained permanently but permit the use or expenditure of part or all of the income derived from the donated assets for specified or unspecified purposes. Net assets with donor restrictions also contain donor-imposed restrictions that permit the use or expenditure of the donated assets as specified or by the actions of the Foundation.

- Net assets without donor restrictions are not restricted by donors or the donor-imposed restrictions have expired.

Support—Contributions received and unconditional promises to give are measured at their fair values and are reported as increases in net assets at the date of receipt. Gifts of cash and other assets are reported as donor restricted support if they are received with donor stipulations that limit the use of the donated assets or if they are designated as support for future periods. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, donor restricted net assets are reclassified to net assets without donor restrictions and reported in the combined statements of activities and changes in net assets as net assets released from program restrictions.

Investments in Securities—Investments in equity securities are maintained and administered in a common pool by the Foundation. Amounts presented in these combined financial statements represent the DSH Funds' proportionate share of the Foundation's investments.

Investments in Commonfund—The Commonfund for Nonprofit Organizations ("Commonfund") is a membership corporation that operates investment funds for the exclusive benefit of institutions eligible for membership in the Commonfund. The Foundation holds investments in the Multi-Strategy Equity Fund of the Commonfund. The objective of the Multi-Strategy Equity Fund is to offer an investment in a single fund to provide all of the strategy and manager diversification that an endowment would normally require for equity allocation. The fund is designed to add value over long periods of time and to reduce volatility.

The Foundation's units in the Multi-Strategy Equity Fund are valued at their net asset value ("NAV") as a practical expedient as determined by Commonfund. Commonfund generally determines the unit values of each of its funds by reference to the fair values of the underlying investments, the majority of which consists of exchange-traded equity securities. Commonfund redemptions are paid on the last day of the month with the request or notification required by the 20th day of the month. Further information about Commonfund's valuation procedures is as follows:

In the Multi-Strategy Equity Fund, as managed by Commonfund, equity securities listed on securities exchanges are valued at the last sale price, except for those securities reported through the National Association of Securities Dealers Automated Quotation (NASDAQ) system, for which the NASDAQ official closing price is used. In the absence of either, the current bid price is used. Unlisted securities are valued at the current bid prices obtained from reputable brokers. Certain investments held by the funds may be traded by a market maker who may also be utilized to provide pricing information used to value such investments. Investments in units of other funds within Commonfund (known as "crossfund investments") are carried at the unit value of the crossfund investment.

In these funds, investments in limited partnerships and other investment funds are valued at fair value, which is generally the latest NAV made available by the fund manager or administrator prior to the

valuation date. Other securities that are not readily marketable are also valued at fair value as deemed appropriate by management of Commonfund in consultation with the respective investment manager, with consideration given to the financial condition and operating results of the issuer, meaningful third-party transactions in the private market, and other factors deemed relevant. The amounts realized upon disposition of these investments may differ from the value reflected in the financial statements, and the differences could be material.

Investment Income—Investment income or loss (including realized and unrealized gains and losses on investments, interest, dividends, rents, royalties, and timber sales) is included in the accompanying combined statements of activities and changes in net assets as increases or decreases in net assets without donor restrictions, unless the income or loss is restricted by donor or law, in which case it is classified as donor restricted. Interfund interest is recorded at prevailing market rates on loans between funds to maintain the integrity of each fund's net assets.

Income Allocation—The DSH Funds participate in the New Investment Pool (the "Pool") as described in Note 4. Funds that participate in the Pool, including DSH Funds, receive a monthly allocation of income and loss experienced by the Pool. Allocations made by the Pool to its participants are based on the relative participation levels of investment in the Pool by each participating fund.

Income Tax Status—The Internal Revenue Service has determined that the Foundation is a tax-exempt organization under Internal Revenue Code Section 501(c)(3).

Estimates—The preparation of combined financial statements in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the combined financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates. The DSH Funds participate in the Foundation's New Investment Pool (see Note 4). The New Investment Pool consists of the Foundation's investment in marketable equity securities, valued by reference to quoted market prices; investments in Commonfund portfolios valued at unit values based on the fair values of the underlying investments; and timberland, mineral properties, and other real estate valued by appraisals. Such assets are subject to fluctuation in value due to normal market volatility and to estimation risk in the case of assets for which quoted market values are not available. The values ultimately realized by the Foundation for all such assets may be different from the values reported and these fluctuations may impact the DSH Funds' combined financial statements.

Recent Accounting Pronouncements—In 2018, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2018-08, *Not for Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made (Topic 958)*. ASU 2018-08 clarifies and improves the scope of accounting guidance for contributions received and contributions made with the objectives of assisting entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) within the scope of Topic 958, Not-for-Profit Entities, or as exchange (reciprocal) transactions subject to other guidance and (2) determining whether a contribution is conditional. The new guidance is effective for reporting periods beginning after December 15, 2019, and early adoption is permitted. The ASU is to be applied retrospectively in all periods presented in an entity's financial statements. The DSH Funds did not adopt this guidance as of year-end. The Foundation's management, on behalf of the DSH Funds, is currently assessing the impact of ASU 2018-18 on the disclosures in its combined financial statements.

In 2016, the FASB issued ASU 2016-14, *Not for Profit Entities (Topic 958): Presentation of Financial Statements of Not-For-Profit Entities.* ASU 2016-14 amends existing guidance for financial reporting by

not for profit entities. The objectives are to reduce complexity and improve the utility of financial reporting for users of financial statements produced by not for profit entities. The principal changes required by ASU 2016-14 include eliminating the distinction between temporarily and permanently restricted net assets, and enhancing quantitative and qualitative disclosures related to financial performance and the entity's liquidity and use of resources.

3. FAIR VALUE OF FINANCIAL INSTRUMENTS AND OTHER INVESTMENTS

The following methods and assumptions were used by the Foundation in estimating the fair value of its investments:

- **Cash and Cash Equivalents:** The carrying amount reported in the accompanying combined statements of financial position for cash and cash equivalents approximates their fair value.

- **Equity Securities:** Includes investments in marketable equity securities and investments in Commonfund:

  Marketable Equity Securities: Fair values are based on quoted market prices of each security with readily determinable fair values.

  Investments in Commonfund: Fair values are based on unit values, as determined by Commonfund. As more fully described in Note 2, Commonfund determines unit values for each of its portfolios based on the fair values of the underlying assets.

- **Timberland, Mineral Properties, and Real Estate:** Fair values of timberland, mineral properties, and real estate are determined by independent third-party appraisers using standard appraisal practices particular to the investment being appraised.

4. INVESTMENTS

Investment income for the years ended June 30, 2019 and 2018, consisted of the following:

	2019	2018
Unrealized gains	$ 11,411	$ 8,940
Realized gains	376	757
Interest and dividends	781	813
Interfund interest	315	231
	$ 12,883	$ 10,741

Investments consisted of participation in the Foundation's pooled investment funds.

On June 5, 2006, the Board of the Foundation approved the establishment of a New Investment Pool, which consisted of (1) all marketable equity securities held by the Foundation and (2) the Foundation's interest in the land and timber consisting of approximately 55,600 acres of timberland known as the Equitable tract, which the Foundation acquired in 1997 with financing that was provided, in part, from the DSH Funds to the Foundation's Equitable Timber Fund. Effective June 30, 2006, upon establishment of the Pool, the interest in the Pool allocated to the DSH Funds was equal in value to the sum of (1) the value of the interest that was allocated to the DSH Funds in the Foundation's existing securities pool at June 30, 2006, and (2) the amount of the aggregate receivable in principal and interest owed by the

Equitable Timber Fund to the DSH Funds at June 30, 2006. All pooled investment activity subsequent to June 30, 2006, is allocated between DSH Funds and other Foundation funds based on each fund's initial share of the Pool, adjusted for subsequent contributions and distributions.

On September 28, 2010, the Foundation entered into an agreement with the University providing for the purchase from the University by the Foundation, acting through its wholly owned subsidiary Brookley Bay Front Properties, LLC (hereinafter BBFP), the Brookley Complex, for a purchase price of $20,000. The Foundation funded the purchase with proceeds realized by it upon the sale of equity investments from the Commonfund Multi-Equity Strategy Fund, within the New Investment Pool.

On June 4, 2015, the Board of the Foundation determined that the current value of the investment in the Brookley Complex, $23,000, would continue to be recorded as an asset of the Foundation held as a part of the New Investment Pool. Further, the Board determined that proceeds from a future sale would be used to restore to the holdings of the Foundation in the Commonfund Multi-Strategy Equity Fund the aggregate value of the investments in such fund that were sold by the Foundation to provide the funds paid to the University to acquire the Brookley Complex, and the aggregate cumulative investment return produced by the investment in the Commonfund Multi-Strategy Equity Fund over the period from the date of the sale transactions until the date on which the proceeds are returned to the fund, all as reflected in the resolution adopted on June 4, 2015.

The fair value hierarchy classifies the inputs to valuation techniques used to measure fair value as either observable or unobservable inputs. Observable inputs are derived from quoted market prices for investments traded on an active exchange or in dealer markets where there is sufficient activity and liquidity to allow price discovery by substantially all market participants. The New Investment Pool's observable inputs consist of investments in exchange-traded equity securities with a readily determinable market price. Other observable inputs are fair value measurements derived either directly or indirectly from quoted market prices. Investments that are not traded on an active exchange and do not have a quoted market price are classified as unobservable. The DSH Funds' unobservable inputs consist of its interest in the New Investment Pool's timberland and real estate with fair values based on independent third-party appraisals performed by qualified appraisers specializing in timber and real estate investments.

The New Investment Pool also includes an investment in Commonfund which is found in the fair value table as "Investment in Commonfund."

In accordance with recent accounting pronouncements, the investment in Commonfund is not classified in the fair value hierarchy because such investment is measured at fair value using the NAV per share (or its equivalent) as a practical expedient. For purposes of the reconciliation of the fair value hierarchy to the amounts presented in the combined statements of financial position, the fair value amounts of the investment in Commonfund are presented as a reconciling item in the tables as "Investment in Commonfund."

The Foundation's Investment Pool assets as of June 30, 2019 and 2018 are summarized as follows:

	Fair Value Measurements at June 30, 2019			
Description	**Observable Inputs Based on Quoted Prices**	**Other Observable Inputs**	**Unobservable Inputs**	**Total**
New Investment Pool interest in marketable equity securities	$96,151	$ -	$ -	$ 96,151
New Investment Pool interest in timber			116,200	116,200
New Investment Pool interest in real estate			23,000	23,000
Real estate			3,700	3,700
Total	$96,151	$ -	$142,900	239,051
Investment in Commonfund, measured at NAV				54,645
Total assets at fair value				$293,696

	Fair Value Measurements at June 30, 2018			
Description	**Observable Inputs Based on Quoted Prices**	**Other Observable Inputs**	**Unobservable Inputs**	**Total**
New Investment Pool interest in marketable equity securities	$ 84,072	$ -	$ -	$ 84,072
New Investment Pool interest in timber			113,000	113,000
New Investment Pool interest in real estate			23,000	23,000
Real estate			3,700	3,700
Total	$ 84,072	$ -	$139,700	223,772
Investment in Commonfund, measured at NAV				53,650
Total assets at fair value				$277,422

For the year ended June 30, 2019, activity in the Foundation's Pooled Investment assets valued at fair value based on unobservable inputs is as follows:

	Investment Pool Interest in Timber	Investment Pool Interest in Real Estate	Real Estate	Total
Beginning balance	$ 113,000	$ 23,000	$ 3,700	$ 139,700
Total realized and unrealized gains	5,176			5,176
Reforestation	213			213
Depletion	(2,189)			(2,189)
Ending balance	$ 116,200	$ 23,000	$ 3,700	$ 142,900

For the year ended June 30, 2018, activity in the Foundation's Pooled Investment assets valued at fair value based on unobservable inputs is as follows:

	Investment Pool Interest in Timber	Investment Pool Interest in Real Estate	Real Estate	Total
Beginning balance	$ 112,000	$ 23,000	$ 3,700	$ 138,700
Total realized and unrealized gains	4,093			4,093
Reforestation	32			32
Depletion	(3,125)			(3,125)
Ending balance	$ 113,000	$ 23,000	$ 3,700	$ 139,700

The DSH Funds hold a proportionate interest in the value of the Foundation's Investment Pool. On June 30, 2019, the value of DSH Funds units in the Pool was $183,623 and at June 30, 2018, the value of DSH Funds units in the Pool was $175,878.

5. LIQUIDITY AND AVAILABILITY OF RESOURCES

The DSH Funds are restricted for support of hospitals, clinics, and health related programs of the University as stated in Note 8. The DSH Funds provide the University a target distribution of no less than three percent of the average net assets over the previous three year period.

6. FUNCTIONAL EXPENSES

All expenses are program services for the benefit of University hospitals, clinics, and health related programs.

7. RELATED-PARTY TRANSACTIONS

At June 30, 2019 and 2018, receivables from affiliated entities totaled $519 and $472, respectively. These amounts are due to the DSH Funds from other entities owned by the Foundation. These receivables earn interest at a standard market rate, based on the applicable federal rates (rates used for federal tax purposes). Interest income was $315 and $231 for the years ended June 30, 2019 and 2018,

respectively. As described in Note 4, effective June 30, 2006, the DSH Funds participate in the Pool of the Foundation and the DSH Funds earn a proportionate share of investment income of the Pool.

In an effort to assist the University in furtherance of its tax-exempt purpose and in order to accelerate its support of the Pediatric Expansion of USA Children's and Women's Hospital, the Board of Directors authorized, in a resolution adopted on May 27, 2010, the Foundation to negotiate an agreement to purchase the Brookley Center campus owned by the University. The May 27, 2010, resolution revoked the May 22, 2008, resolution as it pertained to the support of the Pediatric Expansion of USA Children's and Women's Hospital. On November 10, 2010, BBFP, an Alabama limited liability company, having as its sole member the Foundation, purchased the Brookley Complex from the University for Twenty Million Dollars ($20,000) payable in five annual installments of Four Million Dollars ($4,000). BBFP paid the University Four Million Dollars ($4,000) at closing and entered into a non-interest-bearing installment note for Sixteen Million Dollars ($16,000). The installment note was fully paid on November 10, 2014.

The intention and expectation of the Board of the Foundation, as reflected in the resolutions adopted on May 27, 2010, and September 9, 2010, was that upon BBFP's payment to the University of the purchase price, the Foundation would begin funding, consistent with the resolutions, a target distribution of not less than three percent (3%) of the average net assets of the DSH Funds. In making such distributions, the Foundation, acting in response to requests, proposals or recommendations submitted to it by the University, would seek to distribute to the University, for the benefit of the University's hospitals and clinics, and the other programs of the University that benefit such hospitals and clinics, funding for programs, activities or such other expenditures as shall be designated by the Foundation, in its sole discretion, subject to certain financial and other conditions as defined in the resolutions. During the fiscal year ended June 30, 2019, in accordance with the intent of the Board of the Foundation, as expressed in the resolutions, the Board of the Foundation approved a total distribution of DSH Funds of $5,078, that included $3,369 for new hospital teletracking system, cardiopulmonary monitors for small babies, and a new MRI and an upgrade of an MRI, $1,082 for the Clinical Support Fund, and $627 for the Hospital Equipment Fund.

During the period of five years from the date of closing the transaction, and any extensions thereof, the University retains ownership of all buildings and improvements on the Brookley Complex property and an exclusive easement over all of the land. Upon the payment of the note, ownership of such buildings and improvements transfers to BBFP at the conclusion of the five-year period, unless the parties agree to extend use by the University. The BBFP and the University agreed to extend the use period to November 10, 2019.

8. NATURE AND AMOUNT NET ASSETS WITH DONOR RESTRICTIONS

At June 30, 2019 and 2018, net assets with donor restrictions were $187,842 and $180,050, from which may be used for the support of hospitals, clinics, and related programs of the University in accordance with board action as described in Note 7, herein.

9. ENDOWMENT

Interpretation of the Law—The University of South Alabama Foundation conducts the operations of the Foundation in accordance with the Alabama Uniform Prudent Management of Institutional Funds Act (UPMIFA), effective January 1, 2009, and continuing thereafter unless otherwise determined by the Foundation. The Board of Directors and management of the Foundation interpret UPMIFA as obligating the Foundation to preserve, as donor-restricted assets, each original gift received by the Foundation as donor-restricted endowment funds.

The Foundation, accordingly, classifies (for legal purposes) each such original gift, and any subsequent gifts, as permanently restricted. The remaining portion of any donor-restricted endowment that is not classified as permanently restricted is classified as temporarily restricted net assets, until such time as any of such remaining portion is appropriated for expenditure. In managing each endowment fund held by it, the Foundation considers, if relevant, the duration and preservation of the fund, the purposes of the Foundation and the fund, general economic conditions, any restrictions imposed by the donor, the possible effect of inflation or deflation, the expected total return from income and appreciation of investments, the other resources of the Foundation, and the investment policy of the Foundation.

10. SUBSEQUENT EVENTS

The DSH Funds evaluated subsequent events through August 8, 2019, which represents the date the combined financial statements were available to be issued, and made the determination that no events occurred subsequent to June 30, 2019, that would require disclosure in or would be required to be recognized in the combined financial statements.

* * * * * *

UNIVERSITY OF SOUTH ALABAMA

BOARD OF TRUSTEES

DEVELOPMENT, ENDOWMENT AND INVESTMENTS COMMITTEE

UNIVERSITY OF SOUTH ALABAMA
BOARD OF TRUSTEES

DEVELOPMENT, ENDOWMENT AND INVESTMENTS COMMITTEE

June 5, 2019
1:37 p.m.

A meeting of the Development, Endowment and Investments Committee of the University of South Alabama Board of Trustees was duly convened by Mr. Jim Yance, Chair, on Wednesday, June 5, 2019, at 1:37 p.m. in the Board Room of the Frederick P. Whiddon Administration Building.

Members Present:	Chandra Brown Stewart, Tom Corcoran, Ron Jenkins, Margie Tuckson, Mike Windom and Jim Yance.
Member Absent:	Steve Stokes.
Other Trustees:	Alexis Atkins, Scott Charlton, Ron Graham, Arlene Mitchell, Lenus Perkins and Jimmy Shumock.
Administration and Others:	Terry Albano, Robert Berry, Lynne Chronister, Angela Dunn (Hancock Whitney), Joel Erdmann, Monica Ezell, Jacob Hartl and Eric Knoll (Hancock Whitney), Mike Haskins, David Johnson, Nick Lawkis, John Marymont, Susan McCready (Faculty Senate), Mike Mitchell, Norman Pitman, Rod Rocconi, John Smith, Margaret Sullivan, Jean Tucker, Sahilee Waitman (SGA), Tony Waldrop and Scott Weldon.

The meeting came to order and the attendance roll was called. Mr. Yance called for consideration of the minutes of the meeting held on March 15, 2019. On motion by Mr. Windom, seconded by Capt. Jenkins, the Committee voted unanimously to adopt the minutes.

Mr. Yance called on Mr. Albano and Mr. Pitman to present endowment and investment performance for the 2019 fiscal year through April 30, **ITEM 7**. Mr. Albano reported that the investment return of 1.93 percent underperformed the relative index of 2.26 percent by 33 basis points. He presented charts showing manager performance and Mr. Pitman shared perspective on market trends impacting manager underperformance. Brief discussion took place about the possible change of Gerber Taylor's benchmark. Mr. Albano addressed asset allocation and advised that the annualized performance since inception was 5.36 percent vs. the index of 4.47 percent, an outperformance by almost 90 basis points.

Mr. Albano introduced Hancock Whitney Bank representatives Ms. Angela Dunn, Mr. Jacob Hartl and Mr. Eric Knoll. Mr. Knoll made brief remarks and Mr. Hartl shared information about the management team, investment strategies, and allocation of University assets totaling approximately $30 million.

Mr. Yance called on Ms. Sullivan, who introduced **ITEM 8**, a resolution recognizing Ms. Atkins, Mr. Jim Fuchs and Budweiser-Busch Distributing Company, Inc., for a gift of $1 million to aid in the construction of Hancock Whitney Stadium and authorizing the south terrace of the stadium

be named the *Michelob Ultra Terrace* (to view approved resolutions, policies and other authorizations, refer to the minutes of the Board of Trustees meeting held on June 6, 2019). Ms. Sullivan pointed out that Ms. Atkins, Mr. Fuchs and Budweiser-Busch Distributing Company were the first corporate donors to support the football program in 2008. On motion by Mr. Corcoran, seconded by Mr. Windom, the Committee voted unanimously to recommend approval of the resolution by the Board of Trustees.

Concerning an update on the activities of the Division of Development and Alumni Relations, **ITEM 9**, Ms. Sullivan reported approximately $16.8 million in gifts and pledges had been secured for the Upward & Onward Campaign for fiscal year 2019 through June 3, for an overall total raised of approximately $140.7 million, or 94 percent of the $150 million goal. She talked about the recent Hope Cup Golf Tournament and Local Goodness benefit which generated support for USA Health Mitchell Cancer Institute and USA Health Children's & Women's Hospital, respectively. She noted that construction of the MacQueen Alumni Center should be complete in early 2020. As to the South Fund drive, she stated 56 percent of the employees raised a record-breaking $1,036,849 million, which included $241,871 in matching gifts. Among the strategic initiatives outlined for the remaining 16 months of the campaign, she advised of the recruitment of an Associate Vice President for University Development to succeed Dr. Josh Cogswell, who accepted an academic appointment at Nichols State University.

Mr. Yance made brief comments about expectations for investments managed by Hancock Whitney Bank.

There being no further business, the meeting was adjourned at 2:01 p.m.

Respectfully submitted:

_____
James A. Yance, Chair



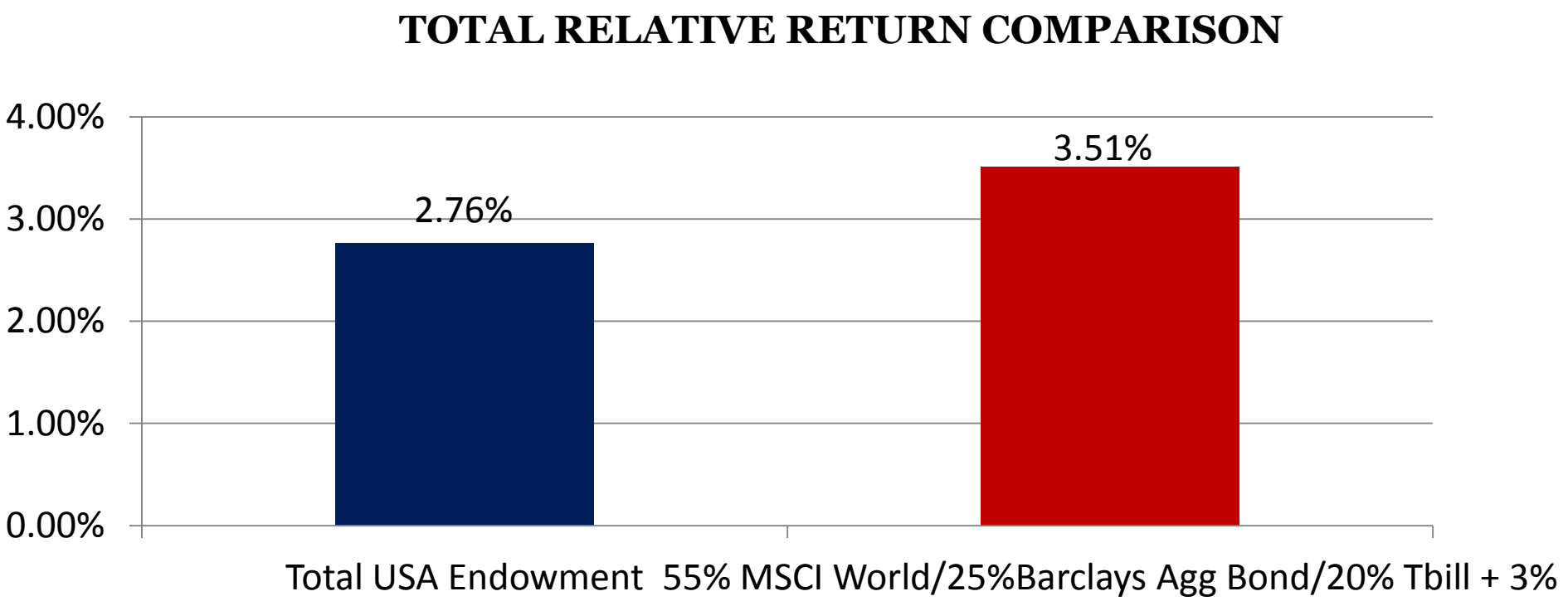
University of South Alabama Endowment Investment Performance Review/Analysis

Fiscal Year 2019

UNIVERSITY OF SOUTH ALABAMA

Total USA Endowment

October 1, 2018 — June 30, 2019
Total Fund Performance

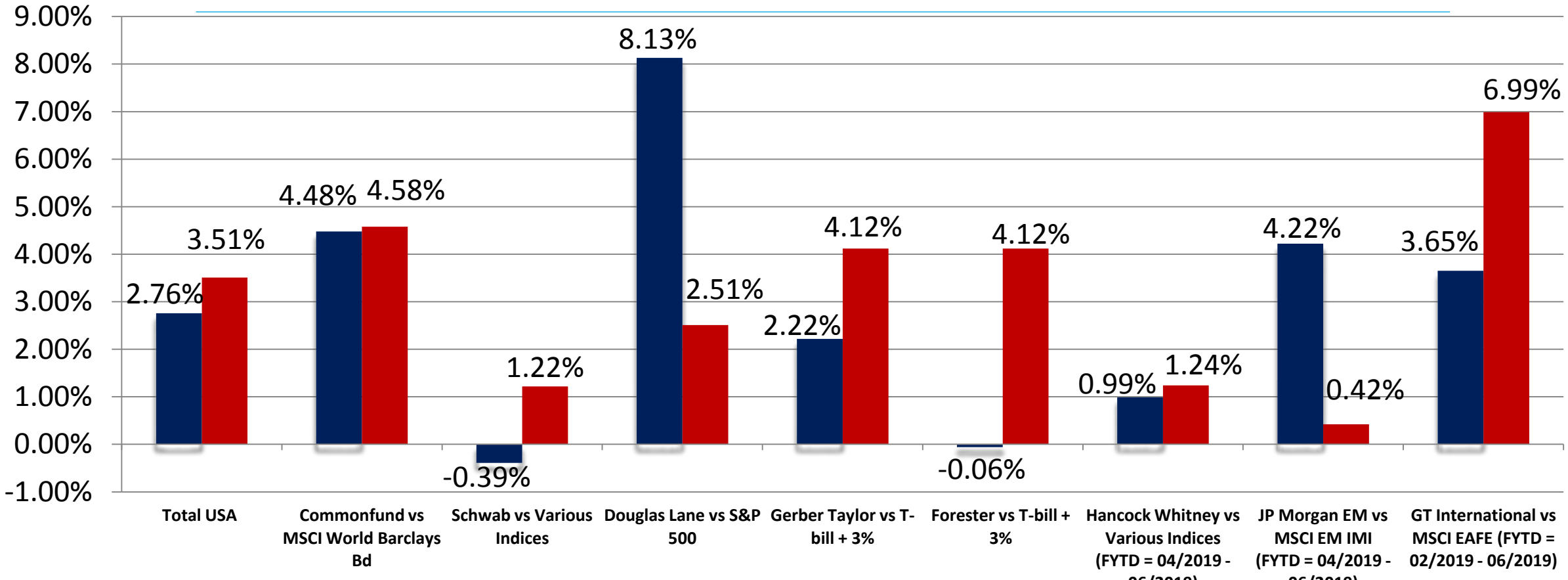


Underperformance: (0.75) %

Total USA Endowment

October 1, 2018 — June 30, 2019

Total Fund Performance



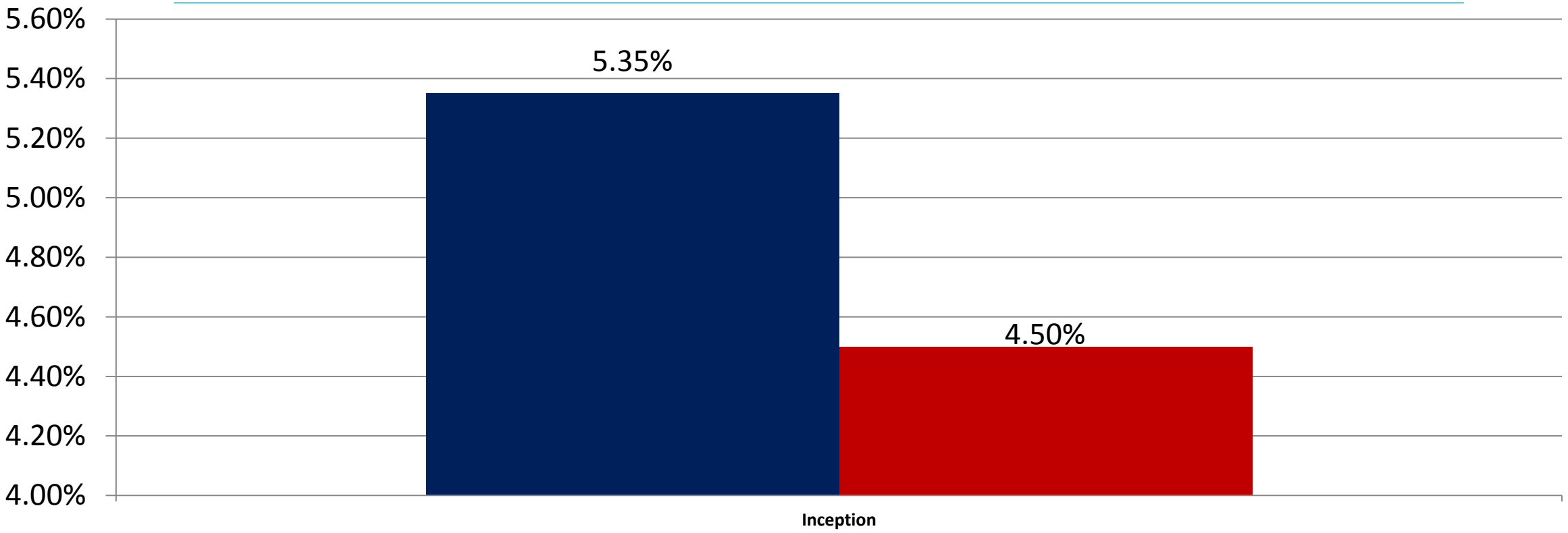
Total USA Endowment

Asset Allocation Breakdown

Manager	Money Market	Large Cap Equity	Small Cap Equity	International	Fixed	Private Equity	Hedge	Total	%
Schwab	$ 1,965	$ 8,206,143	$ 4,333,837	$ 9,081,612	$ 5,961,817	$ -	$ -	$ 27,585,374	17%
Doug Lane	$ 128,578	$ 6,044,580	$ -	$ -	$ -	$ -	$ -	$ 6,173,158	4%
Common Fund	$ -	$ 30,274,179	$ -		$ 21,204,932	$ -	$ -	$ 51,479,112	32%
Gerber Taylor	$ -	$ -	$ -	$ 5,597,034	$ -	$ -	$ 31,375,967	$ 36,973,001	23%
Common Fund PE	$ -	$ -	$ -	$ -	$ -	$ 2,517,730	$ -	$ 2,517,730	2%
JP Morgan PE	$ -	$ -	$ -	$ -	$ -	$ 412,778	$ -	$ 412,778	0%
GT Palladian Partners PE	$ -	$ -	$ -	$ -	$ -	$ 199,103	$ -	$ 199,103	0%
JP Morgan EM	$ -	$ -	$ -	$ 3,126,464	$ -	$ -	$ -	$ 3,126,464	2%
Hancock Whitney	$ 1,106,408	$ 12,099,989	$ 2,818,332	$ -	$ 14,457,959	$ -	$ -	$ 30,482,688	19%
Forester	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,016,419	$ 1,016,419	1%
Total	**$ 1,236,951**	**$ 56,624,891**	**$ 7,152,170**	**$ 17,805,110**	**$ 41,624,708**	**$ 3,129,611**	**$ 32,392,386**	**$ 159,965,826**	**100%**
%	1%	35%	4%	11%	26%	2%	20%	100%	
Policy %		25-55%	3-8%	5-15%	15-35%	0-10%	10-30%	100%	

Total USA Endowment

Inception to Date Performance



Outperformance: 0.85%

Total USA Endowment

Presentation Summary

1. **Fiscal Year To Date: Underperforming by (0.75) %: 2.76% vs 3.51%**
2. **Two out of eight managers have outperformed FYTD.**
3. **Remove Small-Cap Value Manager replace with Small-Cap Index Fund**
4. **Board Resolution amending Fixed Income Alternative Index**

University of South Alabama

Portfolio Review

September 12, 2019

commonfund

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Detailed Investment Report

All Accounts

October 1, 2018 - June 30, 2019

All Accounts

TOTAL PORTFOLIO MARKET VALUE AS OF 6/30/2019

Investment Category	Adjusted Market Value	Allocation %
Portfolio Total Equity	$40,014,757.76	65.36%
Portfolio Total Fixed	$21,204,932.47	34.64%
Portfolio Total	**$61,219,690.23**	**100.00%**

MARKETABLE INVESTMENTS 10/1/2018 TO 6/30/2019

Marketable Fund	Beginning Market Value	Purchases	Sales	Fees	Income Paid	Income Reinvested	Market Change	Ending Market Value
Multi-Strategy Equity Fund	$46,968,064.85	$0.00	($10,000,000.00)	($59,681.73)	$0.00	$283,327.58	$305,317.06	$37,497,027.76
Total Equity	**$46,968,064.85**	**$0.00**	**($10,000,000.00)**	**($59,681.73)**	**$0.00**	**$283,327.58**	**$305,317.06**	**$37,497,027.76**
Multi-Strategy Bond Fund	$32,541,541.58	$0.00	($13,000,000.00)	($30,770.40)	$0.00	$845,996.58	$848,164.71	$21,204,932.47
Total Fixed	**$32,541,541.58**	**$0.00**	**($13,000,000.00)**	**($30,770.40)**	**$0.00**	**$845,996.58**	**$848,164.71**	**$21,204,932.47**
Marketable Total	**$79,509,606.43**	**$0.00**	**($23,000,000.00)**	**($90,452.13)**	**$0.00**	**$1,129,324.16**	**$1,153,481.77**	**$58,701,960.23**

Market Change equals (Ending MV - Beginning MV - Purchases + Sales + Fees + Income Paid – Income Reinvested)
Adjusted Market Value for marketable cash funds, reflect the impact of pending cash subscriptions.

Fund performance is depicted net of fees. Manager and strategy performance is net of sub-advisor management fees and gross of other Commonfund Fund expenses. Past performance is no assurance of future returns.

All Accounts

NON-MARKETABLE INVESTMENTS SINCE INCEPTION TO VALUE DATE

Non-Marketable Fund	Incep. Date	Commitment	Capital Calls	Distributions	Net Income/ (Loss)	Value Date	Market Value	IRR[1]	Multiple[2]
Secondary Partners 2015[3]	6/22/2016	$2,000,000.00	$1,580,000.00	($539,581.00)	$691,050.00	3/31/2019	$1,731,469.00	33.45%	1.44
Secondary Partners II[3]	12/17/2018	$3,000,000.00	$630,000.00	$0.00	$330,730.00	3/31/2019	$960,730.00	52.50%[4]	1.52
Total Equity		**$5,000,000.00**	**$2,210,000.00**	**($539,581.00)**	**$1,021,780.00**		**$2,692,199.00**	**44.27%**	**1.46**
Non-Marketable Total		**$5,000,000.00**	**$2,210,000.00**	**($539,581.00)**	**$1,021,780.00**		**$2,692,199.00**	**44.27%**	**1.46**

NON-MARKETABLE INVESTMENTS ROLL FORWARD FROM VALUE DATE TO 6/30/2019

Non-Marketable Fund	Incep. Date	Commitment	Valuation Date	Most Recent Valuation	Capital Calls since Valuation Date	Distributions since Valuation Date	Adjusted Market Value
Secondary Partners 2015	6/22/2016	$2,000,000.00	3/31/2019	$1,731,469.00	$0.00	($174,469.00)	$1,557,000.00
Secondary Partners II	12/17/2018	$3,000,000.00	3/31/2019	$960,730.00	$0.00	$0.00	$960,730.00
Total Equity		**$5,000,000.00**		**$2,692,199.00**	**$0.00**	**($174,469.00)**	**$2,517,730.00**
Non-Marketable Total		**$5,000,000.00**		**$2,692,199.00**	**$0.00**	**($174,469.00)**	**$2,517,730.00**

1. IRR, or internal rate of return, represents the annualized implied discount rate calculated from the cash flows to/from the partnerships since inception of the respective partnership through the value date. The IRR performance calculation is net of all fees and carried interest.
2. Multiple represents a cash-on-cash return calculated by adding distributions to the ending market value and dividing the total value by capital called -((Distributions to date + Adjusted ending market value)/$ called to date). The Multiple performance calculation is net of all fees and carried interest.
3. Certain of the investment partnerships (and the vehicles in which they have invested) listed have, or are continuing to use, a committed line of credit or otherwise borrow, which has the effect of delaying capital calls to the investors, and in some cases replacing the applicable capital call in its entirety. Since the net IRR is calculated based on the date of the capital contribution by limited partners (rather than the date of borrowing), the net IRR of the applicable investment partnership using such borrowing may be higher or lower than they would have been had such investments been funded in cash by the investors at the time they were made.
4. Funds with a vintage year of less than three years of age (or two years of age for secondaries &/or co-investment partnerships) from the stated valuation date are in the early stages of their investment life cycle. Performance metrics on these funds may not be indicative of long-term performance.

All Accounts

ASSET ALLOCATION AS OF 6/30/2019

	9/30/2018 Allocation %	6/30/2019 Allocation %
U.S. Equity	42.46	44.01
International Equity	5.56	6.02
Emerging Markets Equity	2.45	2.65
Private Capital	2.02	4.11
Equity	**52.49**	**56.79**
Core Bonds	30.79	27.88
Credit	1.49	1.34
Opportunistic	6.77	4.85
Distressed Debt	1.05	0.58
Fixed	**40.10**	**34.64**
Diversifying Strategies	7.41	8.57
Diversifying Strategies	**7.41**	**8.57**
Total	**100.00**	**100.00**

Fund performance is depicted net of fees. Manager and strategy performance is net of sub-advisor management fees and gross of other Commonfund Fund expenses. Past performance is no assurance of future returns.

All Accounts

PERFORMANCE DETAIL AS OF 6/30/2019

	ASSETS		INVESTMENT PERFORMANCE									
Investment	Market Value ($)	Average Allocation	MTD	QTD	CYTD	FYTD	1 Year	3 Years	5 Years	10 Years	Account Inception	Account Inception Date
Multi-Strategy Equity Fund	**37,497,028**	**61.2%**	**6.75**	**4.44**	**18.33**	**2.37**	**9.07**	**13.45**	**8.44**	**12.35**	**6.25**	**3/31/2000**
S&P 500 Index			7.05	4.30	18.54	2.51	10.42	14.19	10.71	14.70	5.61	3/31/2000
MSE Funds Composite Benchmark			6.89	4.11	17.79	2.24	9.04	13.20	8.99	12.55	5.26	3/31/2000
U.S. Strategies	32,136,193	52.5%	6.94	4.68	19.62	2.91	10.97	14.81	9.36	13.23	8.39	3/31/2007
S&P 500 Index			7.05	4.30	18.54	2.51	10.42	14.19	10.71	14.70	8.40	3/31/2007
Adage Capital Management			6.61	5.40	20.48	3.83	12.01	15.51	11.59	16.86		
Two Sigma Advisers[1]			6.71	3.76	20.24	3.37	12.00					
Levin Capital Strategies			5.15	-2.14	11.97	-2.82	1.75	9.57	8.81			
Martingale Asset Management			7.57	5.49	19.16	4.10	11.89					
Diversifying Strategies (GAAC)			1.07	1.74	4.08	3.53	4.94	3.22	1.78	4.01		
Passive Beta (S&P 500)[2]			7.04	4.29	18.48	2.41	10.27					
World Quant US			6.32	5.52	17.50							
Non-U.S. Strategies	5,360,835	8.8%	6.33	3.76	14.71	1.65	2.45	10.17	4.93	9.10	4.89	3/31/2007
MSCI ACWI ex USA net Index			6.02	2.98	13.60	0.58	1.29	9.38	2.16	6.54	2.26	3/31/2007
Developed Markets			6.07	4.84	15.60	0.75	2.76	11.48	6.49	13.16	7.41	3/31/2007
Symphony Financial Partners			2.09	3.03	8.87	-6.98	-3.22	7.42	3.37	14.04		
T Rowe Price Associates			7.40	5.84	17.74	2.88	3.99					
World Quant EX			6.31	4.50	17.29							
Emerging Markets			6.93	1.19	12.53	3.40	1.33	10.01	3.27	5.51	2.95	3/31/2007
Wellington Management Company			6.97	1.74	10.86	0.88	-0.27					
CF TT International Emerging Markets Series			6.86	0.37	14.92	7.14	3.54					
Total Equity	**37,497,028**	**61.2%**	**6.75**	**4.44**	**18.33**	**2.37**	**9.07**	**13.45**	**8.44**	**12.35**	**6.25**	**3/31/2000**
S&P 500 Index			7.05	4.30	18.54	2.51	10.42	14.19	10.71	14.70	5.61	3/31/2000
Weighted Equity Composite			6.89	4.11	17.79	2.24	9.04	13.20	8.99	12.55		

Fund performance is depicted net of fees. Manager and strategy performance is net of sub-advisor management fees and gross of other Commonfund Fund expenses. Past performance is no assurance of future returns.

All Accounts

PERFORMANCE DETAIL AS OF 6/30/2019

	ASSETS		INVESTMENT PERFORMANCE									
Investment	Market Value ($)	Average Allocation	MTD	QTD	CYTD	FYTD	1 Year	3 Years	5 Years	10 Years	Account Inception	Account Inception Date
Multi-Strategy Bond Fund	**21,204,932**	**34.6%**	**1.30**	**3.07**	**6.30**	**6.92**	**7.46**	**3.27**	**3.15**	**5.44**	**5.67**	**3/31/2000**
Bloomberg Barclays US Aggregate Bond Index			1.26	3.08	6.11	7.85	7.87	2.31	2.95	3.90	4.98	3/31/2000
Core Bonds	17,053,623	27.9%	1.43	3.25	6.58	8.07	8.33	3.47	3.74	5.55	5.76	3/31/2000
Bloomberg Barclays US Aggregate Bond Index			1.26	3.08	6.11	7.85	7.87	2.31	2.95	3.90	4.98	3/31/2000
Rimrock MBS			1.34	3.27	5.26	7.54	7.72	4.10	3.97			
Income Research & Management			1.32	3.24	6.40	7.96	7.94	2.74	3.27	4.81		
Western Asset Management Company			1.60	3.24	7.49	8.46	9.05	3.86	4.08	5.94		
Credit	838,821	1.4%	-2.30	1.12	8.27	3.24	4.72				5.00	9/30/2016
CS Leveraged Loan Index			0.22	1.58	5.42	2.17	4.15				4.76	9/30/2016
Cerberus Capital Management			0.85	1.47	4.04	6.87	9.59					
CF Private Credit Fund LP.			5.00	5.92	5.92	7.97	7.28					
Bain Capital Specialty Finance Holdings			-4.91	-0.23	9.38	1.67	3.38					
Opportunistic	2,954,336	4.8%	2.33	3.75	7.03	7.94	8.21	5.38	3.96	4.36	5.47	2/28/2003
3 Month Tbill			0.21	0.64	1.24	1.81	2.31	1.38	0.87	0.49	1.35	2/28/2003
Brandywine Global Investment Management			4.35	4.44	8.48	7.66	7.59	4.14	2.68	8.16		
Pimco Income Fund			1.04	2.40	5.50	6.28	6.87					
Western Asset Mortgage Opportunities			0.59	2.25	2.68	4.49	5.32					
Distressed Debt	358,152	0.6%	-0.64	4.81	8.41	-7.63	6.20	2.31	2.38	8.34	7.99	2/28/2003
HFRI Distressed/Restructuring Index			0.66	1.48	4.73	-1.23	0.07	6.78	1.61	6.29	6.90	2/28/2003
Commonfund Global Distressed Investors			-0.65	4.89	8.56	-7.57	6.63	1.61	2.61	8.32		
Total Fixed	**21,204,932**	**34.6%**	**1.30**	**3.07**	**6.30**	**6.92**	**7.46**	**3.27**	**3.15**	**5.44**	**5.66**	**3/31/2000**

Fund performance is depicted net of fees. Manager and strategy performance is net of sub-advisor management fees and gross of other Commonfund Fund expenses. Past performance is no assurance of future returns.

All Accounts

PERFORMANCE DETAIL AS OF 6/30/2019

	ASSETS		INVESTMENT PERFORMANCE									
Investment	Market Value ($)	Average Allocation	MTD	QTD	CYTD	FYTD	1 Year	3 Years	5 Years	10 Years	Account Inception	Account Inception Date
Bloomberg Barclays US Aggregate Bond Index			1.26	3.08	6.11	7.85	7.87	2.31	2.95	3.90	4.98	3/31/2000
Weighted Fixed Composite			1.16	2.74	5.48	6.61	6.71	2.41	2.64	3.64	4.60	3/31/2000

Fund performance is depicted net of fees. Manager and strategy performance is net of sub-advisor management fees and gross of other Commonfund Fund expenses. Past performance is no assurance of future returns.

All Accounts

PERFORMANCE DETAIL AS OF 6/30/2019

	ASSETS		INVESTMENT PERFORMANCE									
Investment	Market Value ($)	Average Allocation	MTD	QTD	CYTD	FYTD	1 Year	3 Years	5 Years	10 Years	Account Inception	Account Inception Date
Total Marketable	**58,701,960**	**95.9%**	**4.72**	**3.94**	**13.05**	**4.31**	**8.47**	**9.12**	**6.26**	**9.15**	**6.17**	**3/31/2000**
Weighted Marketable Composite			4.02	3.55	11.68	4.80	8.30	7.87	5.95	8.21		
Secondary Partners 2015	**1,557,000**	**2.5%**	**5.40**	**1.22**	**1.22**	**5.61**	**9.22**				**47.96**	**8/31/2016**
Secondary Partners II	**960,730**	**1.6%**	**5.45**								**5.45**	**5/31/2019**
Private Capital	**2,517,730**	**4.1%**	**5.42**	**1.23**	**1.23**	**5.63**	**9.24**				**47.96**	**8/31/2016**
Total Non-Marketable	**2,517,730**	**4.1%**	**5.42**	**1.23**	**1.23**	**5.63**	**9.24**				**47.96**	**8/31/2016**
Total Portfolio	**61,219,690**	**100.0%**	**4.75**	**3.87**	**12.75**	**4.31**	**8.46**	**9.30**	**6.37**	**9.20**	**6.20**	**3/31/2000**
Traditional Benchmark			4.15	3.84	12.39	5.59	9.63	8.32	6.98	9.42	5.60	3/31/2000

Composite Scopes and Weightings

MSE Funds Composite Benchmark: 4/1/2000 to 12/31/2000 75.0% S&P 500 Index; 15.0% MSCI ACWI ex US; 10.0% HFRI FOF Composite Index
1/1/2001 to 3/31/2017 75.0% S&P 500 Index; 15.0% MSCI ACWI ex USA net Index; 10.0% HFRI FOF Composite Index
4/1/2017 to 6/30/2019 85.0% S&P 500 Index; 15.0% MSCI ACWI ex USA net Index

The monthly returns used for the HFRI FOF Composite Index, a component of the MSE Funds Composite Benchmark, is the Flash Update return that is published by HFRI by the 5th business day of the following month. HFRI reserves the right to adjust the monthly return of the HFRI index up to four months after the month end performance date. Monthly returns for the MSE Funds Composite Benchmark may be retroactively restated based on later adjustments to the HFRI index. See Important Notes regarding limitations of indices.

Weighted Equity Composite: 4/1/2000 to 3/31/2017 75.0% S&P 500 Index; 15.0% MSCI ACWI ex USA net Index; 10.0% HFRI FOF Composite Index
4/1/2017 to 6/30/2019 85.0% S&P 500 Index; 15.0% MSCI ACWI ex USA net Index

Weighted Fixed Composite: 4/1/2000 to 6/30/2019 70.0% Bloomberg Barclays US Aggregate Bond Index; 10.0% FTSE World Govt. Bond Index; 10.0% 3 Month Tbill; 10.0% CS Leveraged Loan Index

Weighted Marketable Composite: 4/1/2000 to 3/31/2017 37.5% S&P 500 Index; 35.0% Bloomberg Barclays US Aggregate Bond Index; 7.5% MSCI ACWI ex USA net Index; 5.0% FTSE World Govt. Bond Index; 5.0% 3 Month Tbill; 5.0% HFRI FOF Composite Index; 5.0% CS Leveraged Loan Index
4/1/2017 to 6/30/2019 42.5% S&P 500 Index; 35.0% Bloomberg Barclays US Aggregate Bond Index; 7.5% MSCI ACWI ex USA net Index; 5.0% FTSE World Govt. Bond Index; 5.0% 3 Month Tbill; 5.0% CS Leveraged Loan Index

Traditional Benchmark: 4/1/2000 to 6/30/2019 50.0% S&P 500 Index; 50.0% Bloomberg Barclays US Aggregate Bond Index

1. Two Sigma returns are gross of incentive fee.

2. Passive Beta (S&P 500) represents the Funds passive beta acquisition necessary to maintain a similar amount of beta to the S&P 500 benchmark. "Passive Beta" has been calculated as the difference

Fund performance is depicted net of fees. Manager and strategy performance is net of sub-advisor management fees and gross of other Commonfund Fund expenses. Past performance is no assurance of future returns.

All Accounts

of the S&P 500 (Total Return) over an estimated variable current cost of financing that would be associated with financing the S&P 500 (Total Return) exposure (e.g., through futures and swaps) within context of a specified portfolio of investments. The Passive Beta calculation assumes that amounts segregated in connection with the current cost of financing have been held in cash; however, Commonfund Asset Management Company, Inc. invests such amounts from time to time in one or more investment strategies other than cash.

Effective January 2017, Total U.S. Equities Strategies composite returns are calculated using a weighting for the Passive Beta strategy that is based on the notional aggregate value of S&P 500 exposure acquired in the strategy through futures and/or swaps.

Performance returns in open-end investment products include closed account history in group composites, if applicable. Performance is calculated monthly. Therefore, returns for any investments in any fund for less than a full month are not included in these performance figures.

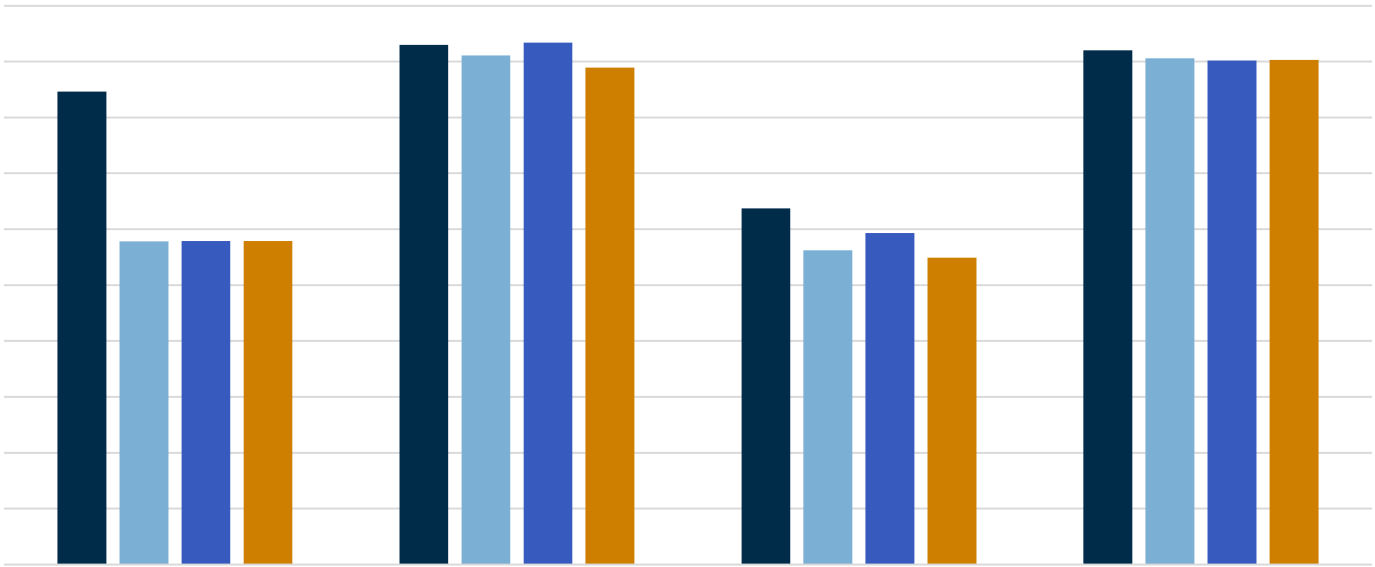
Investments in Programs for closed-end investment products are carried as of the most recent valuation date, which may not correspond to the marketable securities valuation dates.
Distressed Debt programs are reported with a one quarter lag. For example, if the report 'As of' date is 9/30/YY then Distressed Debt programs are represented using 6/30/YY, or previous quarter values.
Private Capital programs are reported with a one quarter lag. For example, if the report 'As of' date is 9/30/YY then Private Capital and Real Estate programs are represented using 6/30/YY, or previous quarter values. Private Investment returns are normally reported as an Internal Rate of Return (IRR). All other Commonfund investment returns are reported as Time Weighted Rates of Return (TWR). For Consolidated Performance reporting purposes, TWRs are used for all individual and composite returns.

Fund performance is depicted net of fees. Manager and strategy performance is net of sub-advisor management fees and gross of other Commonfund Fund expenses. Past performance is no assurance of future returns.

University of South Alabama vs. Peer Universe

June 30, 2019 | Peer universe from Callan Associates

Numbers in percent



	1 Year	3 Year	5 Year	10 Year
University of South Alabama (Net)	8.46	9.30	6.37	9.20
CAI Endowment Foundation	5.78	9.11	5.62	9.06
CAI Endowment Foundation | $100MM-$1BN	5.79	9.34	5.93	9.02
CAI Endowment Foundation | <$100MM	5.79	8.89	5.49	9.03

The information specific University of South Alabama represents portfolio data related to the All Accounts.
Callan Universe data is calculated independently based on total returns gross of fees and expenses. The CAI Endowment/Foundation group consists of pension, endowment, foundation, and multi-employer total funds including both Callan clients and surveyed non-client funds.
Past performance does not assure future results. See Commonfund Important Notes | Performance | Open-End Investment Products.
Source: Commonfund Portal and Callan Associates.

Investment Programs

Multi-Strategy Equity Fund (MSEF)

June 30, 2019

commonfund

OBJECTIVE
To offer an actively managed, multi-manager investment program that will provide broad exposure to global equity markets.

BENCHMARKS
MSE Funds Composite Benchmark (Composite Benchmark)
S&P 500 Index

INCEPTION
July 1971

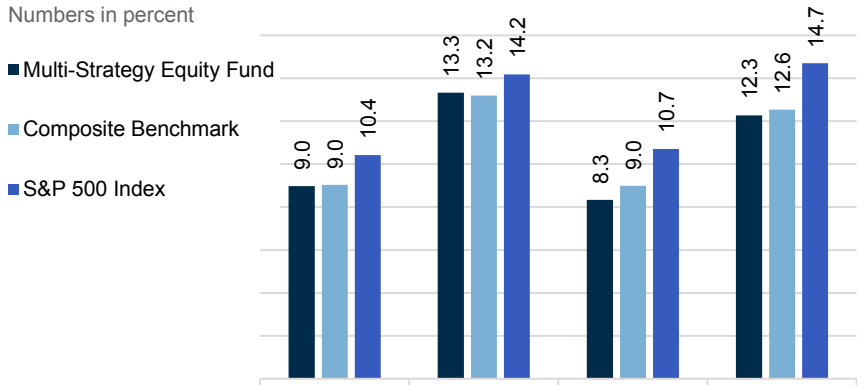
ASSETS MANAGED
$2.1 billion

OFFERING/REDEMPTIONS
Monthly, 5 business days notice

ELIGIBLE INVESTORS
Educational Institutions

MINIMUM INVESTMENT
$50,000

NET PERFORMANCE[1]
Numbers in percent



Relative Performance	1 Year	3 Year	5 Year	10 Year
Composite Benchmark	-0.06	+0.14	-0.66	-0.27
S&P 500 Index	-1.44	-0.85	-2.38	-2.42

Calendar Year Ended December 31	2018	2017	2016	2015	2014
Multi-Strategy Equity Fund	-6.61	22.31	8.27	-1.46	10.86
Composite Benchmark	-5.87	22.21	9.69	0.20	9.84
S&P 500 Index	-4.38	21.83	11.96	1.38	13.69

10 YEAR RISK CHARACTERISTICS

	MSEF vs. Composite Benchmark	Composite Benchmark	MSEF vs. S&P 500 Index	S&P 500 Index
Standard Deviation (%)	12.4	12.1	12.4	12.7
Sharpe Ratio	1.0	1.0	1.0	1.1
Beta	1.0	1.0	1.0	1.0
Information Ratio	-0.2	0.0	-1.1	0.0
Tracking Error	1.6	0.0	2.1	0.0

PORTFOLIO CHARACTERISTICS[2]

	MSEF	Composite Benchmark	S&P 500 Index
Weighted Avg Market Cap ($bn)	199.1	216.9	242.3
P/E Forward One Year Estimate (x)	16.4	16.6	17.3
P/B Ratio (x)	2.8	2.4	3.0
Dividend Yield (%)	2.0	2.1	1.9
Return on Equity (%)	20.3	20.0	22.2
Est 3-5 Yr EPS Growth (%)	9.9	10.9	10.2

SECTOR WEIGHTS[3]

	MSEF	Composite Benchmark	S&P 500 Index
Communication Services	8.9	9.7	10.2
Consumer Discretionary	12.1	10.4	10.2
Consumer Staples	7.2	7.7	7.3
Energy	4.9	5.4	5.0
Financials	12.8	14.4	13.1
Healthcare	14.2	13.3	14.2
Industrials	10.3	9.8	9.4
Information Technology	19.5	19.5	21.5
Materials	3.2	3.5	2.8
Real Estate	2.8	3.1	3.1
Telecommunication Services	0.0	0.0	0.0
Utilities	4.1	3.3	3.3

See Commonfund Important Notes

1. Net returns are total returns net of all fees and expenses either charged to the fund or paid directly by Commonfund members. For more information on fees and expenses, see Information for Members. Returns for periods of one year or greater are annualized. Past performance does not assure future results. Relative performance may not add due to rounding.
2. Table does not include exposure to alternative strategies.
3. May not add to 100 percent due to rounding.

Multi-Strategy Equity Fund

June 30, 2019

commonfund

Numbers in percent	Target β Point Contribution	Quarter	Fiscal YTD	Calendar YTD	1 Year	3 Years	5 Years	10 Years
CF Multi-Strategy Equity Investors		**4.42**	**8.98**	**18.28**	**8.98**	**13.34**	**8.33**	**12.28**
Composite Benchmark		4.11	9.04	17.79	9.04	13.20	8.99	12.55
S&P 500 Index		4.30	10.42	18.54	10.42	14.19	10.71	14.70
U.S. Strategies								
Adage Capital Management	18	5.40	12.01	20.48	12.01	15.51	11.59	16.86
Two Sigma Advisers[1]	17	3.76	12.00	20.24	12.00			
Levin Capital Strategies	4	-2.14	1.75	11.97	1.75	9.57	8.81	
Martingale Asset Management	14	5.49	11.89	19.16	11.89			
Diversifying Strategies (GAAC)[2]	-	1.74	4.94	4.08	4.94	3.22	1.78	4.01
Passive Beta (S&P 500)[3]	21	4.29	10.27	18.48	10.27			
World Quant US	11	5.52		17.50				
U.S. Strategies[4]		**4.68**	**10.97**	**19.62**	**10.97**	**14.81**	**9.36**	**13.23**
S&P 500 Index		**4.30**	**10.42**	**18.54**	**10.42**	**14.19**	**10.71**	**14.70**
Non-U.S. Strategies								
Symphony Financial Partners	2	3.03	-3.22	8.87	-3.22	7.42	3.37	14.04
T Rowe Price Associates	4	5.84	3.99	17.74	3.99			
Wellington Management Company	3	1.74	-0.27	10.86	-0.27			
CF TT International Emerging Markets Series	2	0.37	3.54	14.92	3.54			
World Quant EX	4	4.50		17.29				
Non-U.S. Strategies		**3.76**	**2.45**	**14.71**	**2.45**	**10.17**	**4.93**	**9.10**
MSCI ACWI ex USA net Index		**2.98**	**1.29**	**13.60**	**1.29**	**9.38**	**2.16**	**6.54**
CF Multi-Strategy Equity Investors		**4.42**	**8.98**	**18.28**	**8.98**	**13.34**	**8.33**	**12.28**

Net returns are total returns net of all fees and expenses either charged to the fund or paid directly by Commonfund investors. Returns for periods of one year or greater are annualized. Strategies reflect adjusted gross returns before participant fees. For more information on fees and expenses, see Confidential Offering Memorandum. Past performance does not assure future results.

MSE Funds Composite Benchmark is calculated using the following components' weights: for time periods after April 1, 2017, S&P 500 (85%) and MSCI All Country World Index excluding the U.S. Net (15%); and for time periods prior to April 1, 2017, S&P 500 (75%), MSCI All Country World Index excluding the U.S. Net (15%), and HFRI Fund of Funds Composite Index (10%). The monthly return used for the HFRI Composite FOF Index, a component of the MSE Funds Composite Benchmark, is the Flash Update return that is published by HFRI by the 5th business day of the following month. HFRI reserves the right to adjust the monthly return of the HFRI index up to four months after the month end performance date. Monthly returns for the MSE Funds Composite Benchmark may be retroactively restated based on later adjustments to the HFRI index.

S&P 500 Index is a widely recognized gauge of the U.S. equities market. This index is an unmanaged capitalization-weighted index consisting of 500 of the largest capitalization U.S. common stocks. The returns of the S&P 500 include the reinvestment of dividends.

1. Two Sigma returns are gross of incentive fee.
2. The Fund has a 10 percent dollar allocation to Global Absolute Alpha Company (GAAC) which has been managed to attempt to exhibit minimal market beta. Historical returns for this strategy also include Hedged Investors Company and Multi-Strategy Global Hedged Partners, which are currently in liquidation.
3. The Passive Beta represents the Fund's passive beta acquisition necessary to maintain a similar amount of beta to the S&P 500 benchmark. It has been calculated as the difference of the S&P 500 (Total Return) over an estimated variable current cost of financing that would be associated with financing the S&P 500 (Total Return) exposure (e.g., through futures and swaps) within the context of a specified portfolio of investments. The calculation assumes that amounts segregated in connection with the current cost of financing have been held in cash; however, Commonfund Asset Management Company, Inc. invests such amounts from time to time in one or more investment strategies other than cash.
4. Effective January 2017, Total U.S. Equities Strategies composite returns for the Fund are calculated using a weighting for the Passive Beta strategy that is based on the notional aggregate value of S&P 500 exposure acquired in the strategy through futures and/or swaps.

Multi-Strategy Bond Fund

June 30, 2019

commonfund

OBJECTIVE
To offer an actively managed, multi-manager investment program that will provide broad exposure to global debt markets.

BENCHMARKS
Bloomberg Barclays US Aggregate Bond Index

INCEPTION
August 1976

ASSETS MANAGED
$903 million

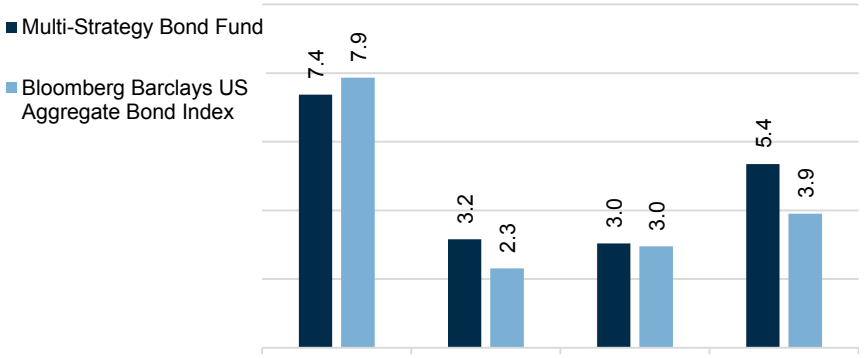
OFFERING/REDEMPTIONS
Monthly, 5 business days notice

ELIGIBLE INVESTORS
Educational Institutions

MINIMUM INVESTMENT
$50,000

NET PERFORMANCE[1]

Numbers in percent



Relative Performance	1 Year	3 Year	5 Year	10 Year
Bloomberg Barclays US Aggregate Bond Index	-0.50	+0.85	+0.10	+1.46

Calendar Year Ended December 31	2018	2017	2016	2015	2014
Multi-Strategy Bond Fund	0.07	4.91	3.39	-0.31	5.78
Bloomberg Barclays US Aggregate Bond Index	0.01	3.54	2.65	0.55	5.97

10 YEAR RISK CHARACTERISTICS

	Multi-Strategy Bond Fund	Bloomberg Barclays US Aggregate Bond Index
Standard Deviation (%)	3.0	2.9
Sharpe Ratio	1.6	1.2
Beta	0.8	1.0
Information Ratio	0.8	0.0
Tracking Error	1.8	0.0

PORTFOLIO CHARACTERISTICS[2]

	Multi-Strategy Bond Fund	Bloomberg Barclays US Aggregate Bond Index
Effective Duration (years)	4.6	5.5
Average Quality	A-	AA
Yield to Maturity (%)	3.4	2.5
Net FX Exposures (%)	6.7	

SECTOR WEIGHTS[3]

	Multi-Strategy Bond Fund	Bloomberg Barclays US Aggregate Bond Index
Gov't/Agency	9.9	40.8
Cash Equivalents	1.1	
Mortgages	35.2	27.2
SBA Loans	1.3	
CMBS	13.2	2.0
ABS	4.1	0.4
Corporates	29.3	26.3
Non-U.S.	0.9	
Municipals	0.2	0.6
Emerging Market Debt	4.9	1.2
Other	-0.3	1.4

See Commonfund Important Notes.

1. Net returns are total returns net of all fees and expenses either charged to the fund or paid directly by Commonfund members. For more information on fees and expenses, see Information for Members. Returns for periods of one year or greater are annualized. Past performance does not assure future results.
2. Does not include private partnership information and includes exposure to opportunistic strategies.
3. May not add to 100 percent due to rounding and includes exposure to opportunistic strategies.

Multi-Strategy Bond Fund

June 30, 2019

commonfund

Numbers in percent	Quarter	Fiscal YTD	Calendar YTD	1 Year	3 Years	5 Years	10 Years
Multi-Strategy Bond Fund	**3.06**	**7.37**	**6.27**	**7.37**	**3.16**	**3.04**	**5.35**
Bloomberg Barclays US Aggregate Bond Index	3.08	7.87	6.11	7.87	2.31	2.95	3.90
Core Bonds							
Rimrock MBS	3.27	7.72	5.26	7.72	4.10	3.97	
Income Research & Management	3.24	7.94	6.40	7.94	2.74	3.27	4.81
Western Asset Management Company	3.24	9.05	7.49	9.05	3.86	4.08	5.94
Core Bonds	**3.25**	**8.33**	**6.58**	**8.33**	**3.47**	**3.74**	**5.55**
Bloomberg Barclays US Aggregate Bond Index	**3.08**	**7.87**	**6.11**	**7.87**	**2.31**	**2.95**	**3.90**
Distressed Debt							
Commonfund Global Distressed Investors	4.89	6.63	8.56	6.63	1.61	2.61	8.32
Distressed Debt	**4.81**	**6.20**	**8.41**	**6.20**	**2.31**	**2.38**	**8.34**
HFRI Distressed/Restructuring Index	**1.48**	**0.07**	**4.73**	**0.07**	**6.78**	**1.61**	**6.29**
Opportunistic							
Brandywine Global Investment Management	4.44	7.59	8.48	7.59	4.14	2.68	8.16
Pimco Income Fund	2.40	6.87	5.50	6.87			
Western Asset Mortgage Opportunities	2.25	5.32	2.68	5.32			
Opportunistic	**3.75**	**8.21**	**7.03**	**8.21**	**5.38**	**3.96**	**4.36**
3 Month Tbill	**0.64**	**2.31**	**1.24**	**2.31**	**1.38**	**0.87**	**0.49**
Credit							
Cerberus Capital Management	1.47	9.59	4.04	9.59			
CF Private Credit Fund LP.	5.92	7.28	5.92	7.28			
Bain Capital Specialty Finance Holdings	-0.23	3.38	9.38	3.38			
Credit	**1.12**	**4.72**	**8.27**	**4.72**			
CS Leveraged Loan Index	**1.58**	**4.15**	**5.42**	**4.15**	**5.43**	**3.85**	**6.29**
Multi-Strategy Bond Fund	**3.06**	**7.37**	**6.27**	**7.37**	**3.16**	**3.04**	**5.35**

Net returns are total returns net of all fees and expenses either charged to the fund or paid directly by Commonfund members. Returns for periods of one year or greater are annualized. Strategies reflect adjusted gross returns before participant fees. For more information on fees and expenses, see Information for Members. Past performance does not assure future results.

Bloomberg Barclays US Aggregate Bond Index measures the performance of the U.S. investment grade bond market. The index invests in a wide spectrum of public, investment-grade, taxable, fixed income securities in the U.S. – including government, corporate, and international dollar-denominated bonds, as well as mortgage-backed and asset-backed securities, all with maturities of more than 1 year.

ICE BofAML 3-Month US Treasury Bill Index is comprised of a single issue purchased at the beginning of the month and held for a full month. At the end of the month that issue is sold and rolled into a newly selected issue. The issue selected at each month-end rebalancing is the outstanding Treasury Bill that matures closest to, but not beyond, three months from the rebalancing date. To qualify for selection, an issue must have settled on or before the month-end rebalancing date.

CS Leveraged Loan Index is an index designed to mirror the investable universe of the U.S. dollar denominated leveraged loan market. The index inception is January 1992. The index frequency is monthly. New loans are added to the index on their effective date if they qualify according to the following criteria: loans must be rated "5B" or lower; only fully-funded term loans are included; the tenor must be at least one year; and the Issuers must be domiciled in developed countries (i.e., issuers from developing countries are excluded). Fallen angels are added to the index subject to the new loan criteria. Loans are removed from the index when they are upgraded to investment grade, or when they exit the market (for example, at maturity, refinancing or bankruptcy workout). Note that issuers remain in the index following default. Total return of the index is the sum of three components: principal, interest, and reinvestment return. The cumulative return assumes that coupon payments are reinvested into the index at the beginning of each period.

Characteristics
Commonfund Capital Secondary Partners II, L.P.
May 1, 2019 | $450.1 Million Total Commitments | ~$179 Million Invested-to-Date[1]

~55% of Exposure
2009 Vintage and Older

44
Transactions[2]

14.3%
Weighted Average Discount[3]

~$4 Million
Average Investment Size[4]

1. Invested-to-date includes all transactions for multiple interests where CSP II has entered into a purchase and sale agreement and has closed on at least one of those interests as of the stated date.
2. A transaction represents a specific secondary investment, co-investment, or primary commitment. A secondary transaction can be comprised of one or more funds.
3. Weighted average discount is an average weighted by each transaction's total net exposure (purchase price plus unfunded capital). The discounted purchase price to the underlying fund manager's net asset value is based on the quarterly report date for such fund referenced in the respective purchase and sale agreement of the underlying transaction which is prior to the date on which the secondary was acquired. There is no guarantee that secondaries will be purchased at a discount. Excludes primaries and co-investments.
4. Average size of CSP II investment. Overall average transaction is larger in size as secondaries may be allocated to multiple funds or investors.

Characteristics
Commonfund Capital Secondary Partners 2015, L.P.
May 1, 2019 | $170.7 Million Total Commitments | ~$204 Million Invested-to-Date[1]

~60% of Exposure
2009 Vintage and Older

67
Transactions[2]

17.0%
Weighted Average Discount[3]

~$3 Million
Average Investment Size[4]

1. Invested-to-date includes all transactions for multiple interests where CSP 2015 has entered into a purchase and sale agreement and has closed on at least one of those interests as of the stated date.
2. A transaction represents a specific secondary investment, co-investment, or primary commitment. A secondary transaction can be comprised of one or more funds.
3. Weighted average discount is an average weighted by each transaction's total net exposure (purchase price plus unfunded capital). The discounted purchase price to the underlying fund manager's net asset value is based on the quarterly report date for such fund referenced in the respective purchase and sale agreement of the underlying transaction which is prior to the date on which the secondary was acquired. There is no guarantee that secondaries will be purchased at a discount. Excludes primaries and co-investments.
4. Average size of CSP 2015 investment. Overall average transaction is larger in size as secondaries may be allocated to multiple funds or investors.

Market and Economic Insights

Continuing signs of a late stage economic cycle

Market and Economic Insights

Beyond the headlines | What market data tells us

2Q 2019 Market Headlines

- Domestic equities post gains while U.S Treasuries price a higher risk of recession
- FOMC discusses rate cuts for the first time since 2008
- The front end of the U.S. Treasury curve stayed inverted

Developments that Will Influence Our Decisions

- Continued downward momentum in key economic factors (manufacturing and leading indicator composite)
- Weakening credit conditions
- Weaker forward earnings or excessive valuations

Potential Headwinds

- Expansion of trade disputes
- Compounding geopolitical uncertainty surrounding Iran, N. Korea, Brexit, domestic policy
- Change in employment landscape via higher wages and slower job growth

As of June 30, 2019.

Key Market Factors/Catalysts

Key Market Factors/Catalysts

Indicator Key

Positive | Moderately Positive | Neutral | Moderately Negative | Negative

Key Macro Factors/Catalysts	Q2 2018			Q3 2018			Q4 2018			Q1 2019			Q2 2019		
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
OECD Global Growth															
Monetary Policy Positioning															
Yield Curve															
Equity Risk Premium (S&P500)															
Leading Economic Indicators															
Employment															
Inflation															
POV (Target Relative Equity Positioning)	**2%**	**2%**	**1%**	**1%**	**1%**	**1%**	**1%**	**1%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**

As of June 30, 2019.

Tactical Asset Allocation

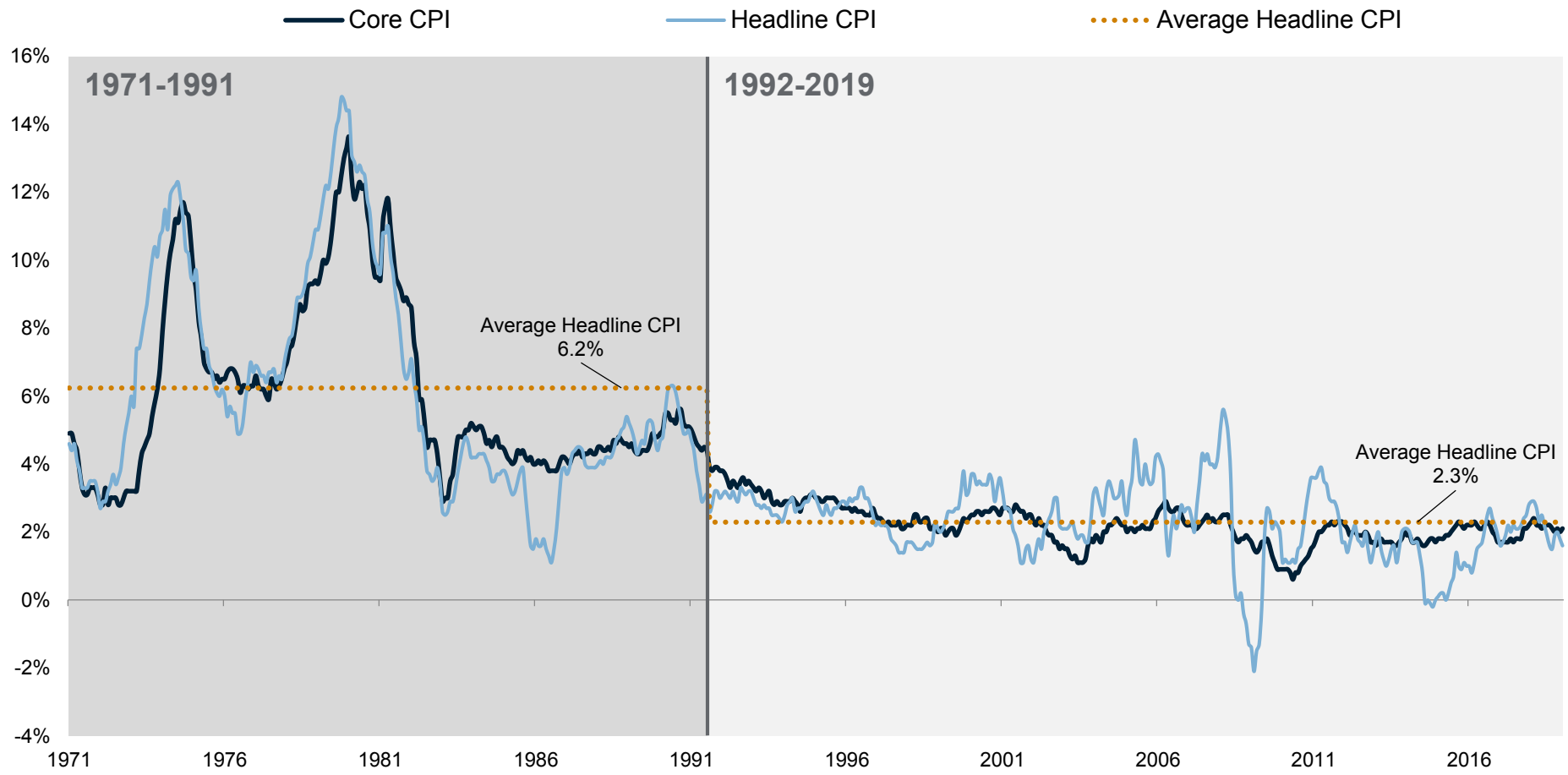
Seven key factors that drive our tactical equity to fixed income allocations

Key Factors	Indicator	Commonfund View	Δ	Key Event
Global Growth	OECD Countries with positive Real GDP growth (yr/yr)	Moderately Favorable		The % of OECD countries showing positive growth has moved lower than 100%. Most of the weakness is coming from the emerging markets.
Monetary Policy Positioning	Real Fed Funds Rate (FF vs. CPI)	Neutral		The Fed's tone has shifted towards dovish on lower growth outlook.
Yield Curve	Treasury yield spread; 10-year T-note yield vs. 3-mo T-bill yield	Moderately Negative		The 10yr-3mo yield curve inverted to negative 8 bps, much lower than the average positive spread of 163 bps, as 10yr yields remained in a downtrend.
Equity Risk Premium (ERP)	Implied S&P500 forward earnings yield vs. 10-year T-note yield	Moderately Favorable		The Equity Risk Premium remains above its historical average, boosted by strong earnings, supportive policy and declining interest rates. We continue to monitor a potential slowdown in earnings in the near term.
Leading Economic Indicators	Leading Economic Indicator Index (LEI) (Y/Y)	Moderately Favorable		LEI Y/Y growth is still positive but has slowed over the last nine months. It has declined on average eight months before a recession with only one false positive in 45 years.
Employment	Civilian unemployment rate; latest month vs. 18-month moving average	Favorable		Civilian unemployment rate is still declining. Historically an upward reversal in unemployment rate by more than 50 bps and above 18-month average, has confirmed every recession in the last 45 years.
Inflation	Consumer core and headline inflation (yr/yr)	Moderately Favorable		Inflation has moved below its historical average of 2.3 percent from 1992 to 2017 with expectations for low inflation in the near term.

As of June 30, 2019, Δ= change over prior quarter.

Inflation Remains Below Recent Historical Average

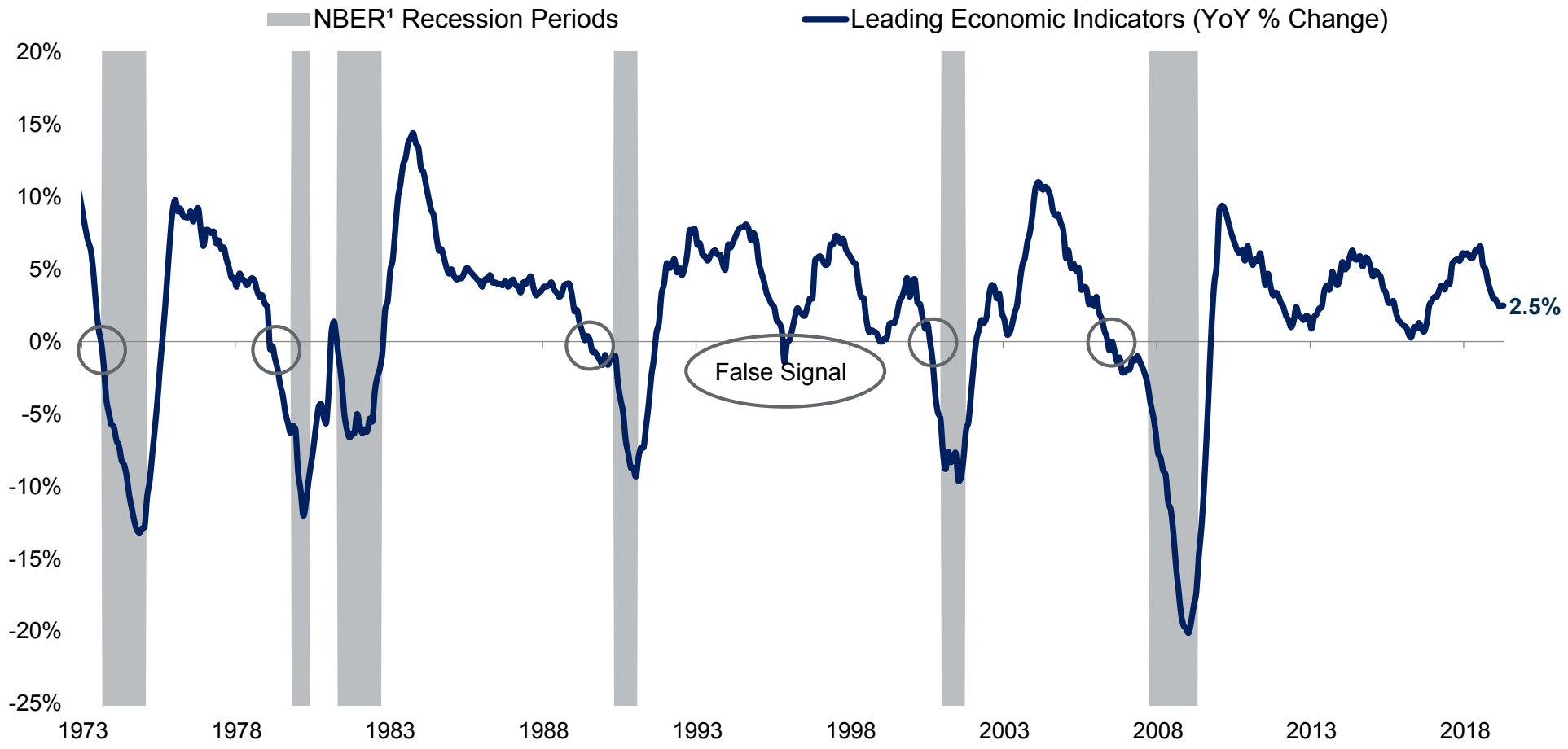
1971-1991 Inflation averaged 6.2%, 1992-2019 inflation averaged 2.3%



Source: Bloomberg, as of June 30, 2019.

Leading Economic Indicator Composite

Leading Indicators YoY growth has been slowing



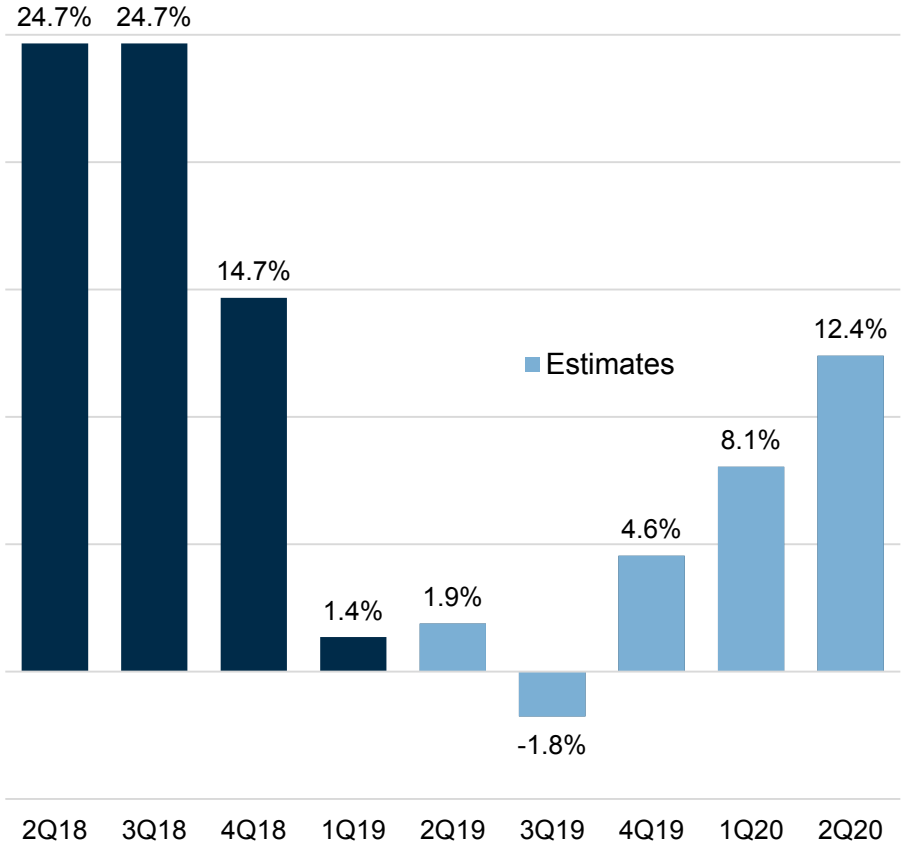
1. National Bureau of Economic Research.
Source: Bloomberg, as of June 30, 2019

Growth Decelerates

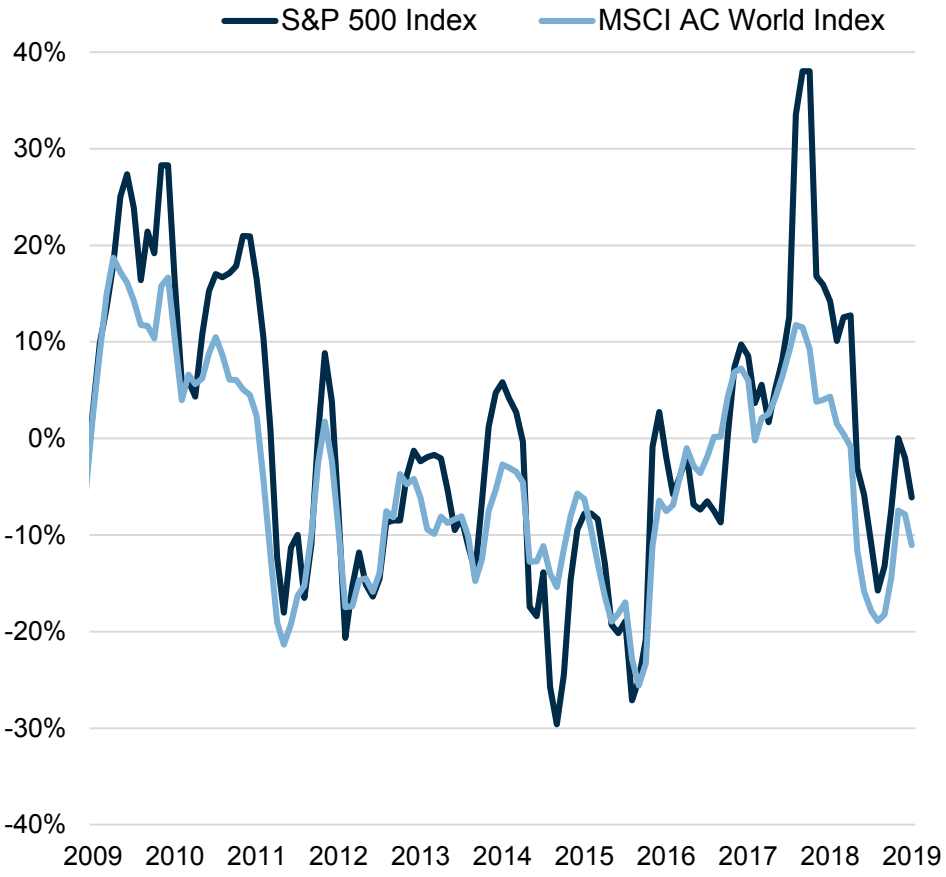
The growth outlook for earnings has turned less favorable

U.S. Corporate Earnings Are Expected to Decelerate

S&P 500 Earnings Growth



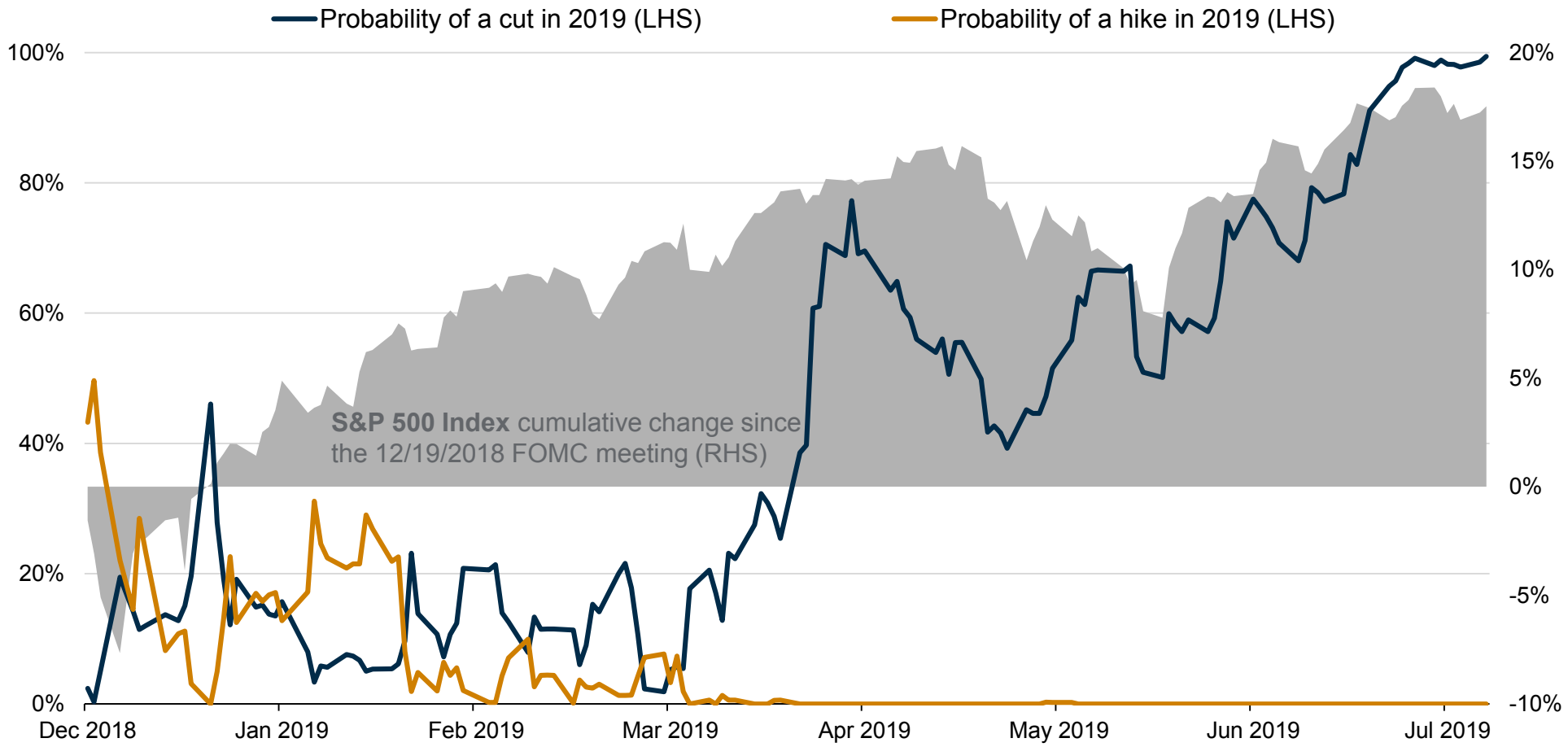
Earnings Revision Ratios



Source: Bloomberg, as of June 30, 2019

The Fed Has Turned More Accommodative

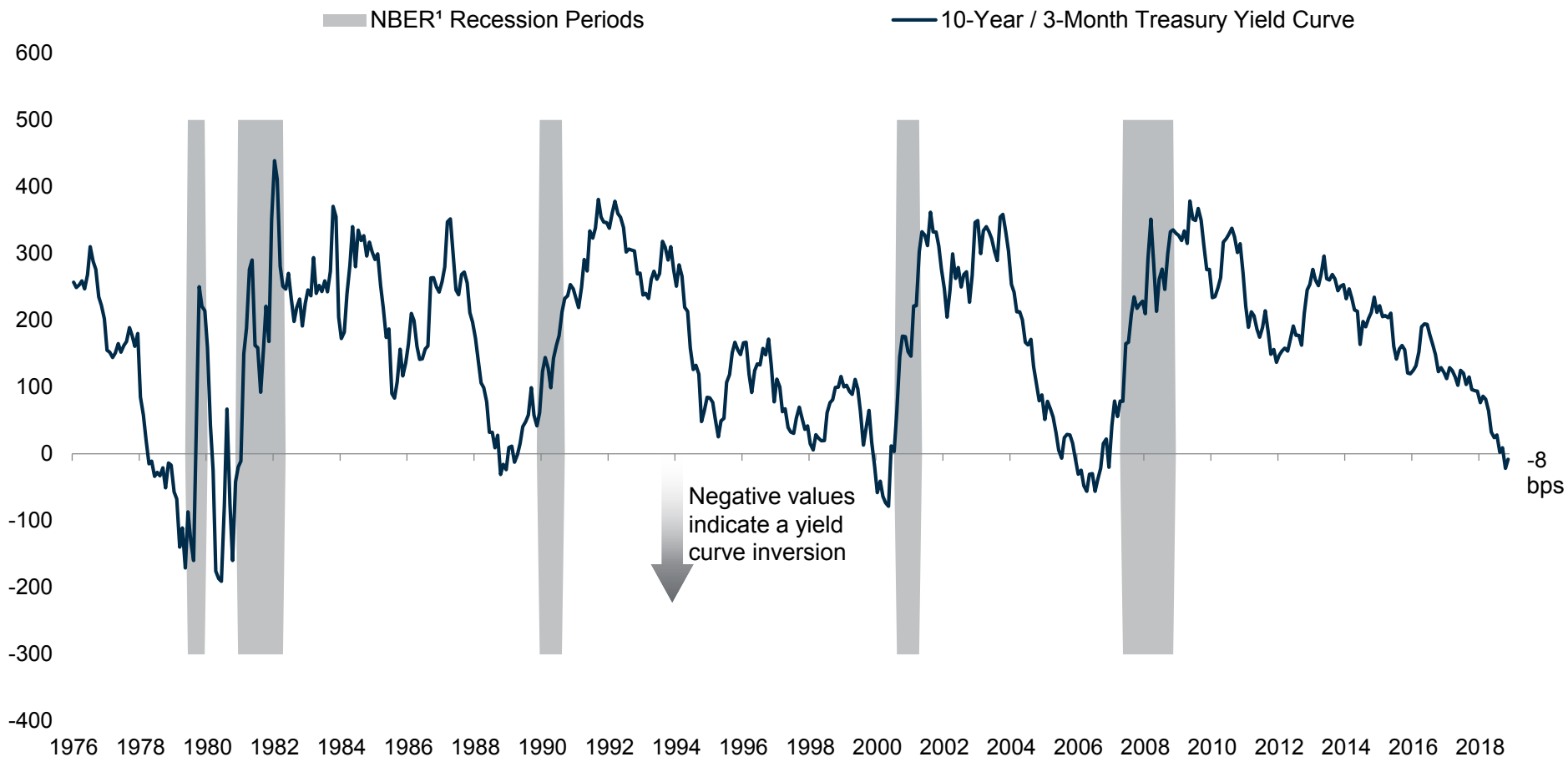
Fed Funds Rate is neutral relative to CPI Headline Inflation



Past performance is not indicative of future results.
Source: Bloomberg, as of July 23, 2019.

Shape of the Yield Curve

The curve has been flattening since 2010 | 10-year T-Notes to 3-month T-Bills



1. National Bureau of Economic Research.
Past performance is not indicative of future results.
Source: Bloomberg, as of June 30, 2019.

Does a Yield Curve Inversion Signal a Recession?

Inversion of 10-Year Treasury to 3-Month T-Bill since 1973

	Yield Curve Inversion to Recession:		Yield Curve Inversion to S&P 500 Peak:	
Inversion Date	Months	Performance*	Months	Performance*
6/30/1973	4	-8.0%	N/A	N/A
11/30/1978	13	20.6%	24	48.4%
5/31/1989	13	15.5%	12	16.6%
7/31/2000	7	-18.3%	1	6.2%
7/31/2006	16	18.2%	15	24.2%
Average	**11**	**5.6%**	**13**	**23.9%**

* Cumulative return of S&P 500 Index during stated number of months.
Past performance is not indicative of future results.
Source: Bloomberg

The Power and Limits of Diversification

Annual returns ranked in order of performance (best to worst)

Numbers in percent	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Energy	22.5	8.4	10.3	55.8	31.4	38.4	35.7	39.4	5.2	78.5	23.1	15.0	18.2	32.4	25.6	15.1	27.2	37.3	18.0
Venture[1]	19.7	4.7	4.4	39.4	26.4	34.0	32.2	34.8	-11.1	57.5	19.6	11.9	16.4	26.0	25.2	14.2	17.5	24.2	10.4
Private Real Estate	12.4	4.5	2.9	34.0	25.6	26.4	25.7	26.2	-16.0	34.6	19.0	7.8	16.0	23.9	13.7	8.6	12.0	24.0	7.3
U.S. Fixed Income	11.6	2.8	1.0	28.7	20.4	19.0	21.0	16.4	-21.4	33.7	18.9	7.5	15.7	22.8	11.4	1.4	11.5	22.0	0.0
Private Equity[1]	4.6	-2.6	-1.9	28.1	15.2	14.5	16.9	15.0	-26.4	26.5	15.5	4.4	15.6	21.0	9.8	0.5	11.2	21.8	-2.3
Hedge Funds	4.1	-4.7	-5.8	23.9	12.7	10.8	15.8	12.4	-26.7	21.3	15.2	4.3	13.9	19.5	6.0	-0.3	8.3	14.7	-3.9
High Yield	-5.1	-11.9	-6.2	23.0	11.5	7.5	15.6	11.7	-37.0	19.2	15.1	2.1	13.8	12.4	4.2	-0.7	7.9	7.8	-4.4
U.S. Equities	-9.1	-14.5	-15.8	11.6	10.9	4.9	15.1	10.3	-39.6	15.3	15.1	1.4	9.9	9.0	3.4	-2.4	4.6	7.5	-8.7
Developed (ex U.S.) Equities	-13.4	-16.2	-16.5	8.2	10.9	4.1	12.5	7.0	-41.1	11.5	12.7	-5.7	7.3	7.4	2.5	-3.0	2.7	6.9	-9.4
Public Real Estate	-14.8	-19.7	-19.3	4.1	6.9	2.7	11.8	5.5	-42.2	5.9	8.9	-7.3	4.8	-1.3	-2.2	-4.6	2.6	3.5	-14.1
Global Equities	-15.1	-21.4	-22.1	-4.8	4.3	2.4	10.4	2.2	-43.6	4.0	6.5	-12.2	4.2	-2.0	-4.3	-14.9	0.9	1.0	-14.6
Emerging Market Equities	-30.8	-38.8	-32.8	-27.6	-8.5	-19.9	4.3	-19.1	-53.3	-31.3	5.7	-18.4	3.3	-2.6	-9.4	-22.2	0.5	-1.7	-18.8

1. For calendar year 2018 performance is as of September 30. Past performance is not indicative of future results.
U.S. Equities = S&P 500 Index; Developed (ex-U.S.) Equities = MSCI World ex U.S. Index; Emerging Market Equities = MSCI Emerging Markets Index; Global Equities = MSCI ACWI Index; Venture capital = Burgiss Venture Capital; Private Equity = Burgiss Private Equity; U.S. Fixed Income = Bloomberg Barclays US Aggregate Bond Index; High Yield = ICE BAML High Yield Index; Hedge Funds = HFRI FOF Conservative Index; Private Real Estate = NCREIF ODCE Index; Public Real Estate = NAREIT Equity REITs Index; Energy = S&P Energy Index.
Source: Bloomberg, HFRI, NAREIT and NCREIF.

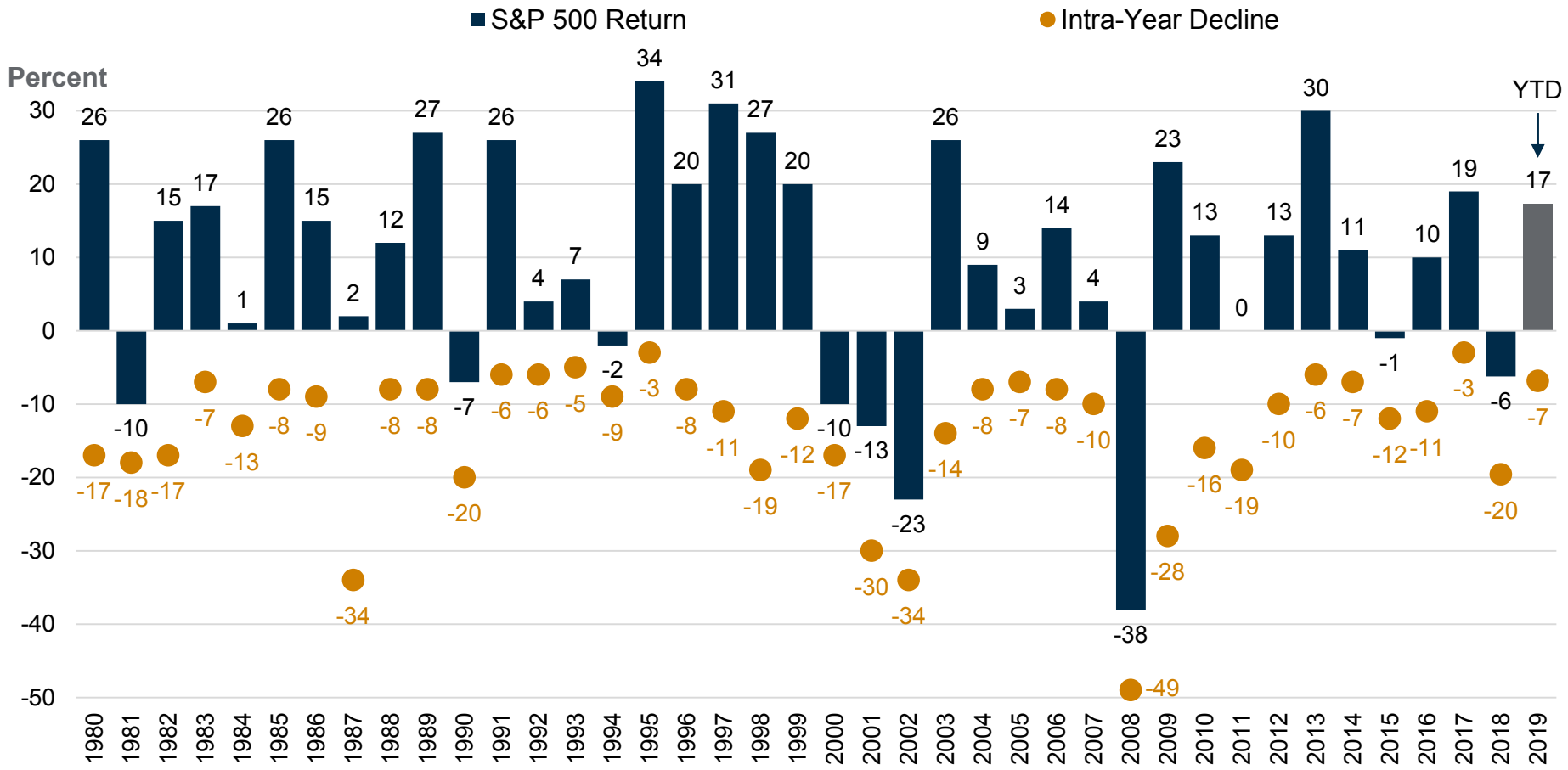
Performance by Manager
Multi-Strategy Bond Fund
1-Year as June 30, 2019

Manager Totals	Allocation (percent)	Relative Return vs Manager Index[1] (basis points)	Contribution to Relative Return (basis points)
CORE	**79**	**+46**	**+36**
IR+M	31	+7	+2
Rimrock	17	-15	-3
Western Asset	31	+118	+37
PRIVATE CREDIT	**5**	**-144**	**-8**
Distressed Debt Partnerships	2	-124	-2
Bain Capital Specialty Finance	3	-449	-11
Cerberus	1	+172	+1
CF Private Credit Fund 2018	1	-59	0
OPPORTUNISTIC CREDIT	**14**	**+31**	**+4**
Brandywine Global Opps	6	-28	-2
Direct Trading (Tsy Fut)	0.3	+4692	+14
PIMCO Income Fund (PIMIX)	1	-100	-1
WAMCO Mortgage Opps	7	-255	-17
CASH and Other	**2**	**-1691**	**-37**

Commonfund Multi-Strategy Equity (MSEF) and Multi-Strategy Bond Funds (MSBF) are available only to educational institutions. We offer parallel programs for qualified investors.
1. Bloomberg Barclays Capital U.S. Aggregate Bond Index
Strategies reflect adjusted gross returns before participant fees. See Commonfund Important Notes | Benchmarks and Financial Indices. Past performance does not assure future results. Numbers may not add to 100% due to rounding.
Source: Bloomberg, Commonfund

Long-Term Investors Can Withstand Volatility

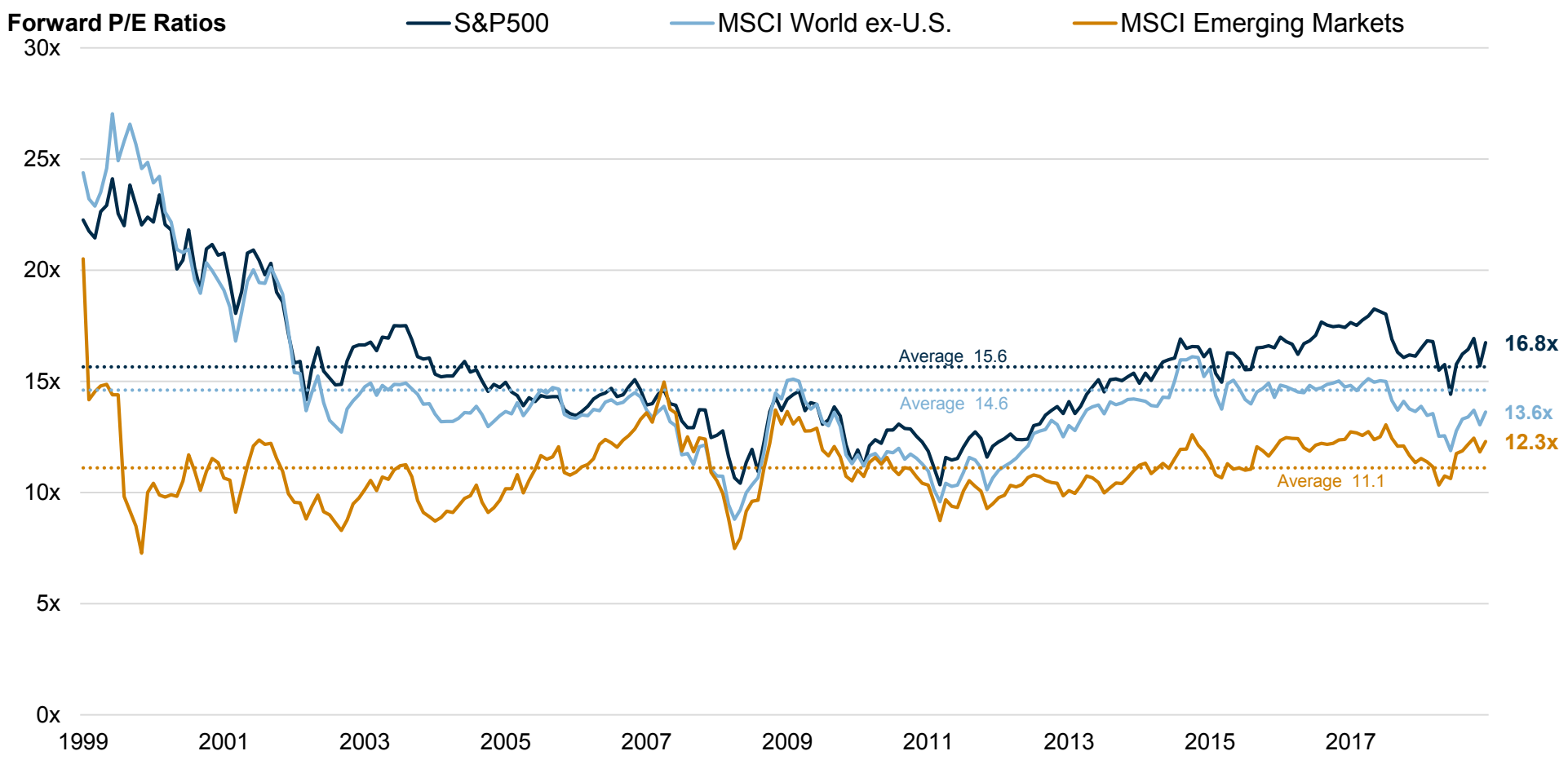
Annual market returns and intra-year declines



Returns are based on price index only and do not include dividends. Intra-year drops refers to the largest market drops from a peak to a trough during the year. For illustrative purposes only. Returns shown are calendar year returns from 1980 to 2018, over which time period the average annual return was 8.4%.
Source: FactSet, Standard & Poor's, J.P. Morgan Asset Management. As of June 30, 2019.

Developed and Emerging Forward Price/Earnings Ratios

U.S. and emerging markets above 20-Year average

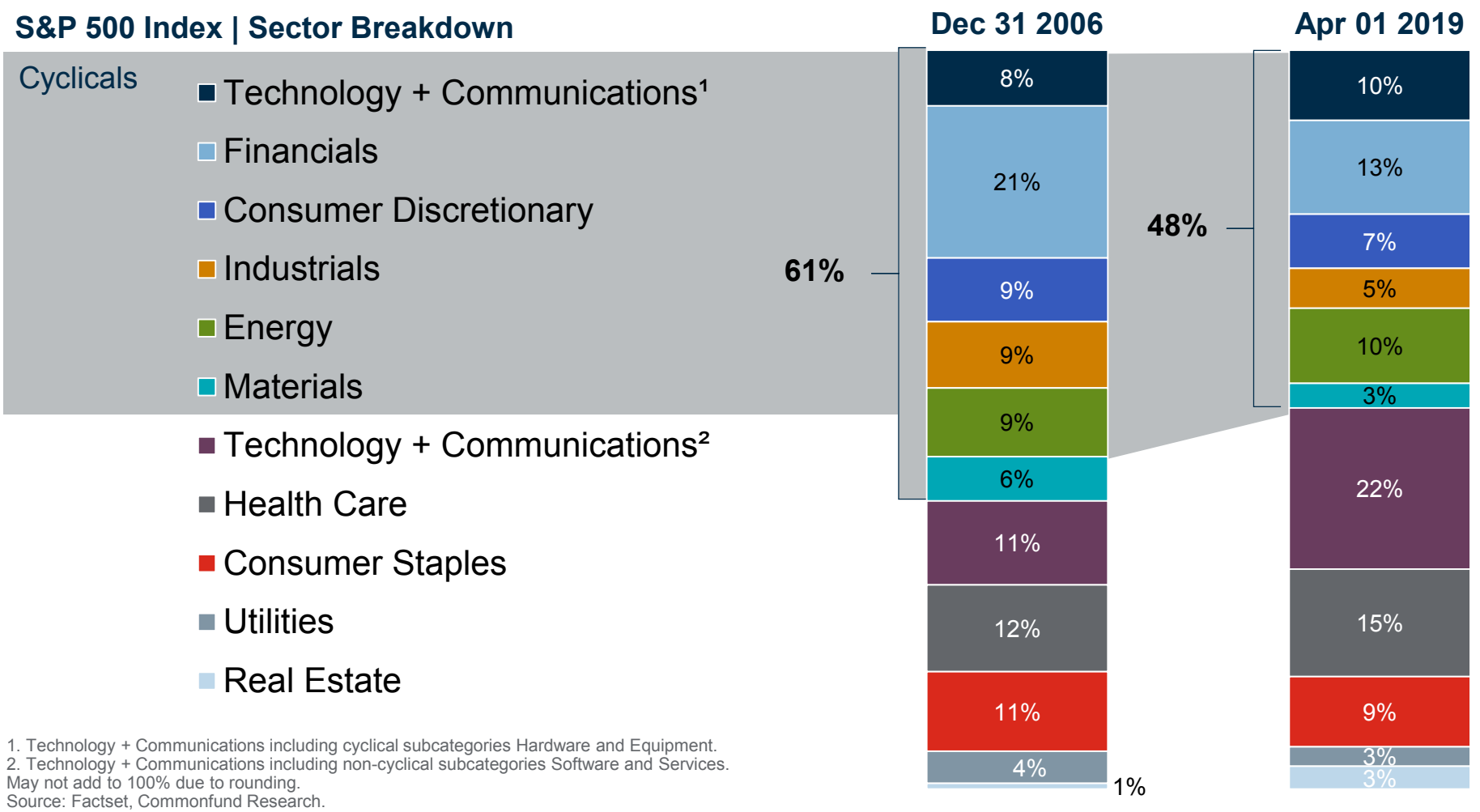


Source: FactSet, as of June 30, 2019.

Market Structure Matters | Less Focused on Cyclicals

A comparison of current U.S. market sectors 2006 vs current

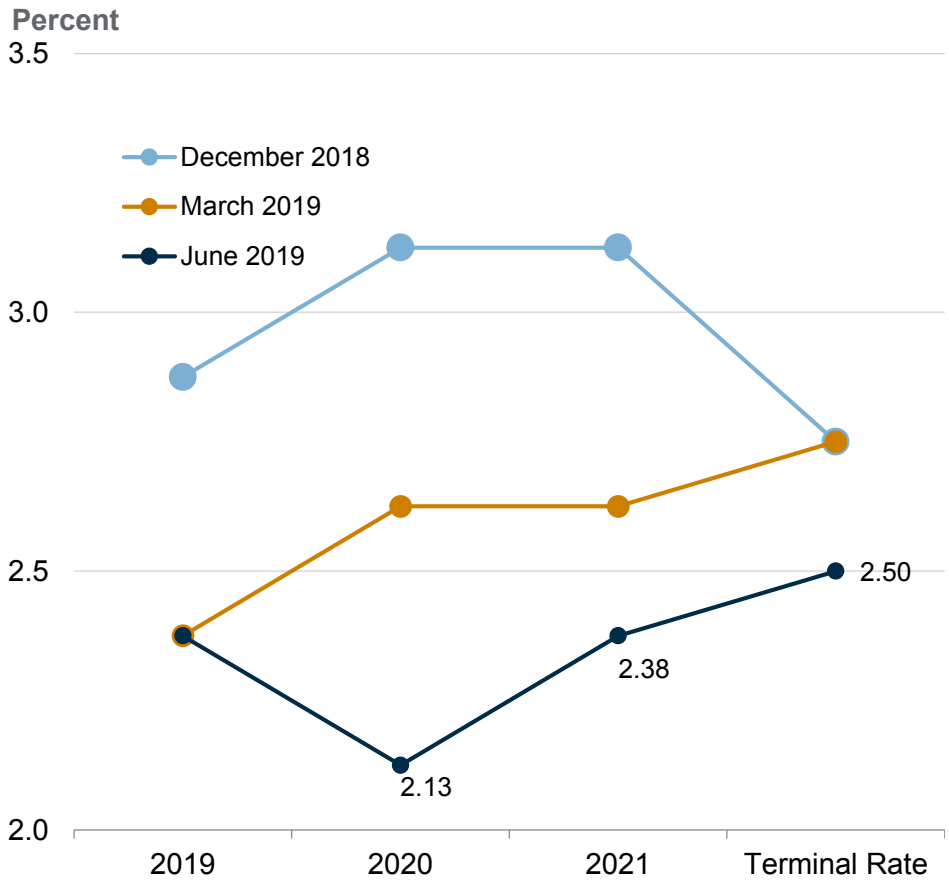
S&P 500 Index | Sector Breakdown



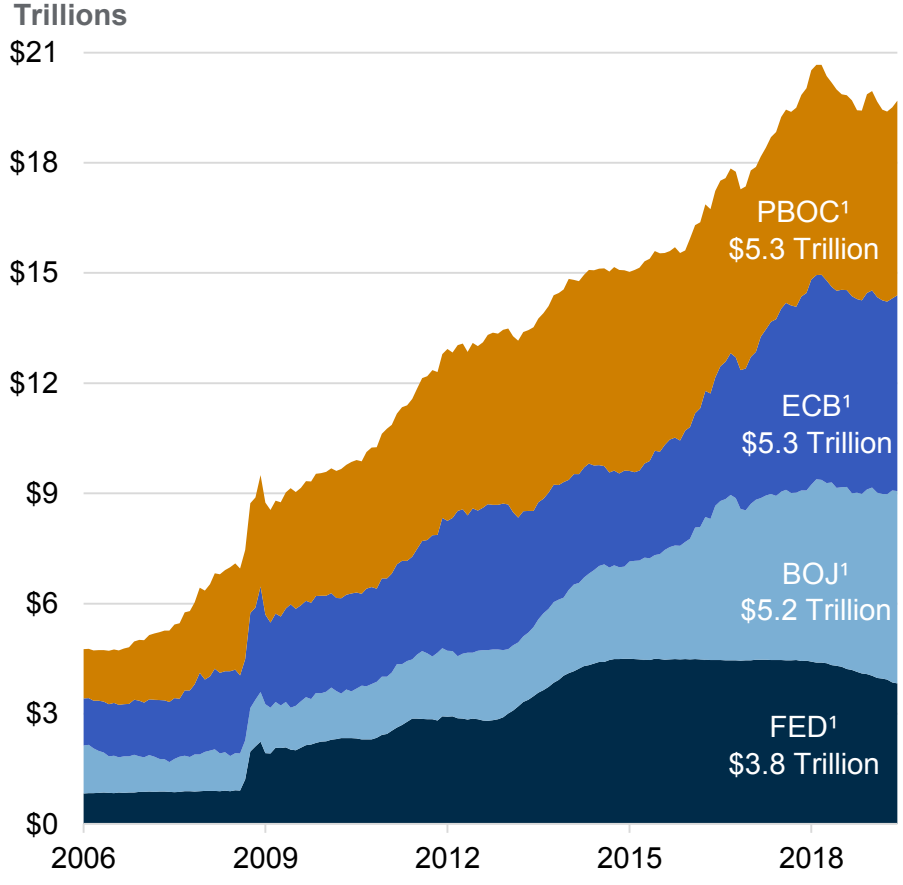
1. Technology + Communications including cyclical subcategories Hardware and Equipment.
2. Technology + Communications including non-cyclical subcategories Software and Services.
May not add to 100% due to rounding.
Source: Factset, Commonfund Research.

Federal Reserve and Central Bank Landscape

FED Funds Rate Projections



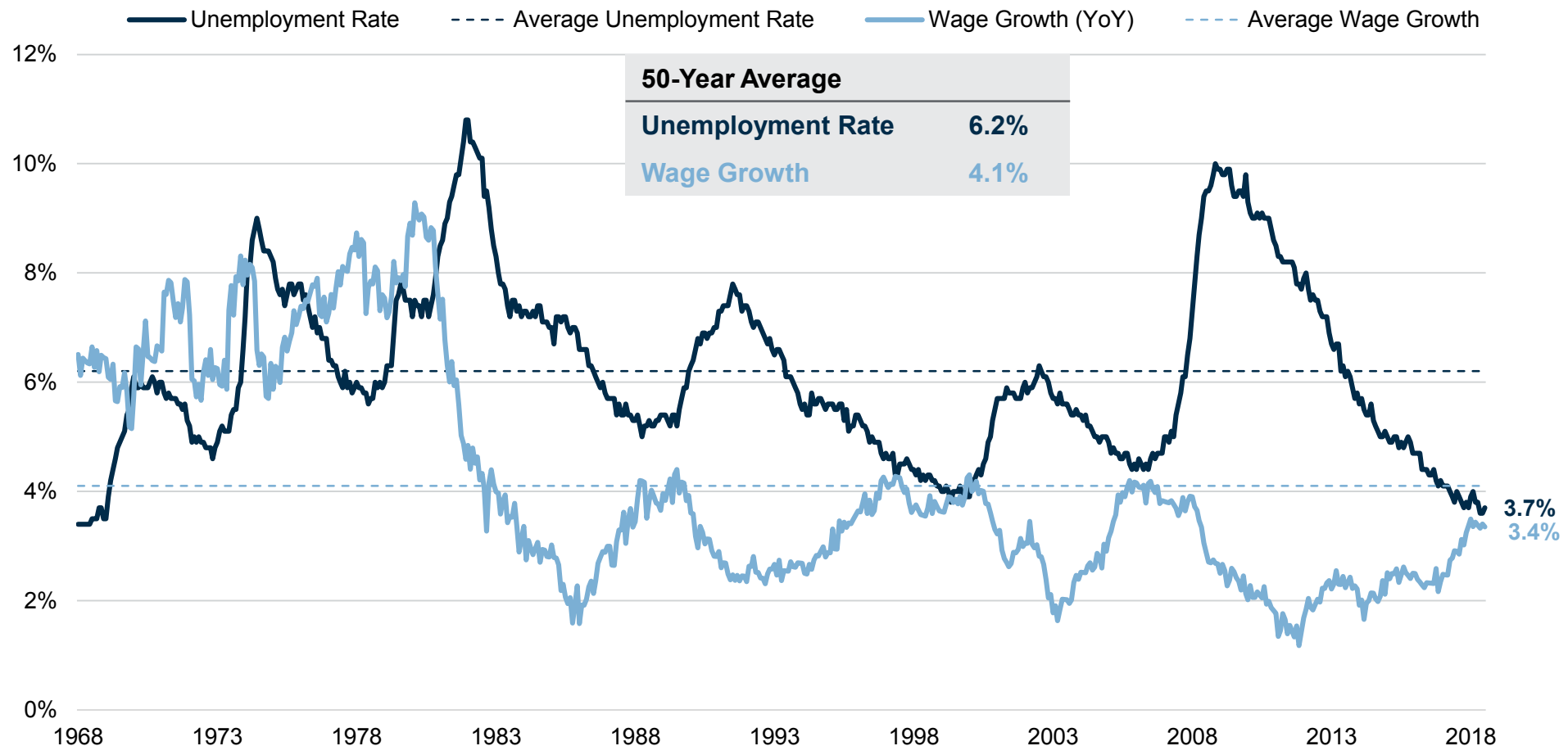
Central Banks Balance Sheets



PBOC = People's Bank of China; ECB = European Central Bank; BOJ = Bank of Japan; FED = U.S. Federal Reserve.
Source: Federal Reserve, Bloomberg, as of June 30, 2019.

Employment and Wages

Civilian Unemployment Rate vs. YoY Wage Growth



Source: Bloomberg, as of June 30, 2019.

What Will Cause the Next Recession?

A comparison of current U.S. market fundamentals with 2000 and 2006

Fundamentals	2000	2006	2019
	December 31	December 31	June 30
Valuations			
Trailing P/E	24.6	17.2	19.8
Equity Risk Premium	0.35%	3.38%	5.79%
High Yield OAS	9.16%	2.89%	4.07%
Growth & Inflation			
3-yr Avg GDP growth	4.47%	3.40%	2.50%
3-yr Avg Y/Y Headline CPI	2.37%	3.10%	2.06%
Interest Rates & Policy			
Monetary Policy	Tightening	Tightening	Neutral
Fed Funds Rate	6.50%	5.25%	2.38%
Consumer			
Household Debt % of GDP	69%	95%	75%

Indicator Key

Positive	Neutral	Negative

Source: Factset

Appendix

Detailed Investment Report

University of South Alabama

All Accounts

October 1, 2018 - July 31, 2019

commonfund

All Accounts

TOTAL PORTFOLIO MARKET VALUE AS OF 7/31/2019

Investment Category	Adjusted Market Value	Allocation %
Portfolio Total Equity	$40,328,185.56	65.51%
Portfolio Total Fixed	$21,230,000.48	34.49%
Portfolio Total	**$61,558,186.04**	**100.00%**

MARKETABLE INVESTMENTS 10/1/2018 TO 7/31/2019

Marketable Fund	Beginning Market Value	Purchases	Sales	Fees	Income Paid	Income Reinvested	Market Change	Ending Market Value
Multi-Strategy Equity Fund	$46,968,064.85	$0.00	($10,000,000.00)	($66,272.79)	$0.00	$283,327.58	$625,335.92	$37,810,455.56
Total Equity	**$46,968,064.85**	**$0.00**	**($10,000,000.00)**	**($66,272.79)**	**$0.00**	**$283,327.58**	**$625,335.92**	**$37,810,455.56**
Multi-Strategy Bond Fund	$32,541,541.58	$0.00	($13,000,000.00)	($33,839.32)	$0.00	$845,996.58	$876,301.64	$21,230,000.48
Total Fixed	**$32,541,541.58**	**$0.00**	**($13,000,000.00)**	**($33,839.32)**	**$0.00**	**$845,996.58**	**$876,301.64**	**$21,230,000.48**
Marketable Total	**$79,509,606.43**	**$0.00**	**($23,000,000.00)**	**($100,112.11)**	**$0.00**	**$1,129,324.16**	**$1,501,637.56**	**$59,040,456.04**

Market Change equals (Ending MV - Beginning MV - Purchases + Sales + Fees + Income Paid – Income Reinvested)
Adjusted Market Value for marketable cash funds, reflect the impact of pending cash subscriptions.

All Accounts

NON-MARKETABLE INVESTMENTS SINCE INCEPTION TO VALUE DATE

Non-Marketable Fund	Incep. Date	Commitment	Capital Calls	Distributions	Net Income/ (Loss)	Value Date	Market Value	IRR[1]	Multiple[2]
Secondary Partners 2015[3]	6/22/2016	$2,000,000.00	$1,580,000.00	($539,581.00)	$691,050.00	3/31/2019	$1,731,469.00	33.45%	1.44
Secondary Partners II[3]	12/17/2018	$3,000,000.00	$630,000.00	$0.00	$330,730.00	3/31/2019	$960,730.00	52.50%[4]	1.52
Total Equity		**$5,000,000.00**	**$2,210,000.00**	**($539,581.00)**	**$1,021,780.00**		**$2,692,199.00**	**44.27%**	**1.46**
Non-Marketable Total		**$5,000,000.00**	**$2,210,000.00**	**($539,581.00)**	**$1,021,780.00**		**$2,692,199.00**	**44.27%**	**1.46**

NON-MARKETABLE INVESTMENTS ROLL FORWARD FROM VALUE DATE TO 7/31/2019

Non-Marketable Fund	Incep. Date	Commitment	Valuation Date	Most Recent Valuation	Capital Calls since Valuation Date	Distributions since Valuation Date	Adjusted Market Value
Secondary Partners 2015	6/22/2016	$2,000,000.00	3/31/2019	$1,731,469.00	$0.00	($174,469.00)	$1,557,000.00
Secondary Partners II	12/17/2018	$3,000,000.00	3/31/2019	$960,730.00	$0.00	$0.00	$960,730.00
Total Equity		**$5,000,000.00**		**$2,692,199.00**	**$0.00**	**($174,469.00)**	**$2,517,730.00**
Non-Marketable Total		**$5,000,000.00**		**$2,692,199.00**	**$0.00**	**($174,469.00)**	**$2,517,730.00**

1. IRR, or internal rate of return, represents the annualized implied discount rate calculated from the cash flows to/from the partnerships since inception of the respective partnership through the value date. The IRR performance calculation is net of all fees and carried interest.
2. Multiple represents a cash-on-cash return calculated by adding distributions to the ending market value and dividing the total value by capital called -((Distributions to date + Adjusted ending market value)/$ called to date). The Multiple performance calculation is net of all fees and carried interest.
3. Certain of the investment partnerships (and the vehicles in which they have invested) listed have, or are continuing to use, a committed line of credit or otherwise borrow, which has the effect of delaying capital calls to the investors, and in some cases replacing the applicable capital call in its entirety. Since the net IRR is calculated based on the date of the capital contribution by limited partners (rather than the date of borrowing), the net IRR of the applicable investment partnership using such borrowing may be higher or lower than they would have been had such investments been funded in cash by the investors at the time they were made.
4. Funds with a vintage year of less than three years of age (or two years of age for secondaries &/or co-investment partnerships) from the stated valuation date are in the early stages of their investment life cycle. Performance metrics on these funds may not be indicative of long-term performance.

All Accounts

ASSET ALLOCATION AS OF 7/31/2019

	9/30/2018 Allocation %	7/31/2019 Allocation %
U.S. Equity	42.46	43.93
International Equity	5.56	5.83
Emerging Markets Equity	2.45	2.58
Private Capital	2.02	4.09
Equity	**52.49**	**56.43**
Core Bonds	30.79	27.83
Credit	1.49	1.29
Opportunistic	6.77	4.78
Distressed Debt	1.05	0.58
Fixed	**40.10**	**34.49**
Diversifying Strategies	7.41	9.08
Diversifying Strategies	**7.41**	**9.08**
Total	**100.00**	**100.00**

Fund performance is depicted net of fees. Manager and strategy performance is net of sub-advisor management fees and gross of other Commonfund Fund expenses. Past performance is no assurance of future returns.

All Accounts

PERFORMANCE DETAIL AS OF 7/31/2019

	ASSETS		INVESTMENT PERFORMANCE								
Investment	Market Value ($)	Average Allocation	MTD	CYTD	FYTD	1 Year	3 Years	5 Years	10 Years	Account Inception	Account Inception Date
Multi-Strategy Equity Fund	**37,810,456**	**61.4%**	**0.84**	**19.32**	**3.23**	**6.39**	**12.21**	**8.85**	**11.68**	**6.26**	**3/31/2000**
S&P 500 Index			1.44	20.24	3.99	7.99	13.36	11.34	14.03	5.66	3/31/2000
MSE Funds Composite Benchmark			1.04	19.02	3.31	6.43	12.24	9.49	11.87	5.29	3/31/2000
U.S. Strategies	32,279,859	52.4%	1.39	21.29	4.34	8.53	13.74	9.85	12.63	8.45	3/31/2007
S&P 500 Index			1.44	20.24	3.99	7.99	13.36	11.34	14.03	8.46	3/31/2007
Adage Capital Management			1.44	22.21	5.32	9.80	14.76	11.68	16.17		
Two Sigma Advisers[1]			0.68	21.05	4.07	9.30					
Martingale Asset Management			2.20	21.78	6.40	9.30					
Diversifying Strategies (GAAC)			0.45	4.54	4.00	4.94	2.75	2.01	3.82		
Passive Beta (S&P 500)[2]			1.43	20.18	3.88	7.85					
World Quant US			0.89	18.55							
Non-U.S. Strategies	5,530,597	9.0%	-1.96	12.46	-0.34	-1.61	7.45	4.84	8.02	4.69	3/31/2007
MSCI ACWI ex USA net Index			-1.21	12.22	-0.64	-2.28	7.20	2.12	5.42	2.14	3/31/2007
Developed Markets			-2.28	12.96	-1.55	-1.58	8.09	6.73	12.24	7.16	3/31/2007
Symphony Financial Partners			-2.22	6.45	-9.05	-5.54	4.18	3.77	14.04		
T Rowe Price Associates			-2.08	15.29	0.74	-1.00					
World Quant EX			-2.49	14.37							
Emerging Markets			-1.24	11.13	2.12	-2.07	7.90	2.76	4.35	2.83	3/31/2007
Wellington Management Company			-1.85	8.81	-0.99	-4.03					
CF TT International Emerging Markets Series			-0.33	14.54	6.79	0.70					
Total Equity	**37,810,456**	**61.4%**	**0.84**	**19.32**	**3.23**	**6.39**	**12.21**	**8.85**	**11.68**	**6.26**	**3/31/2000**
S&P 500 Index			1.44	20.24	3.99	7.99	13.36	11.34	14.03	5.66	3/31/2000
Weighted Equity Composite			1.04	19.02	3.31	6.43	12.24	9.49	11.87		

Fund performance is depicted net of fees. Manager and strategy performance is net of sub-advisor management fees and gross of other Commonfund Fund expenses. Past performance is no assurance of future returns.

All Accounts

PERFORMANCE DETAIL AS OF 7/31/2019

	ASSETS		INVESTMENT PERFORMANCE								
Investment	Market Value ($)	Average Allocation	MTD	CYTD	FYTD	1 Year	3 Years	5 Years	10 Years	Account Inception	Account Inception Date
Multi-Strategy Bond Fund	**21,230,000**	**34.5%**	**0.12**	**6.43**	**7.05**	**7.33**	**2.97**	**3.21**	**5.18**	**5.65**	**3/31/2000**
Bloomberg Barclays US Aggregate Bond Index			0.22	6.35	8.09	8.08	2.17	3.05	3.75	4.97	3/31/2000
Core Bonds	17,091,516	27.8%	0.25	6.84	8.34	8.49	3.28	3.79	5.29	5.75	3/31/2000
Bloomberg Barclays US Aggregate Bond Index			0.22	6.35	8.09	8.08	2.17	3.05	3.75	4.97	3/31/2000
Rimrock MBS			-0.43	4.81	7.08	7.60	3.90	3.88			
Income Research & Management			0.40	6.82	8.39	8.39	2.63	3.33	4.60		
Western Asset Management Company			0.47	8.00	8.97	9.07	3.60	4.19	5.64		
Credit	818,903	1.3%	-1.72	6.41	1.46	2.50				4.20	9/30/2016
CS Leveraged Loan Index			0.78	6.24	2.97	4.10				4.91	9/30/2016
Cerberus Capital Management			0.55	4.60	7.45	9.13					
CF Private Credit Fund LP.			0.00	5.92	7.97	7.28					
Bain Capital Specialty Finance Holdings			-2.73	6.39	-1.11	0.17					
Opportunistic	2,965,690	4.8%	-0.34	6.66	7.57	7.08	4.95	3.98	4.16	5.41	2/28/2003
3 Month Tbill			0.19	1.43	2.00	2.34	1.44	0.91	0.51	1.36	2/28/2003
Brandywine Global Investment Management			-1.00	7.40	6.58	4.31	3.22	2.64	7.34		
Pimco Income Fund			0.29	5.80	6.58	6.59					
Western Asset Mortgage Opportunities			0.10	2.79	4.60	5.13					
Distressed Debt	353,891	0.6%	1.67	10.22	-6.08	6.11	1.51	2.88	8.33	8.06	2/28/2003
HFRI Distressed/Restructuring Index			-0.04	4.69	-1.27	-1.04	5.94	1.73	5.99	6.86	2/28/2003
Commonfund Global Distressed Investors			1.95	10.68	-5.76	6.72	0.44	3.25	8.22		
Total Fixed	**21,230,000**	**34.5%**	**0.12**	**6.43**	**7.05**	**7.33**	**2.97**	**3.21**	**5.18**	**5.64**	**3/31/2000**

Fund performance is depicted net of fees. Manager and strategy performance is net of sub-advisor management fees and gross of other Commonfund Fund expenses. Past performance is no assurance of future returns.

All Accounts

PERFORMANCE DETAIL AS OF 7/31/2019

	ASSETS		INVESTMENT PERFORMANCE								
Investment	Market Value ($)	Average Allocation	MTD	CYTD	FYTD	1 Year	3 Years	5 Years	10 Years	Account Inception	Account Inception Date
Bloomberg Barclays US Aggregate Bond Index			0.22	6.35	8.09	8.08	2.17	3.05	3.75	4.97	3/31/2000
Weighted Fixed Composite			0.20	5.70	6.83	6.85	2.27	2.73	3.48	4.59	3/31/2000

Fund performance is depicted net of fees. Manager and strategy performance is net of sub-advisor management fees and gross of other Commonfund Fund expenses. Past performance is no assurance of future returns.

All Accounts

PERFORMANCE DETAIL AS OF 7/31/2019

	ASSETS		INVESTMENT PERFORMANCE								
Investment	Market Value ($)	Average Allocation	MTD	CYTD	FYTD	1 Year	3 Years	5 Years	10 Years	Account Inception	Account Inception Date
Total Marketable	**59,040,456**	**95.9%**	**0.58**	**13.70**	**4.91**	**6.90**	**8.34**	**6.52**	**8.72**	**6.17**	**3/31/2000**
Weighted Marketable Composite			0.62	12.38	5.45	7.05	7.33	6.24	7.80		
Secondary Partners 2015	**1,557,000**	**2.5%**	**0.00**	**1.22**	**5.61**	**9.22**				**46.31**	**8/31/2016**
Secondary Partners II	**960,730**	**1.6%**	**0.00**							**5.45**	**5/31/2019**
Private Capital	**2,517,730**	**4.1%**	**0.00**	**1.23**	**5.63**	**9.24**				**46.32**	**8/31/2016**
Total Non-Marketable	**2,517,730**	**4.1%**	**0.00**	**1.23**	**5.63**	**9.24**				**46.32**	**8/31/2016**
Total Portfolio	**61,558,186**	**100.0%**	**0.55**	**13.37**	**4.89**	**6.91**	**8.52**	**6.62**	**8.78**	**6.20**	**3/31/2000**
Traditional Benchmark			0.83	13.32	6.47	8.51	7.85	7.33	9.02	5.62	3/31/2000

Composite Scopes and Weightings

MSE Funds Composite Benchmark: 4/1/2000 to 12/31/2000 75.0% S&P 500 Index; 15.0% MSCI ACWI ex US; 10.0% HFRI FOF Composite Index
1/1/2001 to 3/31/2017 75.0% S&P 500 Index; 15.0% MSCI ACWI ex USA net Index; 10.0% HFRI FOF Composite Index
4/1/2017 to 7/31/2019 85.0% S&P 500 Index; 15.0% MSCI ACWI ex USA net Index

The monthly returns used for the HFRI FOF Composite Index, a component of the MSE Funds Composite Benchmark, is the Flash Update return that is published by HFRI by the 5th business day of the following month. HFRI reserves the right to adjust the monthly return of the HFRI index up to four months after the month end performance date. Monthly returns for the MSE Funds Composite Benchmark may be retroactively restated based on later adjustments to the HFRI index. See Important Notes regarding limitations of indices.

Weighted Equity Composite: 4/1/2000 to 3/31/2017 75.0% S&P 500 Index; 15.0% MSCI ACWI ex USA net Index; 10.0% HFRI FOF Composite Index
4/1/2017 to 7/31/2019 85.0% S&P 500 Index; 15.0% MSCI ACWI ex USA net Index

Weighted Fixed Composite: 4/1/2000 to 7/31/2019 70.0% Bloomberg Barclays US Aggregate Bond Index; 10.0% FTSE World Govt. Bond Index; 10.0% 3 Month Tbill; 10.0% CS Leveraged Loan Index

Weighted Marketable Composite: 4/1/2000 to 3/31/2017 37.5% S&P 500 Index; 35.0% Bloomberg Barclays US Aggregate Bond Index; 7.5% MSCI ACWI ex USA net Index; 5.0% FTSE World Govt. Bond Index; 5.0% 3 Month Tbill; 5.0% HFRI FOF Composite Index; 5.0% CS Leveraged Loan Index
4/1/2017 to 7/31/2019 42.5% S&P 500 Index; 35.0% Bloomberg Barclays US Aggregate Bond Index; 7.5% MSCI ACWI ex USA net Index; 5.0% FTSE World Govt. Bond Index; 5.0% 3 Month Tbill; 5.0% CS Leveraged Loan Index

Traditional Benchmark: 4/1/2000 to 7/31/2019 50.0% S&P 500 Index; 50.0% Bloomberg Barclays US Aggregate Bond Index

1. Two Sigma returns are gross of incentive fee.

2. Passive Beta (S&P 500) represents the Funds passive beta acquisition necessary to maintain a similar amount of beta to the S&P 500 benchmark. “Passive Beta” has been calculated as the difference

Fund performance is depicted net of fees. Manager and strategy performance is net of sub-advisor management fees and gross of other Commonfund Fund expenses. Past performance is no assurance of future returns.

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of the S&P 500 (Total Return) over an estimated variable current cost of financing that would be associated with financing the S&P 500 (Total Return) exposure (e.g., through futures and swaps) within context of a specified portfolio of investments. The Passive Beta calculation assumes that amounts segregated in connection with the current cost of financing have been held in cash; however, Commonfund Asset Management Company, Inc. invests such amounts from time to time in one or more investment strategies other than cash.

Effective January 2017, Total U.S. Equities Strategies composite returns are calculated using a weighting for the Passive Beta strategy that is based on the notional aggregate value of S&P 500 exposure acquired in the strategy through futures and/or swaps.

Performance returns in open-end investment products include closed account history in group composites, if applicable. Performance is calculated monthly. Therefore, returns for any investments in any fund for less than a full month are not included in these performance figures.

Investments in Programs for closed-end investment products are carried as of the most recent valuation date, which may not correspond to the marketable securities valuation dates.
Distressed Debt programs are reported with a one quarter lag. For example, if the report 'As of' date is 9/30/YY then Distressed Debt programs are represented using 6/30/YY, or previous quarter values.
Private Capital programs are reported with a one quarter lag. For example, if the report 'As of' date is 9/30/YY then Private Capital and Real Estate programs are represented using 6/30/YY, or previous quarter values. Private Investment returns are normally reported as an Internal Rate of Return (IRR). All other Commonfund investment returns are reported as Time Weighted Rates of Return (TWR). For Consolidated Performance reporting purposes, TWRs are used for all individual and composite returns.

Fund performance is depicted net of fees. Manager and strategy performance is net of sub-advisor management fees and gross of other Commonfund Fund expenses. Past performance is no assurance of future returns.

3-Month Treasury Bill Index is the average coupon - equivalent yield of the weekly 3-Month U.S. Treasury bill auctions during the month.

Barclays Capital U.S. Treasury Inflation Protected Securities ("TIPS") includes all publicly issued, U.S. Treasury inflation-protected securities that have at least one year remaining to maturity, are rated investment grade and have $250 million or more of outstanding face value.

Bloomberg Barclays US Aggregate Bond Index measures the performance of the U.S. investment grade bond market. The index invests in a wide spectrum of public, investment-grade, taxable, fixed income securities in the U.S. – including government, corporate, and international dollar-denominated bonds, as well as mortgage-backed and asset-backed securities, all with maturities of more than 1 year.

Bloomberg Commodity Index ("BCOM") is calculated on an excess return basis and reflects commodity futures price movements. The index rebalances annually weighted 2/3 by trading volume and 1/3 by world production and weight-caps are applied at the commodity, sector and group level for diversification. Roll period typically occurs from 6th-10th business day based on the roll schedule.

Citigroup World Government Bond Index ("WGBI") measures the performance of fixed-rate, local currency, investment grade sovereign bonds. The WGBI is a widely used benchmark that currently comprises sovereign debt from over twenty countries, denominated in a variety of currencies, and has more than twenty-five years of history available. The WGBI provides a broad benchmark for the global sovereign fixed income market. Sub-indices are available in any combination of currency, maturity, or rating.

CS Leveraged Loan Index is an index designed to mirror the investable universe of the U.S. dollar denominated leveraged loan market. The index inception is January 1992. The index frequency is monthly. New loans are added to the index on their effective date if they qualify according to the following criteria: loans must be rated "5B" or lower; only fully-funded term loans are included; the tenor must be at least one year; and the Issuers must be domiciled in developed countries (i.e., issuers from developing countries are excluded). Fallen angels are added to the index subject to the new loan criteria. Loans are removed from the index when they are upgraded to investment grade, or when they exit the market (for example, at maturity, refinancing or bankruptcy workout). Note that issuers remain in the index following default. Total return of the index is the sum of three components: principal, interest, and reinvestment return. The cumulative return assumes that coupon payments are reinvested into the index at the beginning of each period.

Dow Jones US Select Real Estate Securities Index ("RESI") represents equity real estate investment trusts ("REITs") and real estate operating companies traded in the U.S. The Dow Jones U.S. Select REIT Index is a subset of the Dow Jones Americas Select RESISM and includes only REITs and REIT-like securities.

GMAP Composite Benchmark consists of the following components: MSCI ACWI Total Return Net Index (70%); Bloomberg Barclays U.S. Aggregate Bond Index (30%). Prior to December 1, 2018 it consisted of: MSCI ACWI Index - Total Return (50.0%), Bloomberg Barclays U.S. Aggregate Bond Index (20.0%), HFRI FOF Conservative Index (17.5%), MSCI US REIT Index (5.0%), Bloomberg Commodity Index (5.0%), S&P Global Natural Resources Index (2.5%).

HFRI FOF:Conservative Index seeks consistent returns by primarily investing in funds that generally engage in more 'conservative' strategies such as Equity Market Neutral, Fixed Income Arbitrage, and Convertible Arbitrage; exhibits a lower historical annual standard deviation than the HFRI Fund of Funds Composite Index. A fund in the HFRI FOF Conservative Index shows generally consistent performance regardless of market conditions.

HFRI Monthly Indices ("HFRI") Most HFRI are equally weighted performance indices, utilized by numerous hedge fund managers as a benchmark for their own hedge funds. The HFRI are broken down into four main strategies, each with multiple sub-strategies. All single-manager HFRI Index constituents are included in the HFRI Fund Weighted Composite, which accounts for over 2000 funds listed on the internal HFR Database. Funds included in the HFRI Monthly Indices must: report monthly returns; report net of all fees returns; report assets in U.S. dollars; and, have at least $50 million under management or have been actively trading for at least twelve months. Funds are eligible for inclusion in the HFRI the month after their addition to HFR Database. If a fund in an index liquidates or closes, that fund's performance will be included in the HFRI up to the fund's last reported performance update. Fund of Funds are not included in the HFRI Fund Weighted Composite Index. Both domestic and offshore funds are included in the HFRI. In cases where a manager lists mirrored-performance funds, only the fund with the larger asset size is included in the HFRI. FX-hedged versions of HFRI Indices are calculated by applying to the USD index value the cost of a rolling monthly foreign exchange contract on the relevant currency. The HFRI are updated three times a month. The current month and the prior three months are left as estimates and are subject to change. All performance prior to that is locked and is no longer subject to change. Due to contractual obligations, Comanco does not disclose the particular funds behind any index. See https://www.hedgefundresearch.com/hfri-index-methodology

ICE BofAML 1-3 Year US Treasury Index is an unmanaged index that tracks the performance of the direct sovereign debt of the U.S. Government having a maturity of at least one year and less than three years. It is not possible to invest directly in an unmanaged index. BOFA Merrill Lynch is licensing the BOFA Merrill Lynch Indices "As Is," makes no warranties regarding same, does not guarantee the suitability, quality, accuracy, timeliness, and/or completeness of the BOFA Merrill Lynch Indices or any data included in, related to, or derived therefrom, assumes no liability in connection with their use, and does not sponsor, endorse, or recommend Commonfund, or any of its products or services.

ICE BofAML 3-Month US Treasury Bill Index is comprised of a single issue purchased at the beginning of the month and held for a full month. At the end of the month that issue is sold and rolled into a newly selected issue. The issue selected at each month-end rebalancing is the outstanding Treasury Bill that matures closest to, but not beyond, three months from the rebalancing date. To qualify for selection, an issue must have settled on or before the month-end rebalancing date.

ICE BofAML High Yield Master II Index tracks the performance of US dollar denominated below investment grade corporate debt publicly issued in the US domestic market.

MSCI ACWI ex USA net captures large and mid-cap representation across 22 of 23 developed markets countries – excluding the U.S. With 1,003 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country.

MSCI ACWI Total Return Net Index is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed and emerging markets. The MSCI ACWI consists of 46 country indexes comprising 23 developed and 23 emerging market country indexes. The developed market country indexes included are as follows: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Ireland, Israel, Italy, Japan, Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, the United Kingdom and the U.S. The emerging market country indexes included are: Brazil, Chile, China, Colombia, Czech Republic, Egypt, Greece, Hungary, India, Indonesia, Korea, Malaysia, Mexico, Peru, Philippines, Poland, Qatar, Russia, South Africa, Taiwan, Thailand, Turkey, and United Arab Emirates. (List as of January 2016.)

Benchmark Descriptions

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MSCI EAFE Net Index is a free float-adjusted market capitalization index that is designed to measure the equity market performance of developed markets, excluding the U.S. & Canada. The MSCI EAFE Index consists of the following 21 developed market country indexes: Australia, Austria, Belgium, Denmark, Finland, France, Germany, Hong Kong, Ireland, Israel, Italy, Japan, the Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, and the United Kingdom. (List as of January 2016.)

MSCI Emerging Markets Free Net Index is a free float-adjusted market capitalization index that is designed to measure equity market performance of emerging markets. The MSCI Emerging Markets Index consists of the following 23 emerging market country indexes: Brazil, Chile, China, Colombia, Czech Republic, Egypt, Greece, Hungary, India, Indonesia, Korea, Malaysia, Mexico, Peru, Philippines, Poland, Qatar, Russia, South Africa, Taiwan, Thailand, Turkey and United Arab Emirates. (List as of January 2016.)

MSCI Europe Net Index captures large and mid cap representation across 15 Developed Markets (DM) countries in Europe. With 446 constituents, the index covers approximately 85% of the free float-adjusted market capitalization across the European Developed Markets equity universe.

MSCI Japan Net Index is designed to measure the performance of the large and mid cap segments of the Japanese market. With 321 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in Japan.

MSCI US REIT Index is a free float-adjusted market capitalization weighted index that is comprised of Equity REIT securities. The MSCI US REIT Index includes securities with exposure to core real estate (e.g., residential and retail properties) as well as securities with exposure to other types of real estate (e.g., casinos, theaters).

MSCI World Energy Index is designed to capture the large and mid-cap segments across 23 Developed Markets (DM) countries. All securities in the index are classified in the Energy sector as per the Global Industry Classification Standard (GICS®).

MSE Funds Composite Benchmark is calculated using the following components' weights: for time periods after April 1, 2017, S&P 500 (85%) and MSCI All Country World Index excluding the U.S. Net (15%); and for time periods prior to April 1, 2017, S&P 500 (75%), MSCI All Country World Index excluding the U.S. Net (15%), and HFRI Fund of Funds Composite Index (10%). The monthly return used for the HFRI Composite FOF Index, a component of the MSE Funds Composite Benchmark, is the Flash Update return that is published by HFRI by the 5th business day of the following month. HFRI reserves the right to adjust the monthly return of the HFRI index up to four months after the month end performance date. Monthly returns for the MSE Funds Composite Benchmark may be retroactively restated based on later adjustments to the HFRI index.

Real Asset Strategies Composite Benchmark consists of the following components: Bloomberg Commodity Index (40.0%), MSCI US REIT Index (40.0%), S&P Global Natural Resources Index (20.0%)

Russell 2000 Index measures the performance of the small-cap segment of the U.S. equity universe. The Russell 2000 Index is a subset of the Russell 3000 Index representing approximately 10% of the total market capitalization of that index. It includes approximately 2000 of the smallest securities based on a combination of their market cap and current index membership. The Russell 2000 is constructed to provide a comprehensive and unbiased small-cap barometer and is completely reconstituted annually to ensure larger stocks do not distort the performance and characteristics of the true small-cap opportunity set.

Russell 3000 Index measures the performance of the largest 3,000 U.S. companies representing approximately 98% of the investable U.S. equity market. The Russell 3000 Index is constructed to provide a comprehensive, unbiased and stable barometer of the broad market and is completely reconstituted annually to ensure new and growing equities are reflected.

S&P 500 Index is a widely recognized gauge of the U.S. equities market. This index is an unmanaged capitalization-weighted index consisting of 500 of the largest capitalization U.S. common stocks. The returns of the S&P 500 include the reinvestment of dividends.

S&P Global Natural Resources Index includes 90 of the largest publicly-traded companies in natural resources and commodities businesses that meet specific investability requirements, offering investors diversified and investable equity exposure across three primary commodity-related sectors: agribusiness, energy, and metals & mining.

S&P/LSTA Leveraged Loan Index is a market value-weighted index designed to measure the performance of the U.S. leveraged loan market based upon market weightings, spreads and interest payments. Eligible for inclusion in the LLI loans are U.S. dollar denominated senior secured loans with a minimum initial term of one year, minimum initial spread of LIBOR + 125 basis points and initial funding of $50M. The index covers all issuers regardless of origin, however all facilities must be denominated in U.S. dollar.

Commonfund Capital, Inc. | Summary Financial Data

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March 31, 2019 | (Unaudited)

Dollars in millions

	First Drawdown	Capital Commitments	Capital Drawn	(%)	Distribution to Investors	Total Value[1]	Net Multiple[2]	Burgiss Benchmark[3]	Net IRR[4]	Hypothetical Net IRR ex-Borrowing[5]
Venture Capital										
Endowment Venture Partners I [6]	Mar-90	$ 88.9	$ 88.9	100%	$ 293.5	$ 293.5	3.3x	17.9%	26.0%	
Endowment Venture Partners II [6]	Apr-93	175.0	175.0	100%	860.6	860.6	4.9x	31.8%	48.9%	
Endowment Venture Partners III [6]	Apr-96	250.0	247.5	99%	881.6	881.6	3.6x	12.9%	83.2%	
Endowment Venture Partners IV	Sep-98	489.2	480.7	98%	517.3	537.2	1.1x	-2.9%	1.7%	
Endowment Venture Partners V	Jan-00	727.1	708.3	97%	661.9	698.7	1.0x	-0.4%	-0.2%	
Commonfund Capital Venture Partners VI	Jan-02	596.3	580.0	97%	892.1	998.3	1.7x	3.1%	8.4%	
Commonfund Capital Venture Partners VII	Sep-05	500.5	491.4	98%	641.6	835.8	1.7x	5.4%	8.5%	
Commonfund Capital Venture Partners VIII	Aug-07	656.9	632.3	96%	714.9	1,283.2	2.0x	9.1%	11.9%	
Commonfund Capital Venture Partners IX	Apr-10	451.8	425.8	94%	441.8	1,287.3	3.0x	15.8%	24.0%	
Commonfund Capital Venture Partners X	Sep-12	502.4	460.9	92%	121.3	1,001.8	2.2x	15.9%	22.1%	
Commonfund Capital Venture Partners XI	Jan-15	525.0	387.2	74%	28.4	588.2	1.5x	12.8%	25.5%	24.1%
Commonfund Capital Venture Partners XII [7]	Nov-17	432.4	60.5	14%	4.2	63.6	1.1x	N/M [8]	16.0% [8]	10.0% [8]
U.S. Private Equity [9]										
Endowment Equity Partners I [6]	Oct-88	$ 42.9	$ 42.9	100%	$ 91.0	$ 91.0	2.1x	11.9%	13.7%	
Endowment Private Equity Partners II [6]	Jul-94	171.2	161.8	95%	334.6	334.6	2.1x	10.4%	19.6%	
Endowment Private Equity Partners III [6]	Jan-98	299.0	284.5	95%	388.4	388.4	1.4x	9.5%	6.3%	
Endowment Private Equity Partners IV	Jan-00	452.2	441.3	98%	924.3	929.8	2.1x	13.0%	17.1%	
Commonfund Capital Private Equity Partners V	Mar-02	725.6	700.2	97%	1,218.8	1,281.2	1.8x	9.7%	11.0%	
Commonfund Capital Private Equity Partners VI	Jul-05	754.4	716.7	95%	964.5	1,103.8	1.5x	8.5%	6.8%	
Commonfund Capital Private Equity Partners VII	Mar-07	1,018.8	934.3	92%	1,242.1	1,855.5	2.0x	11.7%	13.8%	
Commonfund Capital Private Equity Partners VIII	Dec-11	218.1	169.1	78%	101.1	287.1	1.7x	12.3%	16.8%	
Commonfund Capital Private Equity Partners IX [7]	Dec-14	280.5	192.9	69%	49.4	281.2	1.4x	10.2%	19.3%	18.5%
Commonfund Capital Private Equity Partners X [7]	Oct-17	160.9	32.2	20%	2.5	40.9	1.2x	N/M [8]	32.4% [8]	24.3% [8]

Past results not necessarily indicative of future performance
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See Important Notes | Benchmarks and Financial Indices and Performance | Closed-End Investment Products

Commonfund Capital, Inc. | Summary Financial Data

March 31, 2019 | (Unaudited) | Continued

Dollars in millions

	First Drawdown	Capital Commitments	Capital Drawn	(%)	Distribution to Investors	Total Value[1]	Net Multiple[2]	Burgiss Benchmark[3]	Net IRR[4]	Hypothetical Net IRR ex-Borrowing[5]
Private Equity Outside the U.S.										
International Private Equity Partners I [6]	Dec-95	$ 85.3	$ 85.3	100%	$ 107.3	$ 107.3	1.3x	8.0% [10]	4.3%	
International Private Equity Partners II [6]	Jan-98	110.9	103.9	94%	143.5	143.5	1.4x	5.2% [10]	6.0%	
International Private Equity Partners III	Dec-99	220.9	217.1	98%	431.2	437.1	2.0x	14.0% [10]	16.8%	
Commonfund Capital Int'l. Partners IV	Apr-01	312.1	304.3	98%	541.3	570.5	1.9x	11.7% [10]	13.1%	
Commonfund Capital Int'l. Partners V	Sep-05	506.2	490.3	97%	652.4	743.7	1.5x	6.7% [10]	6.5%	
Commonfund Capital Int'l. Partners VI	Mar-07	804.8	750.5	93%	957.4	1,179.9	1.6x	8.0% [10]	9.0%	
Commonfund Capital Int'l. Partners VII	Mar-10	243.1	211.7	87%	100.4	280.0	1.3x	10.9% [10]	7.4%	
Commonfund Capital Int'l. Partners VIII [7]	Jan-15	139.5	78.5	56%	12.9	94.5	1.2x	8.0% [10]	10.0%	9.5%
Commonfund Capital Int'l. Partners IX [7]	Apr-18	74.8	5.2	7%	-	6.9	N/M [8]	N/M [8]	N/M [8]	N/M [8]
Emerging Markets										
Commonfund Capital Emerging Markets 2013 [7]	Jun-13	$ 199.4	$ 157.5	79%	$ 24.0	$ 242.0	1.5x	17.7% [11]	16.2%	
Commonfund Capital Emerging Markets II [7]	Nov-17	84.4	22.8	27%	-	27.0	1.2x	N/M [8]	33.0% [8]	19.4% [8]
Global Private Equity										
Commonfund Capital Global Private Equity 2014 [7]	Jan-15	$ 151.2	$ 100.9	67%	$ 16.7	$ 140.1	1.4x	10.6% [12]	16.0%	16.0%
Commonfund Capital Global Private Equity II [7]	Oct-17	228.8	39.7	17%	-	48.0	1.2x	N/M [8]	39.5% [8]	38.5% [8]
Specialty Funds										
Commonfund Capital Secondary Partners 2015 [7]	Aug-15	$ 170.7	$ 134.9	79%	$ 46.1	$ 198.3	1.4x	N/A [13]	33.1%	25.8%
Commonfund Capital Secondary Partners II [7]	Dec-17	316.9	66.6	21%	-	103.4	1.5x	N/M [8]	131.9% [8]	50.7% [8]
Commonfund Capital Co-Investment Opportunities 2015 [7]	Jan-15	66.3	60.6	91%	19.2	91.2	1.5x	12.5% [14]	17.0%	15.7%
Commonfund Capital Co-Investment Opportunities II [7]	Oct-17	84.0	44.3	53%	6.2	51.9	1.2x	N/M [8]	22.5% [8]	18.5% [8]

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Dollars in millions

	First Drawdown	Capital Commitments	Capital Drawn	(%)	Distribution to Investors	Total Value[1]	Net Multiple[2]	Burgiss Benchmark[3]	Net IRR[4]	Hypothetical Net IRR ex-Borrowing[5]
Natural Resources										
Endowment Energy Partners [6]	Oct-89	$ 82.5	$ 82.5	100%	$ 131.6	$ 131.6	1.6x	N/A [15]	8.9%	
Endowment Energy Partners II [6]	Dec-91	30.1	30.1	100%	47.7	47.7	1.6x	N/A [15]	12.6%	
Endowment Energy Partners III [6]	Jul-95	129.9	118.0	91%	336.2	336.2	2.9x	N/A [15]	16.7%	
Endowment Energy Partners IV [6]	Jan-98	171.0	167.2	98%	634.1	634.1	3.8x	N/A [15]	25.2%	
Commonfund Capital Natural Resources Partners V	Aug-03	252.8	249.0	99%	365.8	395.5	1.6x	N/A [15]	9.5%	
Commonfund Capital Natural Resources Partners VI	Sep-05	302.2	295.7	98%	350.3	388.5	1.3x	N/A [15]	4.4%	
Commonfund Capital Natural Resources Partners VII	Jan-07	505.0	498.4	99%	413.7	605.5	1.2x	N/A [15]	3.7%	
Commonfund Capital Natural Resources Partners VIII	Nov-08	752.2	725.9	97%	359.3	720.3	1.0x	0.0% [15]	-0.2%	
Commonfund Capital Natural Resources Partners IX	Oct-12	507.0	439.3	87%	72.1	556.1	1.3x	9.0% [15]	7.7%	
Commonfund Capital Natural Resources Partners X	Aug-15	252.7	146.6	58%	33.2	201.6	1.4x	8.4% [15]	30.0%	22.6%
Commonfund Capital Natural Resources Partners XI [7]	May-18	124.8	2.5	2%	-	2.0	N/M [8]	N/M [8]	N/M [8]	N/M [8]
Commonfund Capital Partners										
Commonfund Capital Partners 1999	Sep-99	$ 47.2	$ 46.2	98%	$ 64.4	$ 65.4	1.4x	1.8% [16]	6.3%	
Commonfund Capital Partners 2000	Apr-01	96.8	94.4	98%	149.0	167.6	1.8x	8.1% [16]	9.2%	
Commonfund Capital Partners III	Jul-05	29.1	28.2	97%	35.2	44.3	1.6x	7.4% [16]	6.4%	
Commonfund Capital Partners IV	Aug-07	40.0	37.2	93%	44.5	66.3	1.8x	9.0% [16]	10.1%	
Commonfund Capital Partners V	Sep-11	102.2	84.5	83%	31.6	143.8	1.7x	12.9% [16]	15.7%	
Commonfund Capital Partners VI	Apr-16	66.9	42.1	63%	3.6	53.6	1.3x	N/M [8]	17.8% [8]	17.6% [8]
Commonfund Capital Partners VII [7]	Jun-18	66.0	7.9	12%	-	9.2	N/M [8]	N/M [8]	N/M [8]	N/M [8]
Commonfund Capital New Leaders										
Commonfund Capital New Leaders [6]	Mar-99	$ 103.1	$ 100.7	98%	$ 113.1	$ 113.1	1.1x	1.2% [16]	2.1%	
Commonfund Capital New Leaders II	Oct-00	60.6	58.4	96%	76.5	79.1	1.4x	8.9% [16]	4.3%	

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THESE IMPORTANT NOTES ARE AN INTEGRAL PART OF THE SUMMARY FINANCIAL DATA

All data set forth herein, including performance data, is on a since inception basis, net of fees and carried interest and excludes commitments by the applicable general partner and any limited partners that do not pay a management fee.

1. Total distributions plus the ending capital net of the general partner interest.
2. The Net Multiple is the ratio of total value divided by invested capital (net of the general partner interest and any limited partners that do not pay a management fee). Total value is equal to distributions plus ending capital balance (the ending capital balance is sometimes referred to as the Net Asset Value or "NAV"). Invested capital is sometimes referred to "capital drawn."
3. The Burgiss benchmarks for all partnerships listed are (i) intended to represent the opportunity set available for the given strategy and (ii) other than for co-investment partnerships, have been calculated using the grouped median return based on the relevant vintage years and representing at least two and no more than four vintage years, as determined by Commonfund Capital. Investors are cautioned against solely relying on the disclosed benchmarks in their investment decision. In addition, the calculation of the Burgiss benchmarks used by Commonfund Capital prior to Q3 2016 differs from the calculation of the benchmarks reported above. For additional information regarding the benchmarks, please contact Commonfund Capital.
4. Each partnership's net IRR (Internal Rate of Return) should be evaluated in light of information on such partnership's investment program, the risks associated therewith, and partnership performance as disclosed in the respective Offering Memorandum and Annual and Quarterly Reports. Return information calculated on a dollar-weighted (e.g., internal rate of return), since inception basis, which is standard for the private capital industry, rather than the time-weighted (e.g., annual or other period rate of return) basis. Comparison of returns calculated on a net IRR basis with returns on a time-weighted basis is not appropriate. There can be no assurance that unrealized investments ultimately will be realized at the valuations used in calculating net IRRs or Net Multiples or that the calculated net IRRs will be obtained. Actual realized returns will depend on, among other factors, future operating results, the value of assets and market conditions at the time of disposition, any related transaction costs and the timing and manner of sale. Certain of the investment partnerships (and the vehicles in which they have invested) listed have, or are continuing to use, a committed line of credit or otherwise borrow, which has the effect of delaying capital calls to the investors, and in some cases replacing the applicable capital call in its entirety. Since the net IRR is calculated based on the date of the capital contribution by limited partners (rather than the date of borrowing), the net IRR of the applicable investment partnership using such borrowing may be higher or lower than they would have been had such investments been funded in cash by the investors at the time they were made.
5. The Hypothetical Net IRR Ex-borrowing is a hypothetical number and depicts what the net IRR of the applicable Commonfund Capital investment partnership would have been had such investment partnership not borrowed. The Hypothetical Net IRR Ex-borrowing is shown solely for those partnerships with a first drawdown date of 2014 or later. Partnerships with a first drawdown date prior to 2014 did not use a committed line of credit, but have, and may continue to borrow directly from Commonfund Capital or its affiliates, and such borrowing may impact the net IRR as disclosed above. In addition, certain of the investments made by the applicable Commonfund Capital investment partnership themselves borrow, on a long term basis or through a committed line or credit facility. As a result, such borrowing by the investments of the applicable Commonfund Capital investment partnership similarly will cause such Commonfund Capital investment partnership to have a higher or lower internal rate of return than if such underlying investments had not borrowed. The Hypothetical Net IRR Ex-borrowing has not been adjusted to account for the effect of such underlying investment borrowing (including if the underlying investment is itself a Commonfund Capital investment partnership), and accordingly, the Hypothetical Net IRR Ex-borrowing is expected to be higher or lower than it would be had the effect of borrowing at the underlying investment level been taken into account.
6. This partnership has been fully realized and concluded. Performance is as of the partnership's final liquidation date. Benchmark data is as of the date of the last investment sold.
7. Certain limited partners in the investment partnership have a management fee discount, and certain limited partners in Commonfund Capital Secondary Partners 2015, Commonfund Capital Secondary Partners II, Commonfund Capital Co-Investment Opportunities 2015 and Commonfund Capital Co-Investment Opportunities II have a carried interest discount (in each case due, for example, to their participation in an early close or the size of their commitments); the performance data herein for the applicable investment partnership reflects the weighted average blended management fee (and, if applicable, carried interest) applicable to actual limited partners of such investment partnership.
8. This partnership is in the early stages of its investment life cycle. Performance metrics on this partnership may not be indicative of long-term performance.
9. Endowment Mezzanine Partners I, L.P., a $5.5 million partnership, was raised in 1988 and was liquidated March 31, 2003. This partnership had a final inception-to-date net IRR of (4.8%).
10. IPEP I – IPEP III and CIP IV-CIP V use asset class categories Equity (including the venture capital sub-category) and Debt ex-U.S. performance data. Benchmarks for CIP VI – CIP VIII exclude the venture capital sub-category due to a change in the Commonfund Capital mandate. IPEP I – IPEP III and CIP IV – CIP VII include all countries outside the United States. CIP VIII includes only developed markets outside the United States due to a change in the Commonfund Capital mandate.
11. The Burgiss benchmark for CEM 2013 is calculated using asset class categories Equity (including the venture capital sub-category) and Debt using the emerging markets geography.
12. The Burgiss benchmark for GPE 2014 is calculated using asset class categories Equity (excluding the venture capital sub-category) and Debt and includes all countries.
13. No comparable Burgiss benchmark available.
14. Effective the quarter ending March 31, 2017, Commonfund Capital adopted a benchmark for its co-investment program. Commonfund Capital did not publish a co-investment benchmark prior to this date. The Burgiss benchmark shown is calculated using the median return for the vintage year of Commonfund Capital Co-Investment Opportunities 2015, L.P. (such vintage year being 2015), using the category "Equity" (excluding the "Venture Capital" sub-category) for United States and Europe.
15. Effective March 31, 2017, Commonfund Capital adopted the Burgiss natural resources benchmark. Commonfund Capital did not publish a natural resources benchmark prior to this date. The Burgiss benchmark is calculated using the asset class sub-category "Natural Resources" within the "Real Assets" category. For those investment vehicles where Commonfund Capital has determined that the number of data-points included in the applicable vintage years of their respective benchmark may be insufficient for a reasonable comparison, no benchmark is disclosed. The Burgiss natural resources benchmark may be limited in utility due to the number of data-points comprising the benchmark.
16. The Burgiss benchmarks for CCP and CCNL partnerships are calculated using asset class categories Equity and Debt for all of the partnerships. In addition, CCP IV includes performance data for the Real Assets asset class category (excluding real estate sub-category).

Commonfund Capital also manages multiple single investor investment vehicles and custom and separate accounts; information regarding such vehicles and accounts is excluded from this report.

Past performance does not guarantee future results.

Commonfund Important Notes

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GENERALLY

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Any descriptions involving investment process, investment examples, statistical analysis, investment strategies or risk management techniques are provided for illustration purposes only, will not apply in all situations, may not be fully indicative of any present or future investments, may be changed in the discretion of an Investment Manager and are not intended to reflect performance.

Any portfolio characteristics and limits reflect guidelines only and are implemented, and may change, in the discretion of an Investment Manager. Investments are selected by, and will vary in the discretion of, an Investment Manager and are subject to availability and market conditions, among other factors without prior notice to investors. There is no requirement that an Investment Manager or an Investment Product observe these guidelines, or that any action be taken if these guidelines are exceeded or are not met or followed.

MARKET COMMENTARY

Any opinions, assumptions, assessments, statements or the like (collectively, "Statements") regarding future events or which are forward-looking, including regarding portfolio characteristics and limits, constitute only subjective views, beliefs, outlooks, estimations or intentions of an Investment Manager, should not be relied on, are subject to change due to a variety of factors, including fluctuating market conditions and economic factors, and involve inherent risks and uncertainties, both general and specific, many of which cannot be predicted or quantified and are beyond an Investment Manager's or an Investment Product's control. Future evidence and actual results (including actual composition and investment characteristics of an Investment Product's portfolio) could differ materially from those set forth in, contemplated by, or underlying these Statements, which are subject to change without notice. There can be no assurance and no representation is given that these Statements are now, or will prove to be accurate, or complete in any way. The Investment Manager undertakes no responsibility or obligation to revise or update such Statements. Statements expressed herein may not be shared by all personnel of Commonfund.

PERFORMANCE | OPEN-END INVESTMENT PRODUCTS

Unless otherwise indicated, performance of open-end Investment Products shown is unaudited, net of applicable management, performance and other fees and expenses, presumes reinvestment of earnings and excludes investor specific sales and other charges. Fees may be modified or waived for certain investors. Please refer to an Investment Product's Prospectus or the Investment Manager's Form ADV Part 2A for more information regarding the Investment Product's fees, charges and expenses. An investor's actual performance and actual fees may differ from the performance information shown due to, among other factors, capital contributions and withdrawals or redemptions, different share classes and eligibility to participate in "new issues."

PERFORMANCE | CLOSED-END INVESTMENT PRODUCTS

Unless otherwise indicated, performance of closed-end Investment Products shown is net of all fees and any carried interest and excludes commitments by the applicable general partner and any limited partners that do not pay a management fee. Each Investment Product's Internal Rate of Return ("IRR") should be evaluated in light of the information and risks disclosed in the respective Prospectus. Certain investors in an Investment Product may receive a management fee and management fee discount; performance data herein reflects the weighted average blended management fee applicable to actual limited partners of such vehicles. Return information is calculated on a dollar-weighted (e.g., internal rate of return), since inception basis. There can be no assurance that unrealized investments ultimately will be realized at the valuations used in calculating IRRs or Net Multiples or that the calculated IRRs will be obtained. Actual realized returns will depend on, among other factors, future operating results, the value of assets and market conditions at the time of disposition, any related transaction costs and the timing and manner of sale. Certain Investment Products use leverage to finance investments, which may involve a high degree of financial risk. Such Borrowings has the potential to enhance overall returns that exceed the Investment Product's cost of borrowed funds; however, borrowings will further diminish returns (or increase losses on capital) to the extent overall returns are less than the Investment Product's cost of borrowed funds. Where applicable, returns take into consideration the reinvestment or "recycling" of investment proceeds.

Commonfund Important Notes

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HYPOTHETICAL PORTFOLIOS AND HYPOTHETICAL RESULTS | GENERALLY

Certain asset-allocation frameworks depicted in this presentation are hypothetical and do not represent the investment performance or the actual accounts of any investors ("Hypothetical Portfolio"). Performance of Hypothetical Portfolios and other composite performance results (based on sector attribution and other dissections and combinations of actual Investment Product performance) should be considered hypothetical results (collectively, "Hypothetical Results"). Hypothetical Portfolios and Hypothetical Results do not reflect actual trading or performance by an Investment Product or an investor, or a recommendation on the part of an Investment Manager or CSI to any particular investor; nor should they be considered as indicative of the skills of the Investment Adviser. Hypothetical Portfolios and Hypothetical Results are provided for illustrative purposes only and do not guarantee past or future investment results. Hypothetical Results are based on assumptions, and, except where such results are based on actual historical performance of Investment Products, they do not reflect the impact that economic and market factors may have on investment decisions for an Investment Manager. Differences between the hypothetical assumptions and an actual investment are material and decrease substantially the illustration value of any Hypothetical Results. Hypothetical Portfolios may not take into account the goals, risk tolerance and circumstances of each investor. An investment decision should not be based on Hypothetical Results.

ADVISORY SERVICES

Advisory services, including those described under the trade name "Commonfund Strategic Solutions," are generally provided by Comanco or, on occasion, by CCI and subject to an investment advisory agreements. Comanco's and CCI's Form ADV Part 2A will be provided upon request.

OUTSOURCED CHIEF INVESTMENT OFFICER (OCIO)

There is no legal or regulatory term defining "OCIO" or "outsourced chief investment officer" services, and the meaning of such term varies from one individual to another. Accordingly, such services have been defined for purposes hereof to mean the management of (i) an institution's long-term or operating reserves ("Reserves") pursuant to an investment management agreement executed between a registered investment advisor and such institution (or, in certain limited circumstances, through a fund or separate account structure intended to achieve comparable objectives) and (ii) all or substantially all of an institution's Reserves, with advice related thereto being provided to such institution by a registered broker-dealer and which advice is solely incidental to the conduct of such broker-dealer's business or to its brokerage services.

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Benchmarks and financial indices are shown for illustrative purposes only. They provide general market data that serves as point of reference to compare the performance of Investment Product's with the performance of other securities that make up a particular market. Such benchmark and indices are not available for direct investment and their performance does not reflect the expenses associated with the management of an actual portfolio, the actual cost of investing in the instruments that comprise it or other fees. An Investment Product's investment objective is not restricted to the securities and instruments comprising any one index. No representation is made that any benchmark or index is an appropriate measure for comparison. For a list of commonly used indices, please visit www.commonfund.org/important-disclosures. This list may not represent all available indices or those indices used in this material.

CERTAIN RISKS

Portfolio, volatility or return targets or objectives, if any, are used solely for illustration, measurement or comparison purposes and as an aid or guideline for prospective investors to evaluate a particular Investment Product's strategy, volatility and accompanying information. Such targets or objectives reflect subjective determinations of an Investment Manager based on a variety of factors including, among others, the Investment Product's investment strategy and prior performance (if any), volatility measures, portfolio characteristics and risk, and market conditions. Volatility and performance will fluctuate, including over short periods, and should be evaluated over the time period indicated and not over shorter periods. Actual volatility and returns will depend on a variety of factors including overall market conditions and the ability of an Investment Manager to implement an Investment Product's investment process, investment objectives and risk management. Performance targets or objectives should not be relied upon as an indication of actual or projected future performance; such targets or objectives may not be achieved, in whole or in part. For a list of commonly used measures of risk, please visit www.commonfund.org/important-disclosures.

The above summary is not a complete list of the risks, tax considerations and other important disclosures involved in investing in an Investment Product and is subject to disclosures in such Investment Product's Prospectus. Please refer to and review carefully the Investment Product's applicable Prospectus for a more detailed list of the Investment Product's risks and other disclosures prior to making any investment in such Investment Product.

Asset allocations may not equal 100% due to rounding.

Past performance is not indicative of future results. An investor may lose all or a substantial portion of their investment in an Investment Product.

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www.commonfund.org/important-disclosures

RESOLUTION

CHANGES TO THE UNIVERSITY'S ENDOWMENT FUNDS INVESTMENT POLICIES AND GUIDELINES

WHEREAS, the University's Board of Trustees has established the Endowment Funds Investment Policies and Guidelines (the "Guidelines") to provide an investment outline when managing endowment investments, and

WHEREAS, the University's Board of Trustees delegates certain investment authority to the Development, Endowment and Investments Committee to manage the University's endowment investments, and

WHEREAS, the Development, Endowment and Investments Committee will oversee investment activities, monitor investment performance and ensure the prudent control of the endowment funds of the University according to the "Guidelines" approved by the Board of Trustees, and

WHEREAS, said "Guidelines" may be amended from time to time to meet current investment conditions and objectives, and

WHEREAS, the "Guidelines" state that investment managers' performance will be measured against commonly accepted investment benchmarks and will share similar characteristics regarding risk and return as the underlying investment, and

WHEREAS, the investment benchmark serves a crucial role reviewing investment managers' performance, and

WHEREAS, the Development, Endowment and Investments Committee reviewed said "Guidelines" and, after due consideration and deliberation, is recommending an amendment to the investment benchmark used to compare returns for the fixed-income alternatives asset class from 20 percent T-bill + 3 percent to 10 percent HFRI Fund of Funds Conservative Index and 10 percent HFRI Fund of Funds Strategic Index, with the remainder of the index consisting of 40 percent of the S&P 500 Index, 5 percent Russell 2000 Index, 12 percent MSCI EAFE (U.S. Dollar) Index, and 23 percent toward the Barclay's Capital U.S. Aggregate Bond Index remaining unchanged,

THEREFORE, BE IT RESOLVED, that the Board of Trustees of the University of South Alabama hereby approves changes to the "Guidelines" for endowment fund investments as recommended by the Development, Endowment and Investments Committee.

UNIVERSITY OF SOUTH ALABAMA

MEMORANDUM

Finance and Administration

DATE: August 22, 2019

TO: President Tony G. Waldrop

FROM: G. Scott Weldon

SUBJECT: Resolution to Amend the Endowment Funds Investment Policies and Guidelines

At our June 2019 Development, Endowment and Investments Committee meeting we discussed amending the current index for the fixed-income alternatives asset class from T-Bills + 3% to 10% HFRI Fund of Funds Conservative Index and 10% HFRI Fund of Funds Strategic Index. The remaining portion of the index consisting of 40 % of the S&P 500 Index, 5% Russell 2000 Index, 12% MSCI EAFE (US Dollar) Index, and 23 percent towards the Barclay's Capital US Aggregate Bond Index will remain unchanged.

The attached resolution acknowledges this change and with, your approval, this item will be presented to the Development, Endowment and Investments Committee and the Board of Trustees for final approval. Further, I recommend the adoption of the resolution by the Board of Trustees.

Attachment

Endowment Funds
Investment Policies and Guidelines

The Endowment Committee of the Board of Trustees of the University of South Alabama shall be responsible for recommending investment policies and guidelines for approval by the Board of Trustees, implementation of such policies and guidelines and selection of qualified investment professionals including Investment Consultant(s), Investment Manager(s), and Funds Custodian(s). The Endowment Committee will oversee investment activities, monitor investment performance and ensure the prudent control of the Endowment Funds of the University. The Endowment Committee will make periodic reports to the Board of Trustees.

I. Purpose of the Endowment Funds

The University of South Alabama Endowment Funds exist to provide revenue while preserving principal to fund those projects which have been endowed for specific purposes, i.e., scholarships, professorships, program enhancements, student loans, etc.

II. Purpose of the Investment Policy

This investment policy is set forth by the Board of Trustees of the University of South Alabama in order to:

1. Define and assign the responsibilities of all involved parties.

2. Establish a clear understanding of all involved parties of the investment goals and objectives of Endowment Funds assets.

3. Offer guidance and limitations to Investment Manager(s) regarding the investment of Endowment Funds assets.

4. Establish a basis of evaluating investment results.

5. Manage Endowment Funds assets according to prudent standards as established in the laws of the State of Alabama.

6. Establish the relevant investment horizon for which the Endowment Funds assets will be managed.

In general, the purpose of this policy is to outline a philosophy and attitude which will guide the investment management of the assets toward the desired results. It is intended to be sufficiently specific to be meaningful, yet flexible enough to be practical.

III. Delegation of Authority

The Board of Trustees of the University of South Alabama is responsible for directing and monitoring the investment management of the University's Endowment Funds assets. As such, the Board of Trustees is authorized to delegate certain authority to professional experts in various fields. These include, but are not limited to:

1. Investment Management Consultant(s). The consultant may assist the Board of Trustees in: establishing investment policy, objectives, and guidelines; selecting investment managers; reviewing such managers over time; measuring and evaluating investment performance; and other tasks as deemed appropriate.

2. Investment Manager(s). The investment manager has discretion to purchase or sell, in the University's name, the specific securities that will be used to meet the Endowment Funds investment objectives.

3. Funds Custodian(s). The custodian will physically (or through securities owned by the Fund) collect dividend and interest payments, redeem maturing securities, and effect receipt and delivery following purchases and sales. The custodian may also perform regular accounting of all assets, owned, purchased or sold as well as movement of assets into and out of the Endowment Funds accounts.

With the exception of specific limitations described in these statements, managers will be held responsible and accountable to achieve the objectives herein stated. While it is not believed that the limitations will hamper investment managers, each manager should request modifications which they deem appropriate. All expenses for such experts must be customary and reasonable, and will be borne by the Endowment Funds as deemed appropriate and necessary.

IV. Assignment of Responsibility

A. Responsibility of the Board of Trustees of the University of South Alabama

The Board of Trustees is responsible for the management of the assets of the Endowment Funds. The Board of Trustees shall discharge its duties in good faith like an ordinary prudent person in a like position would exercise under similar circumstances and in a manner the Trustees reasonably believe to be in the best interest of the University. The Board of Trustees will supervise the Endowment Committee and assigns the following authority and responsibilities to the Endowment Committee on behalf of the Board of Trustees.

B. Responsibility of the Endowment Committee

The specific authority and responsibilities of the Endowment Committee relating to the

investment management of Endowment Funds assets include:

1. Projecting the Endowment Funds financial needs, and communicating such needs to the Investment Manger(s) on a timely basis.

2. Determining the Endowment Funds risk tolerance and investment horizon, and communicating these to the appropriate parties.

3. Establishing reasonable and consistent investment objectives, policies, time frames and guidelines which will direct the investment of the Endowment Funds assets.

4. Prudently and diligently selecting qualified investment professionals, including Investment Manager(s), Investment Consultant(s), and Custodian(s).

5. Regularly evaluating the performance of the Investment Manager(s) to assure adherence to policy guidelines and monitor investment objectives progress.

6. Developing and enacting proper control procedures: For example, replacing Investment Manager(s) due to fundamental changes in the investment management process, or failure to comply with established guidelines.

7. Making direct investments in cases in which selection of an investment manager is not appropriate.

8. Recommending an endowment spending policy to the Board of Trustees for approval.

9. Reporting periodically to the Board of Trustees Endowment Committee actions and recommendations and investment performance of the Endowment Funds.

C. Responsibility of the Investment Manager(s)

The Endowment Funds will be managed primarily by external investment advisory organizations; both commingled vehicles and separate accounts may be used. The investment manager(s) have discretion, within the guidelines set forth in this policy statement and any additional guidelines provided them, to manage the assets in each portfolio to achieve the investment objectives. Managers will normally manage only one type of investment in each fund. For example, equities and fixed income will not be combined in a balanced fund with one manager.

Each Investment Manager must acknowledge, in writing, their acceptance of responsibility as a fiduciary. Each Investment Manager will have full discretion to make all investment decisions for the assets placed under their jurisdiction, while observing and operating within all policies, guidelines, constraints, and philosophies as outlined in this statement. Each Investment Manager will be provided with a copy of this statement of investment objectives and policies. In turn, as part of the investment management contract that will govern their

portfolio, the Investment Manager is expected to provide a written statement of the firm's expectations, stated in terms of the objectives and comparative benchmarks that will be used to evaluate performance and the allowable securities that can be used to achieve these objectives. These statements will be consistent with the statement of investment objectives and policies and will be incorporated as appendices. Specific responsibilities of the Investment Manager(s) include:

1. Discretionary investment management including decisions to buy or sell individual securities, and to alter asset allocation with the annual guidelines established by the Endowment Committee.

2. Reporting, on a timely basis, quarterly investment performance results.

3. Providing monthly valuation of the investment portfolio based on the previous month's closing prices.

4. Communicating any major changes in economic outlook, investment strategy, or any other factors which affect implementation of investment process, or the investment objectives progress of the Endowment Funds investment management.

5. Informing the Endowment Committee regarding any qualitative change in the investment management organization. Examples include changes in portfolio management personnel, ownership structure, investment philosophy, etc.

6. Providing the Endowment Committee with proof of liability and fiduciary insurance coverage.

7. Acknowledging in writing an ability and agreement to invest within the guidelines set forth in the investment policy.

8. Meeting with the Endowment Committee at least annually.

9. Voting proxies on behalf of the Endowment Funds and communicating such voting records on a timely basis. In cases in which the University desires to vote proxies related to specific topics, it will so notify Manager(s).

10. The Board of Trustees may from time to time request that the Investment Manager(s) allocate commissions to those brokerage firms providing other investment management services to the University. Good execution and commission prices are primary considerations in routing business to the said brokerage firms. If at any time any Investment Manager believes that any policy guideline inhibits investment performance, it is their responsibility to communicate this to the Endowment Committee.

V. General Investment Principles

1. Investments shall be made solely in the interest of the purposes of the University of South Alabama.

2. The Endowment Funds shall be invested with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person in a like position would exercise under similar circumstances in a manner the Board of Trustees reasonably believe to be in the best interest of the University.

3. Investment of the Endowment Funds shall be so diversified as to minimize the risk of large losses, unless under the circumstances it is clearly prudent not to do so.

4. The Board of Trustees may employ one or more investment managers of varying styles and philosophies to attain the Endowment Funds objectives.

5. Cash is to be employed productively at all times, by investment in short term cash equivalents to provide safety, liquidity, and return.

VI. Investment Objectives

In order to meet its needs, the investment strategy of the University of South Alabama Endowment Funds is to emphasize total return; that is, the aggregate return from capital appreciation and dividend and interest income. The total Endowment Funds shall be monitored for return relative to objectives, consistency of investment philosophy, and investment risk. The Endowment Funds results shall be evaluated on a rolling five-year basis against a market benchmark weighted 40 percent in favor of the S&P 500 Index, 5% Russell 2000 Index, 12% MSCI EAFE (US Dollar) Index, 23 percent toward the Barclay's Capital US Aggregate Bond Index, 10% HFRI Fund of Funds Conservative Index and 10% HFRI Fund of Funds Strategic Index.

VII. Portfolio Composition and Risk

A. To achieve its investment objective, the Endowment Funds assets are considered as divided into three parts a fixed income component, a fixed income alternative component, an equity component and a private equity component. The Endowment Funds long-term commitment to these funds shall be as follows:

	Range	Long-term neutral
Fixed Income	15-35%	25%
Equity	35-75%	50%
Private Equity	0-10%	5%
Fixed Income Alternative	10-30%	20%
Cash	0-5%	0%

The purpose of dividing the Endowment Funds in this manner is to ensure that the overall asset allocation among major asset classes remains under the regular scrutiny of the Endowment Committee and is not allowed to become the residual of separate manager decisions. Over the long run, the allocation among the major asset classes may be the single most important determinant of the endowment funds investment performance.

B. The purpose of the fixed income fund is to provide a hedge against deflation, to reduce the overall volatility of returns of the Endowment Funds, in order to produce current income in support of spending needs.

C. The percentage of total Endowment Funds assets allocated to the fixed-income fund at any time should be sufficient to provide that neither the current income nor the capital value or the total Endowment Funds declines by an intolerable amount during an extended period of deflation. The fixed-income fund should normally represent approximately 15-35 percent of total Endowment Funds assets at market value. Although the actual percentage will fluctuate with market conditions, levels outside this range should be closely monitored by the Endowment Committee.

D. The purpose of the equity fund is to provide appreciation of principal that more than offsets inflation and to provide a growing stream of current income. It is recognized that the pursuit of this objective could entail the assumption of greater market variability and risk than investment in fixed-income securities. Equity and equity-substitute investments are broadly defined as common stocks, high-yield bonds, reorganization securities, private equity, venture capital, leveraged buyout investments, equity real estate, reorganization securities, exchange traded index funds**,** etc. Investments made in such less liquid equity investments should be made through funds offered by professional investment managers.

E. The purpose of the fixed income alternative component is to provide the Endowment a source of returns with low correlation to equity markets and volatility of one third to one half that of the U.S. equity market, while still achieving equity-like returns of Treasury Bills plus 2-8% over time. The Fixed Income Alternative should normally represent approximately 10-30 percent of total Endowment Funds.

F. Any assets not committed to the fixed-income fund or fixed income alternative shall be allocated to the equity fund and the private equity fund. The equity fund should normally represent approximately 35-75 percent of total Endowment Funds assets at market value. The private equity fund should normally represent approximately 0-10 percent of total Endowment Fund assets at market value. Although the actual percentage of equities will vary with market conditions, levels outside these ranges should be closely monitored by the Investment Committee.

G. The Endowment includes investments in several categories, and the Endowment Committee targets allocations for the following:

Asset Class	Long-Term Strategic Target (%) of Endowed Funds	Range
DOMESTIC EQUITY	**42%**	**30-60%**
Large/Mid-Cap	35%	25-55%
Small Cap	5%	3-8%
High Yield Debt	2%	0-5%
INTERNATIONAL STOCKS	**10%**	**5-15%**
Developed Markets	6%	3-10%
Emerging Markets	4%	0-6%
PRIVATE EQUITY	**5%**	**0-10%**
TOTAL EQUITY COMPONENT	**57%**	**35-75%**
ALTERNATIVE INVESTMENTS	**20%**	**10-30%**
Absolute Return	15%	12-205
Long/Short Equity	5%	0-10%
TOTAL ALTERNATIVE COMPONENT	**20%**	**10-30%**
Fixed Income Component	**23%**	**15-35%**
U.S. Core Bonds	16%	12-20%
Global Bonds	4%	0-7%
TIPS	2%	0-5%
Emerging Markets Debt	1%	0-2%
TOTAL FIXED INCOME COMPONENT	**23%**	**15-35%**
CASH AND EQUIVALENTS	**0%**	**0-5%**

H. Within the equity fund, certain investments can be included, with Endowment Committee approval, to provide a hedge against unanticipated, rapidly accelerating inflation. These include cash, real estate and oil and gas investments. While the Endowment Committee recognizes the argument for having a separate allocation to inflation-hedging assets, at this time, these investments are evaluated primarily as equity-substitutes. The Endowment Committee will periodically review the adoption of an inflation-hedging fund allocation separate from the equity allocation.

I. Within the equity fund, in addition to cash reserves held by managers, there is normally an investment in cash or short-term instruments. Although the Endowment Committee has not adopted a cash allocation, new gifts to the endowment and endowment income in excess of budgetary distributions generate

cash inflow to the Endowment Fund. The level of cash should be closely monitored by the committee.

J. The Endowment committee may change any of the above ratios; however, it is anticipated that these changes will be infrequent.

K. The Endowment Funds investments shall be diversified both by asset class (e.g., equities and fixed-income securities) and within asset classes (e.g., within equities by economic sector, geographic area, industry, quality, and size). The purpose of diversification is to provide reasonable assurance that no single security or class of securities shall have a disproportionate impact on the endowment funds aggregate results. Equity securities in any single industry will not exceed 20 percent, nor will equity securities in any single company exceed 10 percent of the market value of the endowment's allocation to equities.

VIII. Spending Policy

It shall be the policy of the University of South Alabama Board of Trustees to preserve and maintain the real purchasing power of the principal of the Endowment Funds. The current spending policy of the University will be determined annually by the President and the Endowment Committee and approved by the Board of Trustees. The spending guideline is based on an expected total return over the long-term less expected inflation.

IX. Volatility of Returns

The Board of Trustees understands that in order to achieve its objectives for Endowment Funds assets, the Funds will experience volatility of returns and fluctuations of market value. The Board will tolerate volatility as measured against the risk/return analysis of the appropriate market indices. The indices used as a measure of an investment manger's performance will be used to measure the allowable volatility (risk).

X. Liquidity

To minimize the possibility of a loss occasioned by the sale of a security forced by the need to meet a required payment, the Vice President for Financial Affairs will periodically provide Investment Manager(s) with an estimate of expected net cash flow. The Vice President will notify the Investment Consultant in a timely manner, to allow sufficient time to build up necessary liquid reserves. Because of the infrequency of cash outflows and overall marketability of Endowment Funds assets, the Board of Trustees does not require the maintenance of a dedicated cash or cash equivalent reserve.

XI. Marketability of Assets

The Board of Trustees requires that all Endowment Funds allocated to cash equivalents, fixed income securities or equity securities be invested in liquid securities, defined as securities that can be transacted quickly and efficiently for the Endowment Funds, with minimal impact on market price. The Board of Trustees recognizes that opportunities

may exist in illiquid assets and will allow Investment Managers overseeing Private Equity or Fixed Income Alternatives to invest in securities that may be less liquid and could present a risk of illiquidity.

XII. Investment Guidelines

A. Allowable Assets

1. Cash Equivalents

- Treasury Bills
- Money Market Funds
- Common Fund Short Term Investment Fund
- Commercial Paper
- Banker's Acceptance
- Repurchase Agreements
- Certificates of Deposits

2. Fixed Income Securities

- U.S. Government and Agency Securities
- Corporate Notes and Bonds
- Mortgage Backed Bonds
- Preferred Stock
- Fixed Income Securities of Foreign Governments and Corporations
- Collateralized Mortgage Obligations

3. Fixed Income Alternatives

- Arbitrage (merger, event, convertible, equity and fixed income arbitrage and pairs trading)
- Event investing (restructurings, spin-offs, etc.)
- Distressed securities
- Long Short equities (U.S., global and sector funds)
- Market neutral equities
- Short-biased equities
- Macro investing

4. Equity Securities

- Common Stocks
- Convertible Notes and Bonds
- Convertible Preferred Stocks
- American Depository Receipts (ADRs) of Non-U.S. Companies

- Exchange traded index funds

5. Private Equity

6. Mutual Funds

- Mutual Funds which invest in securities as allowed in this statement.

Other Assets:

Derivative Securities: options and future contracts
In general, the use of derivative securities by the Investment Manager shall be discouraged, unless such an opportunity presents itself that the use of the sophisticated securities would provide substantial opportunity to increase investment returns at an appropriately equivalent level of risk to the remainder of the total portfolio. Also, derivative securities may be used by the Investment Manager in order to hedge certain risks to the portfolio. The approval and use of derivative securities will not be allowed unless the Endowment Committee is confident that the Investment Manager(s) thoroughly understands the risks being taken, has demonstrated expertise in their usage of such securities, and has guidelines in place for the use and monitoring of derivatives.

Real Estate: Investments may also include equity real estate, held in the form of professionally managed, income producing commercial and residential property. Such investments may be made only through professionally managed, income producing commercial and residential property. Such investments may not exceed 10% of the total endowment fund. Such investment may be made only through professionally managed pooled real estate investment funds, as offered by leading real estate managers with proven track records of superior performance over time.

(Is now covered under the derivative section)
The Endowment will avoid highly leveraged strategies and managers who provide insufficient transparency of their actions for adequate monitoring of the risks they are taking.

B. Guidelines for Fixed Income Investments and Cash Equivalents

1. Investment in fixed income securities shall be restricted to only investment grade bonds rated BAA or higher.

2. Money Market Funds selected shall contain securities whose credit rating at the absolute minimum would be rated investment grade by Standard and Poor's, and/or Moody's.

3. Investment in fixed income securities within the fixed income portfolio shall be restricted to only investment grade bonds rated BAA or higher.

Any investment in below investment grade bonds shall be considered an equity or fixed income alternative investment**.**

C. Guidelines for Fixed Income Alternatives

1. Fixed Income alternative investments will be defined as any strategy using a partnership or offshore investment company structure that may or may not be subject to SEC registration, investing primarily in marketable securities and/or subject to a performance fee. These strategies would generally have absolute, as opposed to relative, return objectives driven more by manager skill and market inefficiency than market direction. Use of leverage, short selling and/or derivatives may or may not be employed as part of the investment approach. The endowment will employ a manager of manager's approach to investing in fixed income alternative investments.

D. Limitations on Manager Allocations

1. No more than 5% of the Endowment Fund assets shall be allocated to an individual Investment Manager.

2. No more than 25% of the Endowment Fund assets shall be allocated to a "Fund of Funds" or multi-manager fund.

XIII. Investment Manager Performance Review and Evaluation

Performance reports generated by the Investment Consultant shall be compiled at least quarterly and communicated to the Board of Trustees for review. The investment performance of total portfolios, as well as asset class components, will be measured against commonly accepted performance benchmarks. Consideration shall be given to the extent to which the investment results are consistent with the investment objectives, goals, and guidelines as set forth in this statement. The Board of Trustees intends to evaluate the portfolio(s) over at least a three-year period, but reserves the right to terminate a manager for any reason including the following:

1. Investment performance which is significantly less than anticipated, given the discipline employed and risk parameters established, or unacceptable justification of poor results.

2. Failure to adhere to any aspect of this statement of investment policy, including communication and reporting requirements.

3. Significant qualitative changes to the investment management organization.

Investment managers shall be reviewed annually regarding performance, personnel, strategy, research capabilities, organizational and business matters, and other qualitative factors that may impact their ability to achieve the desired investment results.

XIV. Investment Policy Review

To assure continued relevance of the guidelines, objectives, financial status and capital markets expectations as established in this statement of investment policy, the Board of Trustees will review investment policy at least annually.

Investment Manager Selection

1. The Endowment Committee will decide on guidelines for the desired investment philosophy, asset mix, and performance objectives of the new manager.

2. The Endowment Committee will employ, if appropriate, Investment Consultant(s) to identify potential managers.

3. Potential managers will be reviewed by the Endowment Committee in some or all of the following areas with the importance of each category determined by the Endowment Committee:

Organization
- Experience of firm
- Assets under management
- Ownership
- Number of professionals
- Fees and minimum account size

Performance
- One, three and five-year comparisons
- Up/down market comparisons
- Risk/return graphs

Securities Summary – Equities
- Yield
- Profit/earnings
- Quality
- Growth
- Beta

Securities Summary – Fixed Income
- Quality
- Maturity
- Duration
- Government/non-government
- Investment decision-making process
- Top down/bottom up
- Quantitative/qualitative/traditional
- Expected performance characteristics

Securities Summary – Fixed Income Alternative

- Arbitrage (merger, event, convertible, equity and fixed income arbitrage and pairs trading)
- Event investing (restructurings, spin-offs, etc.)
- Distressed securities
- Long Short equities (U.S., global and sector funds)
- Market neutral equities
- Short-biased equities
- Macro investing

Skill Set Analysis

- Market timing
- Sector diversification
- Security selection
- Security consideration

4. Final selection of a new manager resides with the Endowment Committee.

RESOLUTION

DIRECTOR 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 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 Board of Directors and the Board of Directors of the USAJAF have nominated Ms. Cassandra McAboy for a three-year term pending the approval of the Board of Trustees of the University,

THEREFORE, BE IT RESOLVED, the University of South Alabama Board of Trustees authorizes Ms. Cassandra McAboy to serve as a member of the Board of Directors of the USAJAF with a three-year term beginning September 2019 and ending September 2022.

UNIVERSITY OF SOUTH ALABAMA

MEMORANDUM

Department of Athletics

DATE: August 22, 2019

TO: Dr. Tony Waldrop

FROM: Jacob Ludwikowski

SUBJECT: University of South Alabama Board of Trustees Meeting
Jaguar Athletic Fund (JAF) Resolution for Consideration

This is to request the attached Resolution be presented to the USA Board of Trustees for consideration at its next meeting on September 13, 2019.

The intent of the Resolution is for the University of South Alabama Board of Trustees to ratify the newly elected JAF Board Officer.

To Whom It May Concern:

This is a letter to express my interest in serving as the University of South Alabama Women's Basketball team's representative on the Jaguar Athletic Fund, Inc.

As a long-time supporter of the women's basketball program at the university, I can clearly see that the program is headed in a positive direction, on and off the court.

For approximately 20 years I followed the program in a professional capacity as a sports journalist. However, for the past eight years I've had the opportunity of following and supporting the program as a fan. The growth of the program over the past several years has ignited a fire in the community. The team's performance in the Sun Belt Conference Tournament as well as their WNIT Tournament appearance, has the community excited and asking what's next.

I'd love to represent this group of coaches and young ladies.

Please contact me at the information listed below if you have further questions.

Sincerely,

Cassandra McAboy
251.391.6757
cassiemack01@gmail.com

Cassandra McAboy

3701 Carlyle Close Unit No. 1101 * Mobile AL 36609 * (251)391-6757 * cassiemack01@gmail.com

Communications Professional

Experienced professional with more than 30 years in writing and editing for digital and print media. Documented track record in working with nonprofit organizations and community committees to developing media relations plans, talking points, news releases, social media content and monitoring post event media coverage. Extremely passionate about achieving identified goals. Solid relationships with city and state governmental officials, as well as top-level sports executives. Most recent work includes working as a team member with the WALA/FOX10 News digital department. I have also produced print and online branding content for local businesses.

Professional Experience

Digital Content Producer — August 2014-Current

WALA FOX10 News, Mobile AL

Responsible for enterprise online content as well as editing and posting scripts of on-air talent.

- FOX10 News Employee of the Month, April 2015
- Represented the Digital Content Manager during department head meetings and roundtable discussions
- Worked as the lone member of the digital team for several months during the departure of the then Digital Content Manager and Assistant Digital Content Manager
- Member of the FOX10 Surprise Squad team charged with selecting the best candidates for a visit from the surprise squad
- Facilitate interviews throughout the community for enterprise and original online content.
- Manage and track the social media engagement of the station's audience through Chartbeat, Google Analytics and Facebook insight.
- Create engaging headlines and abstracts for website and social media platforms
- Build the digital platform through original online content
- Ensure accurate and engaging copy, images and video
- Edit video and images
- Familiar with Word Press, Urban Airship, Photoshop, Social News Desk, Frankly (formerly WorldNow), Aptivada, and Tweet Deck
- Produced an original Facebook post which reached over seven million people in engagement, 124k reactions and more than 105k shares
- Produced a photo gallery that received over 1.5 million impressions. Also produced a photo gallery which received over 130k impressions
- Daily input regarding on-air and online news assignments

Managing Editor/Content Director — June 2014-Current

Ladd Photography:The Magazine- Mobile AL

Responsible for copy and photographs placed in the magazine as well as the design of the magazine

- Advised the publisher on magazine content
- Facilitated interviews with brides and grooms featured in the magazine
- Responsible for the Editor's Corner content
- Oversaw writers and photographers

Digital Content Writer — April 2014-April 2015

Bodies By Cindy and Fit Plus Wear
Responsible for web content on both the Bodies by Cindy and Fit-Plus Wear websites.

- Facilitated one-on-one interviews with clients and update web copy
- Assist in the design of all website content

Campaign Manager January 2013-May 2013
Representative Adline Clarke (District 97) – Mobile AL
Responsible for internal and external communications, team building and strategic media communications in order to best represent the goals of the candidate.

- Advised the candidate on campaign matters
- Facilitated one-on-one (print and broadcast) interviews, organized press conferences, composed news releases, media statements and responses
- Assisted in the design of all campaign literature as well as social media and website content
- Organized canvassing teams as well as scheduled speaking engagements and public appearances
- Coordinated events and attended social functions on behalf of the candidate
- Planned all events involving election night victory parties
- Oversaw election day polling duties of all poll workers, runners and phone bank volunteers

Independent Contractor May 2013-December 2013
Alabama State University – Montgomery AL
Responsible for the athletic department to serve as the sole voice in the program's quest to tell the stories of their athletes.

- Composed feature stories on football, basketball, track and field, volleyball and football student-athletes
- Contacted Alabama State alumni competing at the professional level, including the NFL and WNBA for feature stories and social media content
- Reported on the international travels and coaching duties of university coaches and their staffs
- Assisted in game day operations of the 2013 Magic City Classic

Reporter March 1992-June 1993
Sumter County Journal - York, AL
This was a weekly publication therefore it gave me a great opportunity to jump right into the newspaper industry. With a staff of five, including two employees who lived out of town, there were days I was a one man band.

- Was in charge of the day-to-day reporting for this weekly publication.
- Was responsible for collecting money from racks and/or vendors and making weekly deposits.
- Was one of two individuals responsible for transporting “dummy” sheets to the printers and depositing them into the racks and provide vendors with copies.
- Covered everything from traffic accidents, to sports, to city council meeting and everything in between.

Sports Reporter June 1993-September 2012
Mobile Press-Register – Mobile AL
A long-time Sports Reporter with the responsibility of developing relationships in the community with the goal of telling their stories in the print media.

- Represented the editor in editorial board meetings and roundtable discussions.
- Attended and reported on area and national sporting events; including football, baseball, basketball, soccer and tennis.
- Stayed current with key elements including rules, players and schedules of all sports of interest to local readers.
- Produced stories of note on sports figures from Mobile and surrounding areas.
- Concentrated on increasing the visibility of women's sports such as softball, volleyball, tennis and basketball.

- Improved and sustained newspaper's award-winning coverage of football programs at Historically Black Colleges and Universities.
- Interacted with local sports relations departments to coordinate coverage of events.
- Maintained good relations with the public and private schools in the area to facilitate stories and features on their sports programs.
- Coordinated coverage with other sports writers, editors and photographers.
- Worked independently to find stories that would keep readers informed and engaged.
- Primary contact for several sports entities locally and nationally.
- Represented the newspaper on various nonprofit and business panels including the BayFest Music Festival as a media team and talent scout representative.
- Wrote and delivered speeches for athletic banquets and workshops statewide.
- Collaborated with graphics team members to design award-winning and detailed works.

Education

Mass Communications 1987-1991
Public relations and Speech
Jackson State University – Jackson MS

PROFESSIONAL ORGANIZATIONS

Gulf Coast Association of Black Journalists, Inc., President
National Association of Black Journalists, Member
Alabama Sports Writers Association, Member

PROFESSIONAL ACCOMPLISHMENTS

G-290 Basic PIO Certified
2012 USTA Alabama Tennis Writer of the Year
2012 Alabama Sports Writers Association Best Wrestling and Boxing Feature
2011 Alabama Sports Writers Association Best Wrestling and Boxing Feature
2004 Associated Press Participatory Sports Feature
2004 Alabama Sports Writers Association General Feature Story
2001 Alabama Sports Writers Association Basketball Feature
1997 Alabama State University Department of Athletics: Journalistic Excellence & Objectivity Award for football coverage

COMMUNITY INVOLVEMENT

Moorer Branch of the YMCA Board Member
Sickle Cell Disease Association of America, Mobile Board of Advisors
Bayfest Music Festival, Committee Member (Media Team, Children's Committee, Artist Listening Committee)
United States Tennis Association Jump Start Program, Coach
Mobile County Public School System Parent Teacher Association, President
GoDaddy.com Bowl Football Game, Volunteer
Project Go! Girl Empowerment Workshop, Project Leader
American Red Cross Public Affairs/Media Team Member
Mobile Gas/Sempra Energy Company Leukemia & Lymphoma Society, Media Team and Fundraising Team

RESOLUTION

COMMENDATION OF HARGROVE ENGINEERS + CONSTRUCTORS

WHEREAS, the University of South Alabama pursues the vision of being a leading comprehensive public university internationally recognized for educational, research and health care excellence as well as for its positive intellectual, cultural and economic impact on the Gulf Coast region, and

WHEREAS, the Jaguar Football program supports USA in pursuit of that vision, promoting academic, personal and professional excellence for student-athletes, vitalizing campus life and connecting USA with alumni and friends throughout the nation, and

WHEREAS, for many years Hargrove Engineers + Constructors has shown itself to be a devoted friend of the University and its alumni by providing volunteers and advisers to the College of Engineering and School of Computing, as well as claiming more than 100 USA alumni among its employees, and

WHEREAS, Hargrove Engineers + Constructors has generously supported the University through philanthropic giving to the College of Engineering, the School of Computing, the Jaguar Athletic Fund, the MacQueen Alumni Center, and USA Health entities, including the Mitchell Cancer Institute, Children's & Women's Hospital and University Hospital, and

WHEREAS, Hargrove Engineers + Constructors appreciates the opportunities that building a state-of-the-art football stadium on campus will produce through the competitive advantage to the Jaguar football team, the potential for heightening Mobile's visibility and vitality as a site for championship play and the resulting economic development that will accrue across the region, and

WHEREAS, Hargrove Engineers + Constructors has generously committed $1.5 million to assist the University of South Alabama in building Hancock Whitney Stadium,

THEREFORE, BE IT RESOLVED, the University of South Alabama Board of Trustees commends and thanks Hargrove Engineers + Constructors for extraordinary, loyal support of the University and the USA Jaguar football program, and

FINALLY, BE IT RESOLVED, that in recognition of the steadfast and generous friendship of Hargrove Engineers + Constructors, the club level at Hancock Whitney Stadium will be known as The Hargrove Club.

UNIVERSITY OF SOUTH ALABAMA

MEMORANDUM

Development and Alumni Relations

DATE: August 27, 2019

TO: Dr. Tony Waldrop

FROM: Margaret Murray Sullivan

SUBJECT: Hargrove Resolution

It gives me great pleasure to recommend presentation of the attached resolution to the Board of Trustees.

This resolution commends the philanthropy of Hargrove Engineers + Constructors, whose generous support of the USA football program will fund construction of Hancock Whitney Stadium.

With your support, this resolution by the Board of Trustees will be a fitting and effective way of recognizing and appreciating the extraordinary generosity of Hargrove Engineers + Constructors and will declare that the club level of Hancock Whitney Stadium will hereafter be known as the Hargrove Club.

MMS/klp

UNIVERSITY OF SOUTH ALABAMA

BOARD OF TRUSTEES

HEALTH AFFAIRS COMMITTEE

UNIVERSITY OF SOUTH ALABAMA
BOARD OF TRUSTEES

HEALTH AFFAIRS COMMITTEE

June 5, 2019
2:01 p.m.

A meeting of the Health Affairs Committee of the University of South Alabama Board of Trustees was duly convened by Dr. Scott Charlton on behalf of Dr. Steve Furr, Chair, on Wednesday, June 5, 2019, at 2:01 p.m. in the Board Room of the Frederick P. Whiddon Administration Building.

Members Present:	Alexis Atkins, Chandra Brown Stewart, Scott Charlton and Arlene Mitchell.
Members Absent:	Steve Furr and Steve Stokes.
Other Trustees:	Tom Corcoran, Ron Graham, Ron Jenkins, Lenus Perkins, Jimmy Shumock, Margie Tuckson, Mike Windom and Jim Yance.
Administration and Others:	Robert Berry, Michael Chang, Lynne Chronister, Joel Erdmann, Monica Ezell, Paul Frazier, Mike Haskins, David Johnson, Susan LeDoux, Nick Lawkis, John Marymont, Susan McCready (Faculty Senate), Mike Mitchell, Rod Rocconi, John Smith, Margaret Sullivan, Jean Tucker, Sahilee Waitman (SGA), Tony Waldrop and Scott Weldon.

The meeting came to order and the attendance roll was called. Dr. Charlton called for consideration of the minutes of the meeting held on March 15, 2019. On motion by Ms. Brown Stewart, seconded by Ms. Atkins, the Committee voted unanimously to adopt the minutes.

Dr. Charlton called on Dr. Marymont, who introduced Associate Vice President of Medical Affairs/USA Health Chief Medical Officer Dr. Michael Chang for an update on the activities of USA Health and the College of Medicine (COM), **ITEM 11**. Dr. Chang gave an overview on the positive outcome of a recent accreditation review of University Hospital by The Joint Commission. He said the visiting team, which assesses in excess of 1,300 criteria, was complimentary of patient services procedures and issued fewer requests for improvement than hospitals receive on average, all of which were minor and did not necessitate a follow-up visit.

Dr. Marymont introduced COM Associate Dean of Medical Education Dr. Susan LeDoux for a report on the COM's positive standing as ranked among medical schools that report data to the American Association of Medical Colleges. Dr. LeDoux shared particular indicators related to graduates, faculty, alumni and cost of attendance. Dr. Marymont noted that Dr. LeDoux would soon retire. He and Dr. Charlton credited Dr. LeDoux for leadership that had advanced the program.

Dr. Charlton called for presentation of **ITEM 10**, a resolution authorizing revisions to medical staff bylaws (to view approved resolutions, policies or other authorizations, refer to the minutes of the Board of Trustees meeting held on June 6, 2019). Dr. Chang explained the changes proposed and reviewed the internal recommendation process. On motion by Ms. Brown Stewart,

seconded by Dr. Charlton, the Committee voted unanimously to recommend approval of the resolution by the Board of Trustees.

There being no further business, the meeting was adjourned at 2:11 p.m.

Respectfully submitted:

_____
Scott A. Charlton, M.D.

On behalf of:

_____
Steven P. Furr, Chair, M.D

RESOLUTION

USA HEALTH COMMUNITY HEALTH NEEDS ASSESSMENT AND IMPLEMENTATION STRATEGIES

WHEREAS, the Patient Protection and Affordable Care Act requires that not-for-profit hospitals conduct community health needs assessments, and

WHEREAS, USA Health has conducted the above-referenced assessment for 2019, and

WHEREAS, USA Health has developed implementation strategies based on the findings of the 2019 community health needs assessment, and

WHEREAS, the Patient Protection and Affordable Care Act further requires that health system governing bodies adopt those implementation strategies developed by the health system to meet the community needs identified through such assessment,

THEREFORE, BE IT RESOLVED, the University of South Alabama Board of Trustees authorizes the community health needs assessment conducted by USA Health and adopts the implementation strategies developed by USA Health as a result, both of which are attached hereto and incorporated herein.

UNIVERSITY OF SOUTH ALABAMA

MEMORANDUM

USA Health

DATE: August 28, 2019

TO: Tony G. Waldrop, PhD
President

FROM: Traci Jones, Chief Financial Officer

SUBJECT: Community Health Needs Assessment

Under the provisions of the Patient Protection and Affordable Care Act, each covered hospital is to conduct a community health needs assessment at least once every three years. Furthermore, the governing board is required to adopt an implementation strategy proposed to meet the community needs identified through such assessment.

I am recommending for your approval and recommendation to the Board of Trustees the attached Community Health Needs Assessment conducted by USA Health for 2019, the proposed implementation strategies and the resolution for approval and adoption of same by the Board of Trustees.

TJ/kh

Attachments

2019 – 2021 COMMUNITY HEALTH NEEDS ASSESSMENT

Prepared by:
Thomas C. Shaw, Ph.D.
Jaclyn Bunch, Ph.D.
Laura Carlson, M.P.A.

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EXECUTIVE SUMMARY – 1

Introduction

The Patient Protection and Affordable Care Act, passed March 23, 2010, requires that not-for-profit hospitals conduct a Community Health Needs Assessment (CHNA) every three years. The assessment should define the community, solicit input regarding the health needs of the community, assess and prioritize those needs, identify relevant resources, and evaluate any actions taken since preceding CHNAs.

This executive summary presents the key elements of the 2019-2021 USA Health Community Health Needs Assessment. This assessment was conducted between October, 2018 and April, 2019. First USA Health and its constituent parts are described. Second, the community served by USA Health is defined. Next, the overall methodology of the CHNA is provided, and finally, a summary of the health needs identified in section six are presented.

USA Health

USA Health University Hospital (UH), USA Health Children's & Women's Hospital (USAC&W), and the USA Health Mitchell Cancer Institute (USAMCI) are each collectively part of the broader USA Health and are collaborating as part of this CHNA. Throughout this report each facility is referenced individually as appropriate or collectively as USA Health.

USA Health University Hospital

USA Health University Hospital is an acute care facility serving as the major referral center for southwest Alabama, southeast Mississippi and portions of northwest Florida. It offers centers for Level I trauma, burn, stroke, cardiovascular disease and sickle cell disease. As a teaching and research facility for the University of South Alabama College of Medicine, USA Health University Hospital plays a key role in the development of new technology, treatments and training of future health care professionals. The hospital also includes outpatient care services such as cardiology, medicine and surgery.

USA Health Children's & Women's Hospital

USA Health Children's & Women's Hospital offers the most advanced care in the region and delivers more babies annually than any other hospital in Mobile. It offers among its specialized services the region's most advanced neonatal intensive care and pediatric intensive care units, which provide the most specialized care to critically ill and injured newborns and children. Its specialized staff also offers a variety of innovative programs for hospitalized children teens and their families to meet their developmental, educational, social and emotional needs.

USA Health Mitchel Cancer Institute

Combining cutting-edge research with advanced care, the USA Health Mitchell Cancer Institute fights cancer from the laboratory bench to the patient's bedside. MCI is the only

academic-based cancer research and treatment facility on the upper Gulf Coast. Its mission is to discover, develop and deliver innovative solutions to improve cancer outcomes.

Community

USA Health has a far-reaching impact throughout the region including areas beyond southern Alabama in both northwestern Florida and southeast Mississippi. However, the primary community served by USA Health is the area of Mobile County. Approximately 79 percent of the patients served by University Hospital and USA Health Children's & Women's Hospital are from Mobile County. This number is up from 2016 when it was closer to 67% and it is roughly the same as it was in 2013 when it was 80 percent. This shows that the primary community served by USA Health is the population of Mobile County.

Mobile County, Alabama is situated in southwest Alabama and is bordered by the following counties: Baldwin, Clark, Escambia, Monroe and Washington in Alabama and George, Greene, and Jackson in Mississippi. The population of Mobile County is 415,955 according to the 2017 Census population estimates generated July 1, 2017. Forty-eight percent of the population is male and 52.0 percent are female. The percent of the population identifying as white only is 57 percent while 36 percent identify as African-American only. The median age is 37.4 years old. The median household income is $45,802; 86 percent of the population have a high school degree or better; and 20 percent of the population are below the federal poverty level. Within the county there are 35,912 companies, and 183,897 housing units.[1]

CHNA Methodology

Having identified the relevant community, in this case Mobile County, Alabama, the key objective of the CHNA is to assess the health needs of that community. A three-pronged approach is used herein to assess Mobile County's health needs. First, a comprehensive demographic profile is developed using secondary data sources that provide insight into the composition and prevalent conditions within the community. Second, a telephone survey was conducted of individuals living in the defined community in order to solicit their input regarding their health needs. Third, an Internet/E-mail survey was conducted of health leaders in Mobile County to get their input and to be able to compare and contrast the views of the community with those of the health leaders. Having assessed the current health needs of the community, the findings of the previous USA Health CHNA are evaluated and then the current health needs are presented.

[1] County information is taken from the most recent (2017 and 2013-2017) U.S. Census QuickFacts which are in turn derived from a number of U.S. Census sources including Population Estimates, American Community Survey, Census of Population and Housing, Current Population Survey, Small Area Income and Poverty Estimates, State and County Housing Unit Estimates, County Business Patterns, Nonemployer Statistics, Economic Census, Survey of Business Owners, Building Permits.

Summary of Key Findings

Community Demographic Profile

The community demographic profile is an in-depth examination of secondary data indicators that compare Mobile County to Alabama and the United States. Data for the profile were taken from many different sources including the US Census, the Alabama Department of Public Health, and Share Southwest Alabama. The following represent the most important findings from the community demographic profile.

There are a number of problems faced by infants and expecting mothers. With our changing demographics (falling numbers of residents aged 0-19 while growing numbers 60+) it is essential that the community preserve and protect the new residents we could potentially gain. The assessment shows that not only are neonatal deaths and post neonatal death rates on the rise in Mobile, but that the infant death rate is climbing at an alarming rate over the past six years (7.5 to 10.4) and even higher for minority groups (reaching 14.4 for blacks in Mobile by 2016). The community survey shows that community members feel that there is not enough access to women's health care, part of which is pregnancy and childbirth.

The assessment shows that diabetes has been on the rise in Mobile over the past 6 years. USA Health may want to review its programs focused on diabetes education and prevention.

In the United States cancers of the respiratory system hold the highest mortality of all cancers. This is also the case for Alabama and Mobile. USA Health should consider enhancing their efforts at combating respiratory cancers.

There is an overall need for disease prevention efforts. The system should continue to focus on increasing and promoting screenings for the more prevalent diseases in our area, and in the United States. For instance, behind respiratory cancers, the largest killers can be caught early through regular screenings and visits with one's primary care physician (colorectal, breast, and prostate cancers). Care should be taken to promote regular primary care in the community and encourage screenings.

There is a need for more secondary education for the general public. Studies have shown the beneficial effect that education has on many aspects of life (income, job stability, health and longevity of life).

Community Health Survey

According to community members the most important features of a healthy community and the features that would be most important for improving the overall health of their community include:

1) A clean environment (including water, air, etc.)
2) Lower crime and safe neighborhoods
3) Less sexually transmitted diseases
4) Good schools

5) Mental health services
6) More quality education

The community respondents said that the following are the top six health issues that are a problem for Mobile County:

1) Child abuse and neglect
2) Drug use and abuse
3) Cancers
4) Domestic violence
5) Rape and sexual assault
6) Heart disease and stroke

These are the top health conditions that community members said they have been told by a doctor or other healthcare professional that they have:

1) High blood pressure
2) High cholesterol
3) Diabetes
4) Depression
5) Obesity
6) Heart disease

Of the specific items mentioned by community members, the following are the top six healthcare services that they feel are difficult to obtain in Mobile County:

1) Mental health services
2) Specialty medical care (specialist doctors)
3) Services for the elderly
4) Dental care / dentures
5) Women's health
6) Emergency medical care

Fourteen percent of Mobile County respondents indicated that they had delayed getting needed medical care sometime during the past 12 months. The following are the top-rated reasons identified for why someone delayed getting needed medical care:

1) Could not afford medical care
2) Insurance problems or lack of insurance
3) Could not get an appointment soon enough
4) Provider did not take their insurance
5) Lack of transportation
6) Could not get a weekend or evening appointment

Community Health Leaders Survey

An Internet/e-mail based survey of community health leaders in Mobile County was conducted between October 15 and November 9, 2018. A total of 84 health leaders responded to the survey. The following represent the most important findings from the community health survey.

The community health leaders identified the following as the most important features of a health community:

1) Access to health services (e.g., family doctor, hospitals)
2) Mental health services
3) Quality education
4) Low crime/safe neighborhoods
5) Active lifestyles/outdoor activities
6) Health food options

Community health leaders went on to say that the most important health issues facing Mobile County include:

1) Mental health problems
2) Obesity/excess weight
3) Drug use abuse
4) Diabetes
5) Cancers
6) Heart disease and stroke

The unhealthy behaviors that concern health leaders the most are:

1) Drug abuse
2) Poor eating habits/poor nutrition
3) Excess weight
4) Not seeing a doctor or dentist
5) Homelessness
6) Lack of exercise

The healthcare services identified by community health leaders as the most difficult to obtain in Mobile County include:

1) Mental health services
2) Alcohol or drug abuse treatment
3) Preventative healthcare (routine or wellness check-ups, etc.)
4) Services for the elderly (tied with preventative healthcare for the third spot)
5) Alternative therapies
6) Dental care / dentures (tied with alternative therapies and specialty medical care for the fourth spot)
7) Specialty medical care (specialist doctors), (tied with alternative therapies and specialty medical care for the fourth spot)
8) Primary medical care (a primary doctor / clinic)
9) Prescription / pharmacy services

An important aspect of the CHNA is comparing the priorities of the community health leaders with the priorities of the community to see where there is convergence or divergence between these two groups. Overall, there was a good bit of convergence among the top items identified by both groups. Priority rankings of these top items of course differed in many cases but it is notable that similar items made it in into the top six items for both community health leaders and community members. The following tables show where items converged and diverged between the two groups.

Table 1.1: Features of a Healthy Community[1]

Features mentioned in the top six by Community Health Leaders and Community Members	Features mentioned in the top six by Community Health leaders but not by Community Members	Features mentioned in the top six by Community Members but not by Community Health Leaders
Mental health services (2/5)		
Quality education (3/6)		
Lower crime / safe neighborhoods (4/2)		
	Access to health services (1)	A clean environment including water, air, etc. (1)
	Active lifestyles / outdoor activities (5)	Less sexually transmitted diseases (3)
	Healthy food options (6)	Good schools (4)

[1] Numbers in parentheses in column one show the priority ranking for each group. The first number is the priority ranking of the Community Health Leaders and the second number is the priority ranking of the Community Members.

Table 1.2: Most Important Health Issues[1]

Features mentioned in the top six by Community Health Leaders and Community Members	Features mentioned in the top six by Community Health leaders but not by Community Members	Features mentioned in the top six by Community Members but not by Community Health Leaders
Drug use / abuse (3/2)		
Cancers (5/3)		
Heart disease and stroke (6/6)		
	Mental health problems (1)	Child abuse / neglect (1)
	Obesity / excess weight (2)	Domestic violence (4)
	Diabetes (4)	Rape and sexual assault (5)

[1] Numbers in parentheses in column one show the priority ranking for each group. The first number is the priority ranking of the Community Health Leaders and the second number is the priority ranking of the Community Members.

Table 1.3: Healthcare Services that are Difficult to Obtain[1]

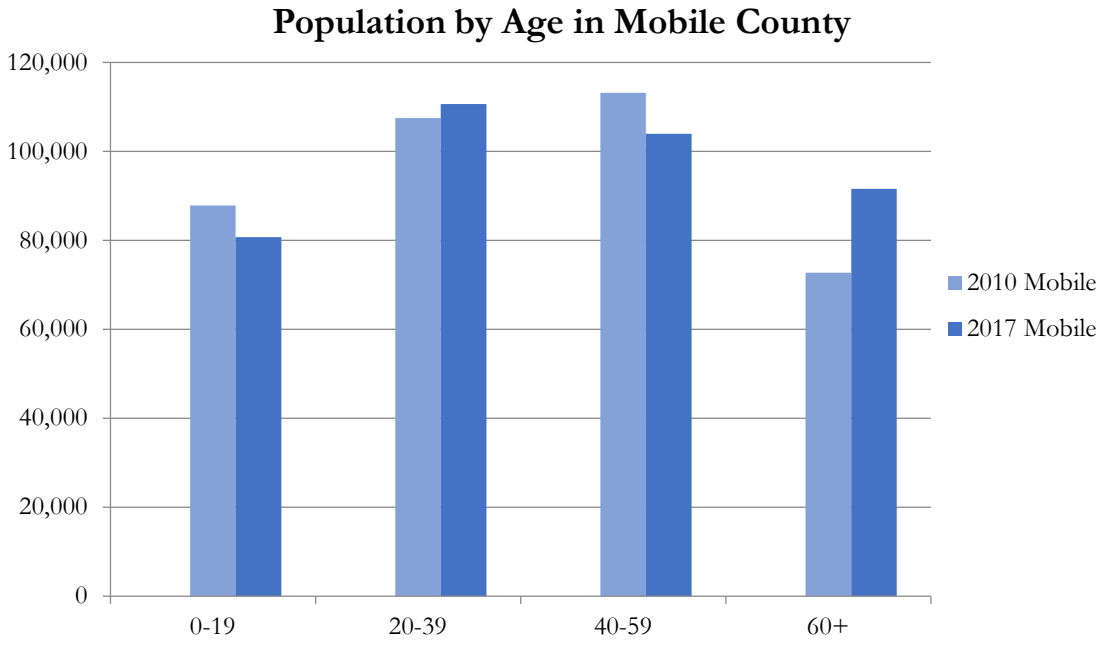
Features mentioned in the top six by Community Health Leaders and Community Members	Features mentioned in the top six by Community Health leaders but not by Community Members	Features mentioned in the top six by Community Members but not by Community Health Leaders
Mental health services (1/1)		
Services for the elderly (3/3)		
Dental care / dentures (4/4)		
Specialty medical care (4/2)		
	Alcohol or drug abuse treatment (2)	Women's health (5)
	Preventative healthcare (3)	Emergency medical care (6)
	Alternative therapies (4)	
	Primary medical care (5)	
	Prescriptions / pharmacy services (6)	

[1] Numbers in parentheses in column one show the priority ranking for each group. The first number is the priority ranking of the Community Health Leaders and the second number is the priority ranking of the Community Members.

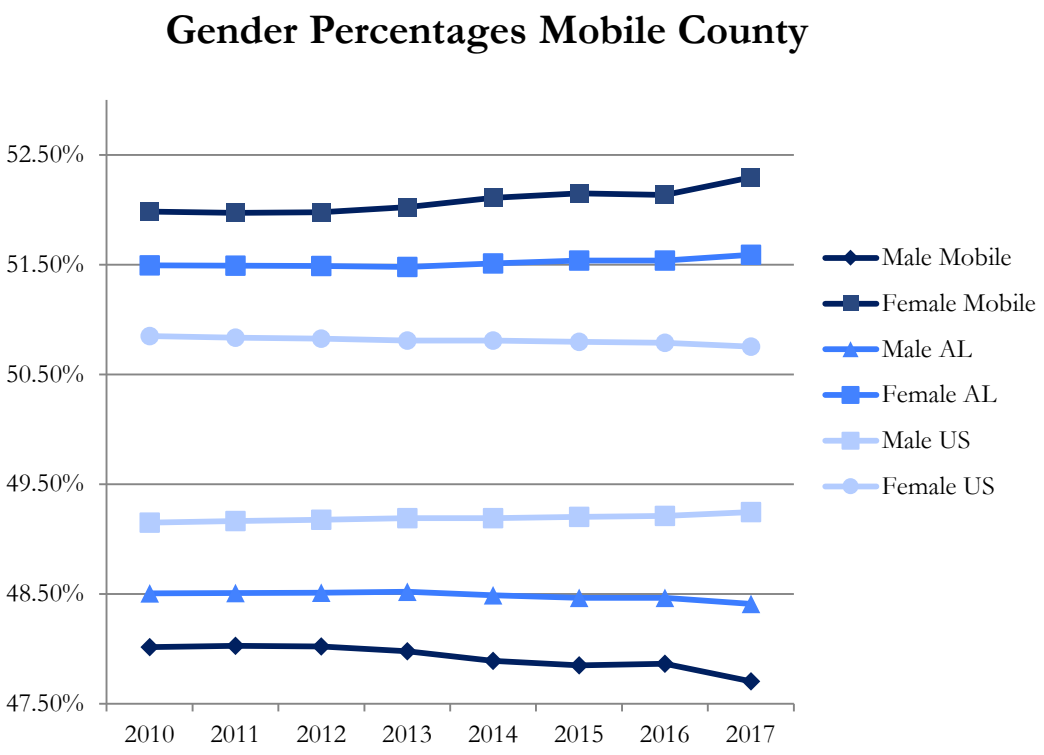
COMMUNITY DEMOGRAPHIC PROFILE – 2

Population by Age and Sex

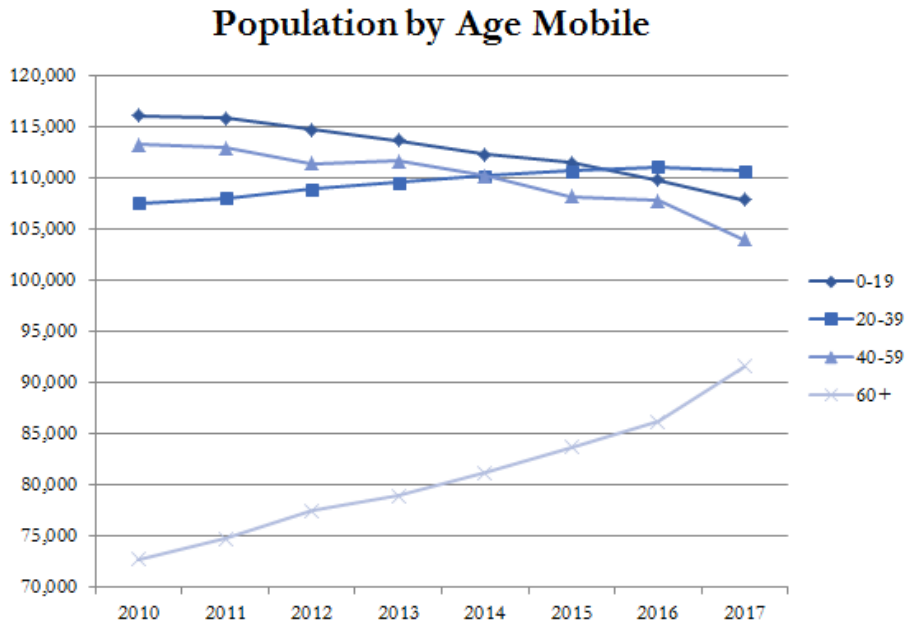
Population is an important characteristic to consider when assessing community needs, as it reflects the potential pool of patients and relative demand of the community. Population data was taken from the U.S Census Bureau. While an official census is only taken every ten years, the Census Bureau provides yearly estimates. According to this source, in 2010 the population of Mobile County was 408,620, but has reached 413,955 by 2017. The relative population growth is bracketed by age below.



Generally, the distributions by age and sex are similar to statewide and nationwide comparisons. However, Mobile has a slightly above average number of females and below average number of male residents. In 2017 Mobile was home to 216,482 females and 197,473 males. These averages have remained largely stagnant over the time period, with some exceptions. For instance, between 2010 and 2015 Mobile gained approximately 4,062 females while only gaining 1,273 male residents.



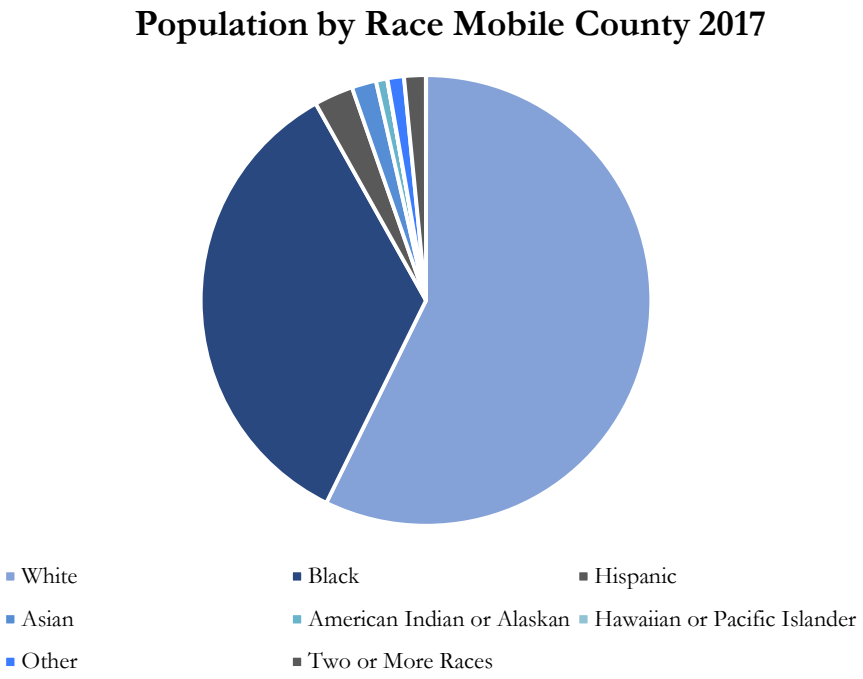
Another trend worth noting is the rise in elderly residents. As of 2017, Mobile was home to 107,779 residents aged 0-19, 110,664 residents aged 20-39, 103,931 residents aged 40-59, and 91,581 residents aged 60 and over. In comparison to 2010, this makes 60 and over the fastest growing age demographic for the county. In this same time period there has been a significant loss in the 0-19 age bracket. This is unsurprising given national trends and generational birth rates. The trend can be found below.



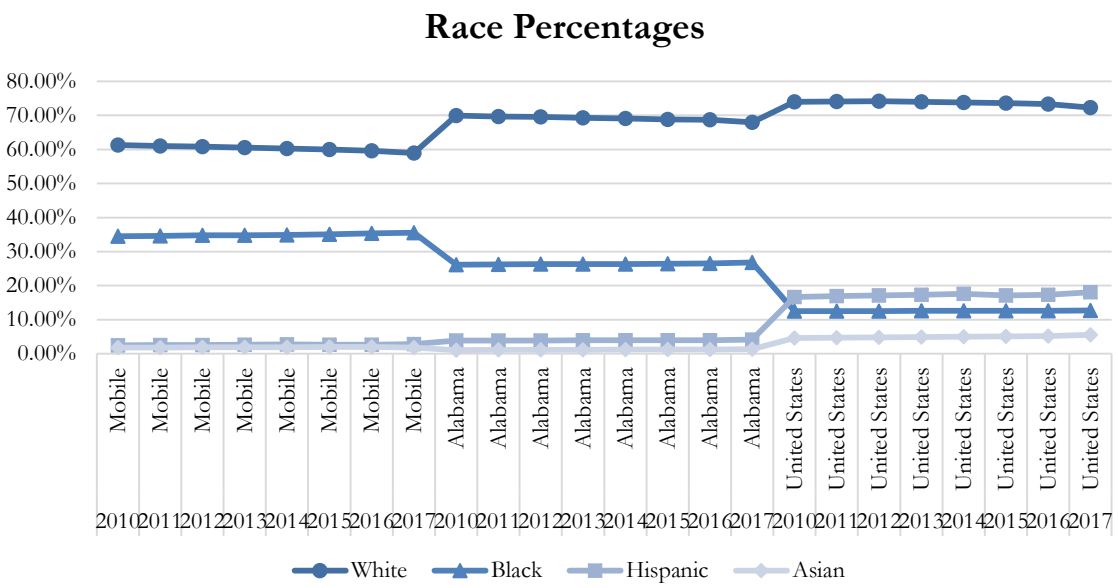
Population by Race and Ethnicity

Race and ethnicity are another important factor to consider when assessing community health. Studies have shown that specific racial groups are more susceptible to certain diseases and conditions. As such, it is important to know the racial makeup of a region in determining the needs of the community in regard to public health. Data was obtained by the U.S Census Bureau in 2010 with estimates through 2017 available. The Census asks individuals to self-identify, with the vast majority of respondents identifying as one race and ethnicity.

The two most predominant races in Mobile are white, with 244,012 residents in 2017, and Black, with 147,234 residents in 2017. Hispanic is the largest listed ethnicity with 11,943 residents in 2017. The fourth largest demographic was those self-reporting as Asian, with 7,504 residents. The demographic breakdowns for 2017 are provided below.



The distribution by Race and Ethnicity has remained largely the same for Mobile County over the time period. However, the distribution is substantially different than both Alabama and the United States as a whole. Compared to Alabama, Mobile has -8.83% Whites, +8.58% Blacks, -1.21%Hispanics, and +.71% Asians. This is remarkably different than the national averages, which indicate that Mobile has -13.57% Whites, +22.34% Blacks, -14.82% Hispanics, and -3.08% Asians. The four year trend and comparison to state and national averages are depicted below.

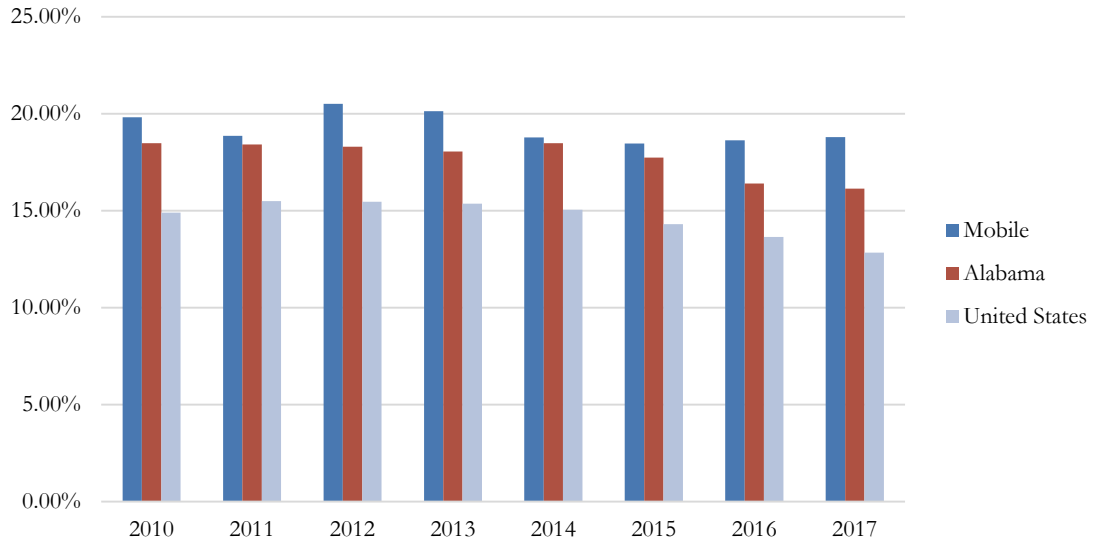

Race Percentages
80.00%
70.00%
60.00%
50.00%
40.00%
30.00%
20.00%
10.00%
0.00%
Mobile
Alabama
United States
2010 2011 2012 2013 2014 2015 2016 2017
White
Black
Hispanic
Asian

Poverty

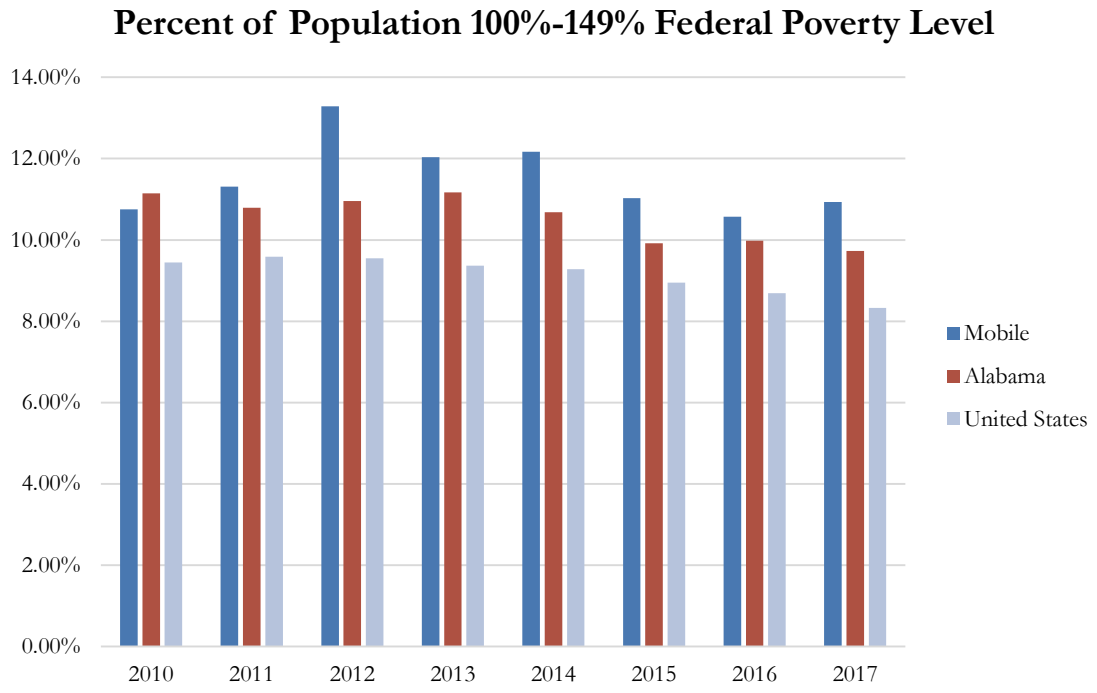
Socio-economic status is an extremely important indicator of community need, especially in regard to health. Studies have consistently demonstrated a link between wealth, poverty, and individual health. Adults in poverty are more likely to experience poor health, neglect routine doctor visits, utilize emergency services as primary care, fail to possess health insurance, and die at a younger age. Additionally, these ramifications extend to children as children in poverty are more likely to experience poor physical and mental health as well as, experience cognitive impairments. The impacts extend beyond health, and studies have shown that poverty increases the likelihood of school failure and teen pregnancy. Finally, it should be noted that poverty rates are often tied to race and ethnic identification. Previous community health needs assessments have identified the disparity between poverty rates among white and black children, indicating that poverty rates among black children are three times the rate of non-Hispanic whites nationally. These estimates have not changed significantly over the past four years.

Each year the federal government measures regional poverty using the Federal Poverty Level -- a metric based upon a dollar amount for single person and family income. In 2017 the FPL for a single person household was $12,060, up $420 from $11,670 in 2014. For a family of four the FPL was $24,600. Reported in the figure below are the Mobile County, Alabama, and United States estimates for the percentage of residents living at or below 100% of the FPL for the years 2010 to 2017.

Percent of Population Below 100% Federal Poverty Level



As can be observed, Mobile County consistently has a higher percentage of residents living at or below the FPL throughout the time series as compared to both the state of Alabama as well as the nation. While the gap between Mobile County and Alabama appears to diminish in 2011 and 2014 this is not due to shrinking numbers of residents in Mobile County under the FPL, but rather a worsened state for the entirety of Alabama. Oftentimes, it has been shown that individuals up to 150% and even 200% FPL have difficulty meeting basic needs related to health care, such as food, housing, and transportation. As such, the profile for percent population between 100 - 149% FPL has also been provided below. For reference, individuals qualify for the Supplemental Nutrition Assistance Program (SNAP) at 130% of the FPL or lower.



Education

While education is known to increase the likelihood of higher income, and thus influence health in an indirect manner, education also has been tied directly to health benefits in communities. Research has shown that those with higher educational attainment are more likely to have longer lives and healthier lifestyles. For instance, the Robert Wood Johnson Foundation found that the average lifespan for females is increased by approximately 5 years (78.4 years for less than high school degree and 83.5 years for college graduates) and by nearly 7 years for males (72.9 years for less than high school degree and 79.7 years for college graduates) on average. Additionally, education has been tied to reduced health risk in a range of areas:

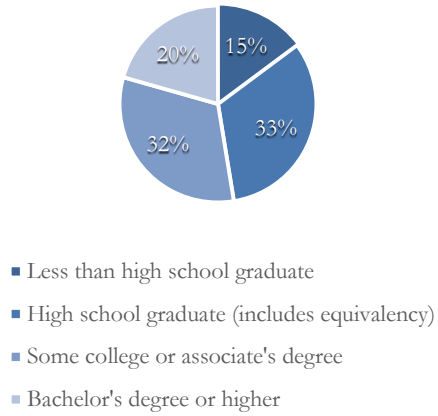
An additional four years of education lead to on average:

- 1.3% reduction in diabetes
- 2.2% reduction in heart disease
- 5% reduction in being overweight
- 12% reduction in smoking

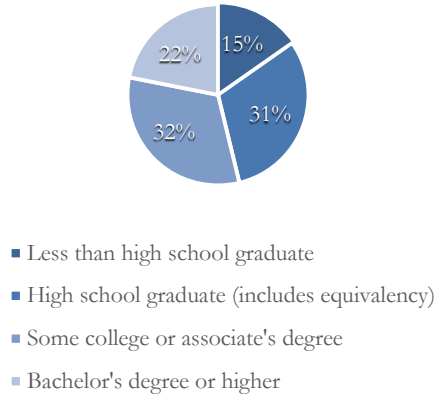
The impact of education often extends to a child's health as well. For instance, a mother with 0-11 years of education is nearly twice as likely than mothers with 16 or more years of education to experience infant mortality (8.1 versus 4.2 mortality rate in 2010). Additionally, studies have shown that healthier children tend to perform better in school and other collegiate activities.

Below are 2017 pie charts of Mobile County and Alabama education levels as a whole for adults 25 and older. Mobile County and Alabama are comparative across all education levels.

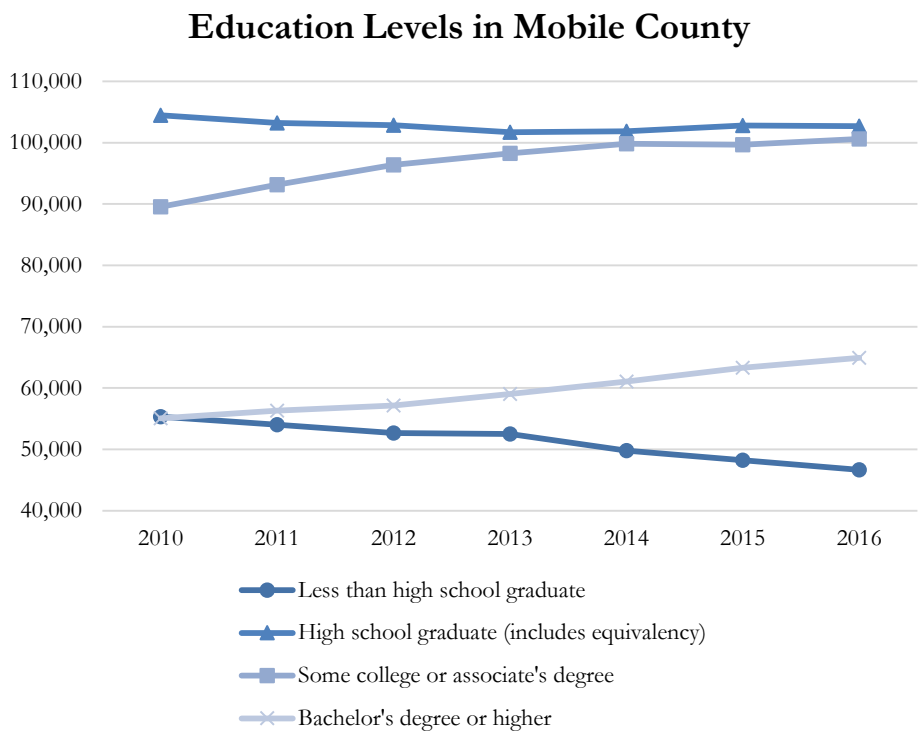
Education Levels for Mobile County 2016



Education Levels for Alabama 2016

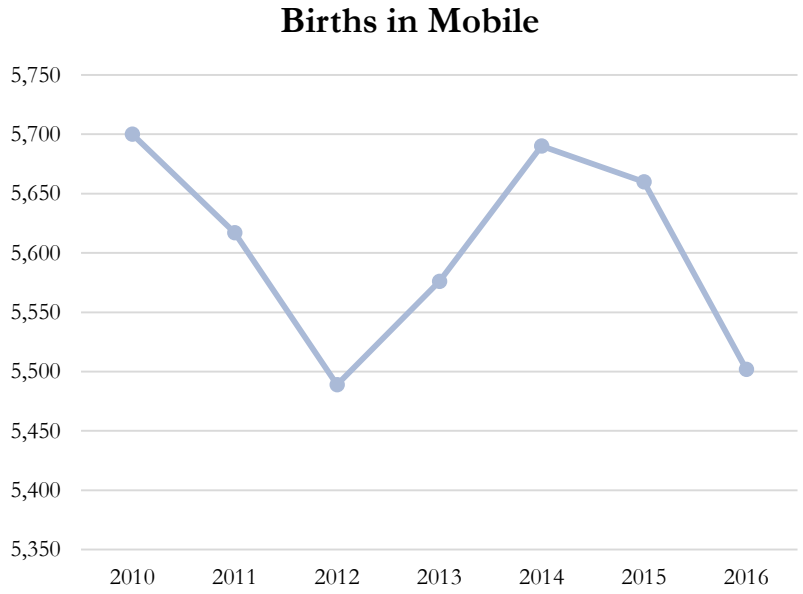


One of the most striking gaps, for both Mobile County and the state of Alabama compared to the nation, is post high school education. While Mobile County and the state have increased the proportion of high school graduates in recent decades, they continue to fall behind in those obtaining bachelors and graduate or professional degrees. In 2016 the resident breakdown was 102,705 high school graduates, 86,044 with some college followed by a gap of with 100,628 and 46,648 residents with less than a high school degree in Mobile County.

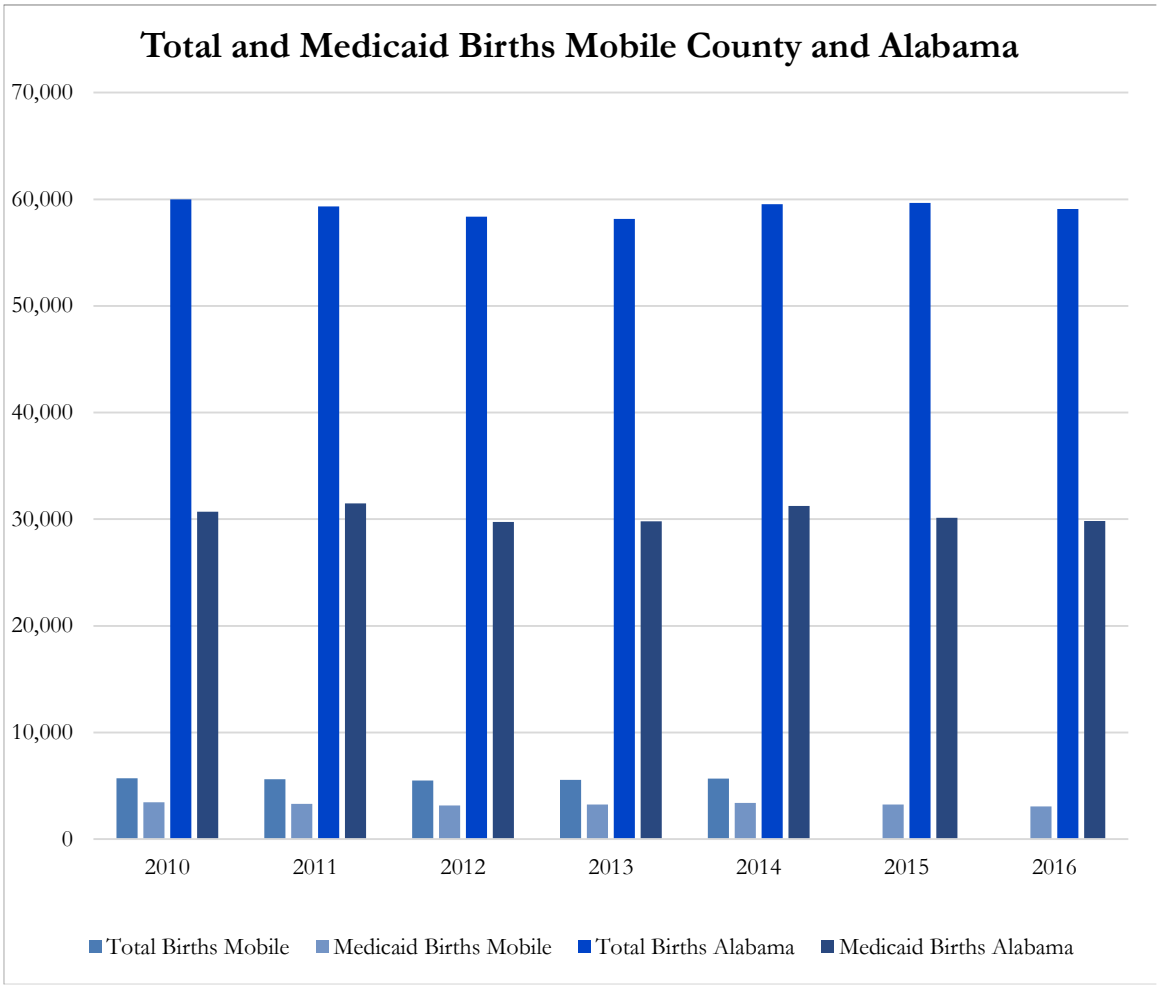

Education Levels in Mobile County
110,000
100,000
90,000
80,000
70,000
60,000
50,000
40,000
2010
2011
2012
2013
2014
2015
2016
Less than high school graduate
High school graduate (includes equivalency)
Some college or associate's degree
Bachelor's degree or higher

Births

Previous community health needs assessments have identified the decline in both crude birth rates and fertility rates within Alabama since the 1950s. This decline was extended to Mobile County, with data from 2007 to 2011 showing a significant decrease (645 less births between the two comparative years). However, data collected from 2011 to 2015 had indicated that this decline appears to be leveling off. Since the last Community Health Needs Assessment, we can see that births had increased somewhat, but are again entering a decline since 2016.

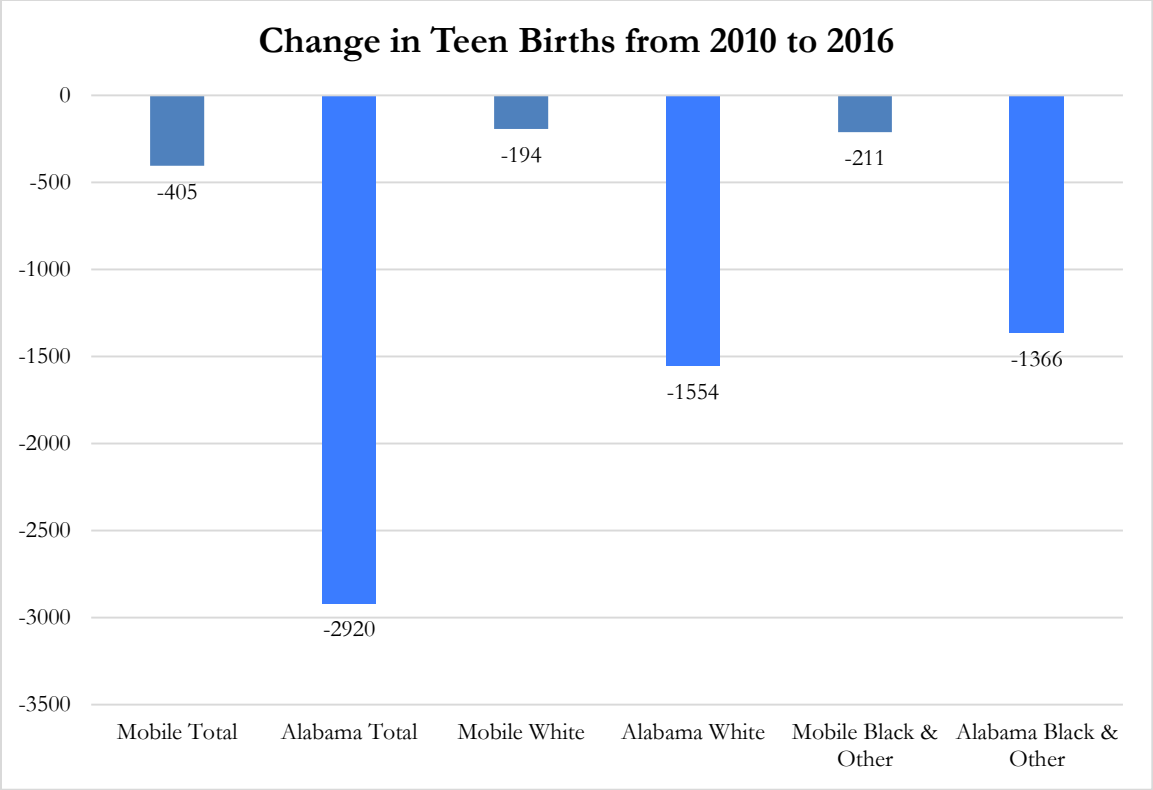


Further evidence shows that this overall trend for birth rates is not unique to Mobile County. When compared to Alabama, proportionally the rates of births are similar.

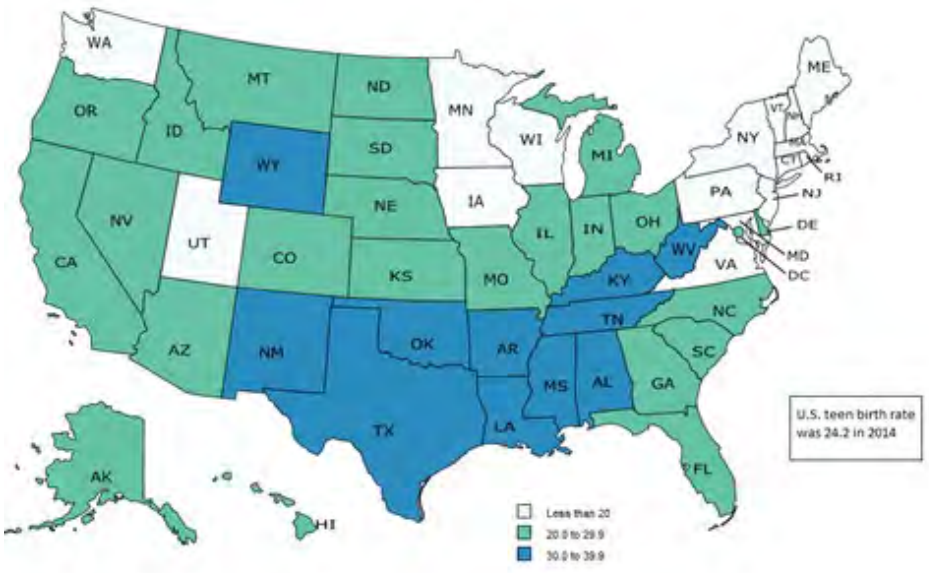


Births to Select Groups: Teens and Unwed Mothers

Teenage pregnancy has been a social concern since the 1960s due to the long-term negative effects for both mother and child. Research has shown that teenage pregnancy began to rise significantly between the 1950s and the 1970s, reaching nearly 19% of births in 1975. However, teenage birth rates have since been in a consistent decline for the past twenty years. According to the Department of Health and Human Services, 24.2 of every 1,000 births in the U.S was to an adolescent between the ages of 15-19 in 2014. This marks a nine percent decline nationally from the previous year. This pattern of decline is consistent with both the state of Alabama and Mobile County, only to a lesser degree. The figure below shows the decline in teenage births in Alabama and Mobile County over a seven year period (2010 to 2016).



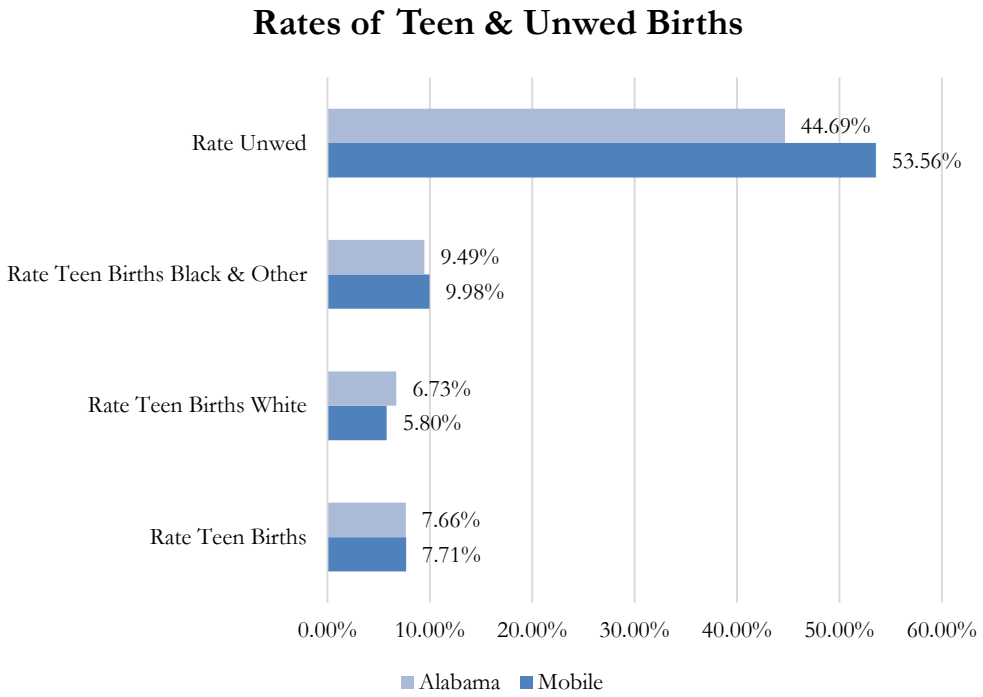
While teenage birth rates are lower than in previous decades, Alabama, and much of the south-central region of the United States, has higher teenage birth rates than the vast majority of the country.



Source: Martin, J. A., Hamilton, B. E., Ventura, S. J., & Osterman, M. J. K. S.C., & Mathews, T.J (2015). *Births: Final data for 2014*. Hyattsville, MD: National Center for Health Statistics via Department of Health and Human Services

Further evidence indicates that most births to adolescents are to mothers 18 years or older. In 2014, 73 percent of teenage births were to mothers aged 18 or 19 years old.

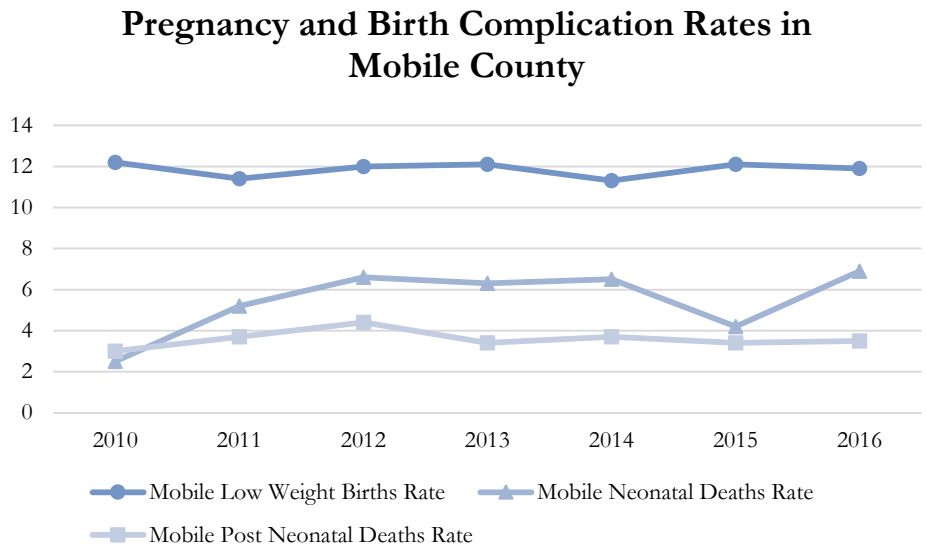
Unsurprisingly, data also shows that most teenage pregnancies are unwed births. According to the Department of Health and Human Services, 89% of teen births in 2014 occurred outside of marriage. There also appears to be racial and ethnic differences in birth rates. Nationally, births rates are highest among Hispanic or black teens. For instance, the birth rate for every 1,000 adolescent births in 2014 was 34.9 for blacks and 17.3 for whites. The figure below compares Mobile County to Alabama as a whole for birth rates to teens and unwed mothers.



As can be seen, Mobile County is slightly above average in teen births when compared to the state (7.71% as opposed to 7.66%). For Mobile County, these births are disproportionately to black teenagers than to whites (9.98% versus 5.80%). When analyzing the rates of birth to unwed mothers, we observe that Mobile County is significantly above average as well. 53.56 percent of births in Mobile County are to unwed mothers (including all age ranges), whereas statewide the percentage is only 44.69%.

Birth Complications and Infant Mortality

Given Mobile County's declining population in the 0-19 age bracket and the reduction in birth rates following the recession, it is important to explore the community health needs of pregnant mothers and infants. Provided below are the rates for low birth weight, neonatal death, and post neonatal death from 2010 to 2016.

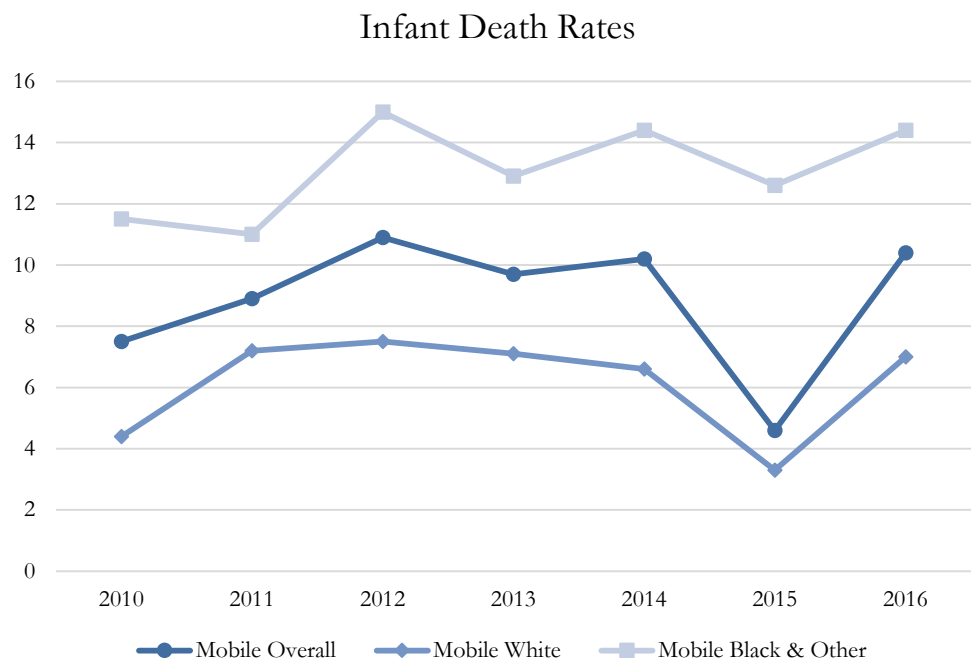


From this data it would seem that low birth weight is a consistent problem for Mobile County, with the rate averaging 11.85% in the time period. The data also reveals that Mobile County's neonatal deaths are on the rise.

In 2014, Alabama had the third highest low birth weight rate in the nation (10.1%), behind only Louisiana (10.5%) and Mississippi (11.3%). When assessed by race, Alabama is again third highest for blacks (15%), lagging behind Mississippi (15.6%) and New Mexico (16.5%) and ninth highest for whites.

Further, Alabama has consistently been in the top three states for perinatal mortality rate since 2010.

Unfortunately, the problems facing mothers and births in our community go beyond pregnancy complications. Mobile County has had inconsistent infant death rates over the past five years. In 2010 the infant death rate for Mobile County was 7.5, by 2016 that rate has risen to 10.4, with sudden shifts in between. For blacks, that rate is even higher, moving from 11.5 in 2010 to 14.4 in 2016. These trends are presented below.

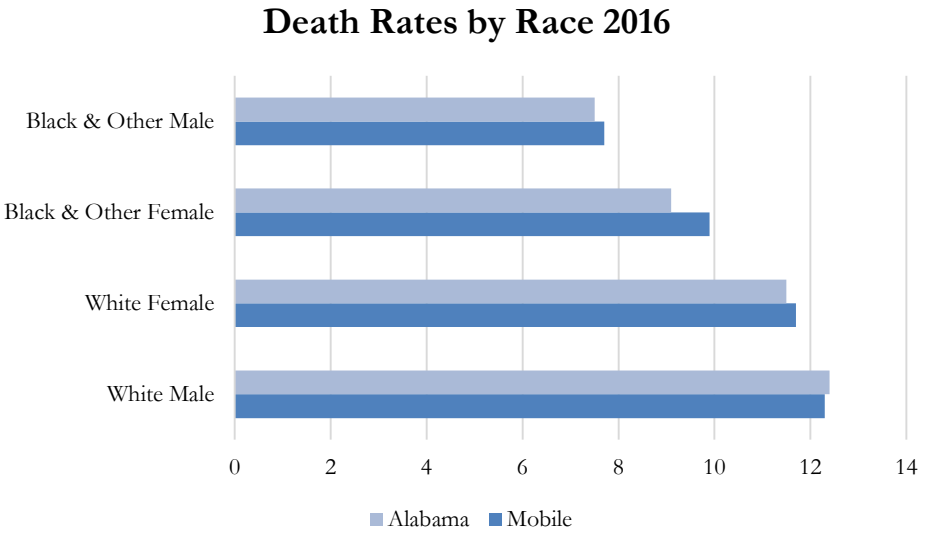

Infant Death Rates
16
14
12
10
8
6
4
2
0
2010
2011
2012
2013
2014
2015
2016
Mobile Overall
Mobile White
Mobile Black & Other

Deaths

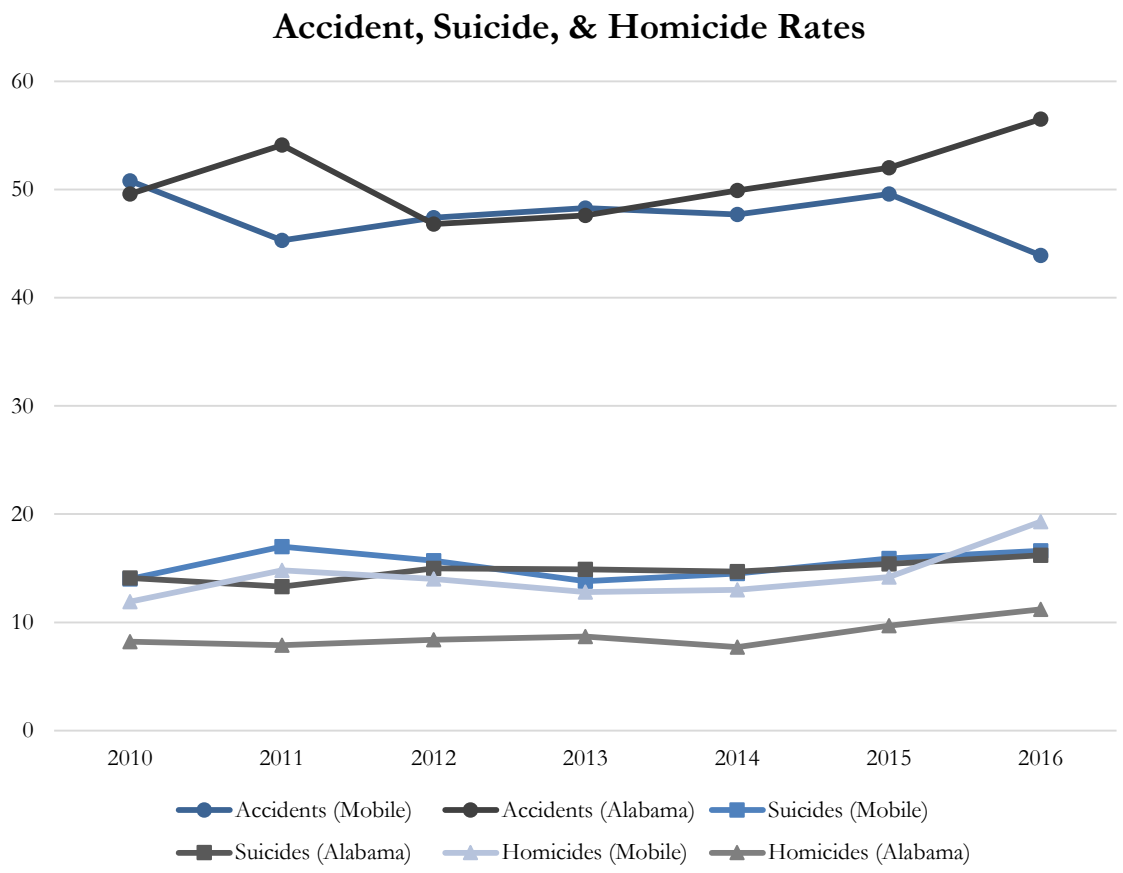
Death rates within Mobile County have remained relatively consistent since the last community health needs assessment. In 2010 the death rate for all of Mobile County was 9.8 and has only risen just under a percentage point to 10.6 in 2016. These rates are proportionally comparable to Alabama, which had a death rate of 10.8 in 2016, also rising 0.8 points over the time period, from a rate of 10 in 2010.

Rates are also significantly different between sexes and race, with white male having the highest rates both within Mobile County, and for the state (12.3 and 12.4 respectively in 2016) and black female as the lowest (7.7, and 7.5 respectively for 2016).

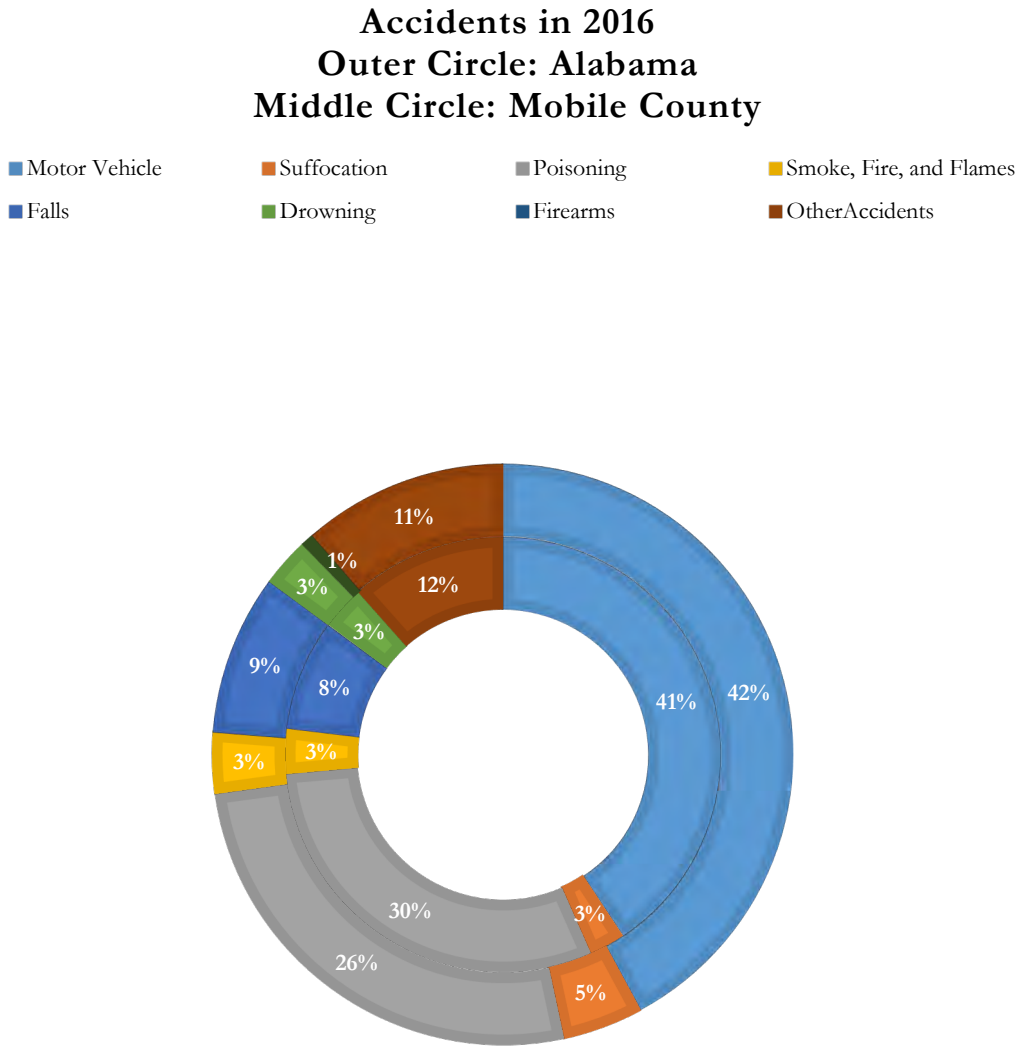
These comparisons are consistent in our seven year sample between 2010 and 2016. However, the trends are not similar across all groups. In Mobile County, black male and white male death rates both rose (.6 and .9 respectively) over the time period, while black female and white female followed suit with (.5 and .7 respectively).



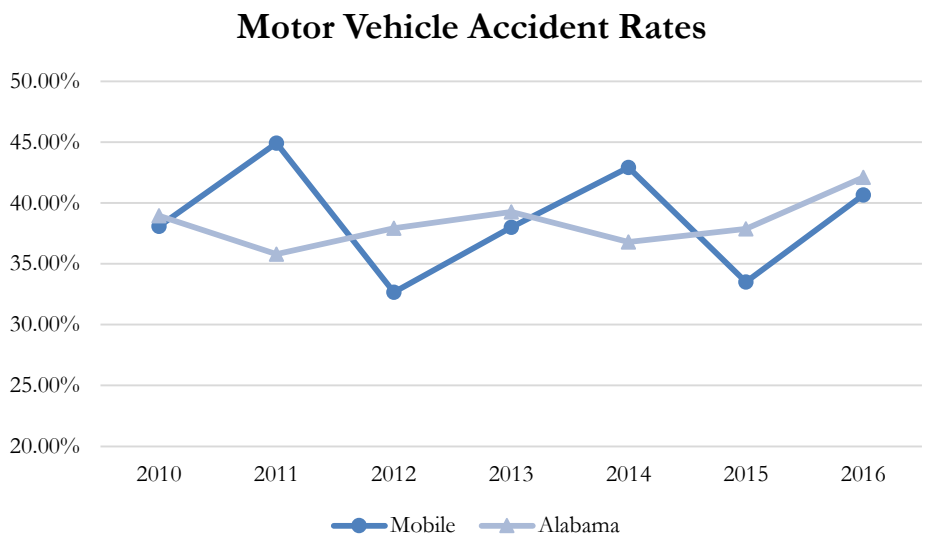
The state of Alabama tracks deaths by type, typically comparing homicides, accidents, and suicides. Of these, accidents were the highest category of death consistently across all locations. When comparing these three categories the state of Alabama consistently ranks as accidents as highest in frequency followed by suicides, with homicides showing the lowest frequency of the three. However, Mobile County's homicide rate rivals that of its suicides. In fact, over the seven year sample (2010-2016) Mobile County's homicide rate was on average 5.4 higher than the state as a whole, while the suicide rate was only .5 greater and the accident rate was 3.4 lower.



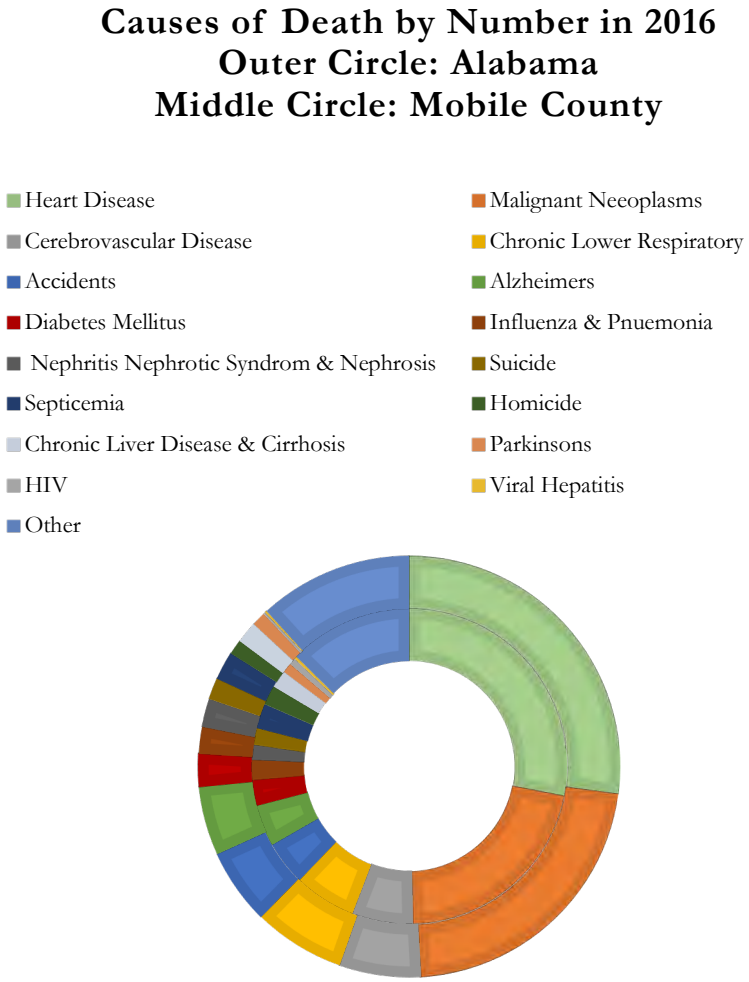
Since accidents are consistently the highest cause of death for both Mobile County, it is important to understand the types of accidents that increase mortality.



In 2016 the top three specific causes of accidental death in both Mobile County and Alabama were motor vehicle, poisoning, and falls. Fire related deaths, suffocation, and drowning follow causing about 3-7% of deaths each. On average Mobile County causes of accidental deaths follow the pattern of the state of Alabama as a whole. As reported in previous CHNAs, Mobile County continues to have a higher rate of poisoning related deaths than the state average. The yearly trends for motor vehicle related deaths can be found below.

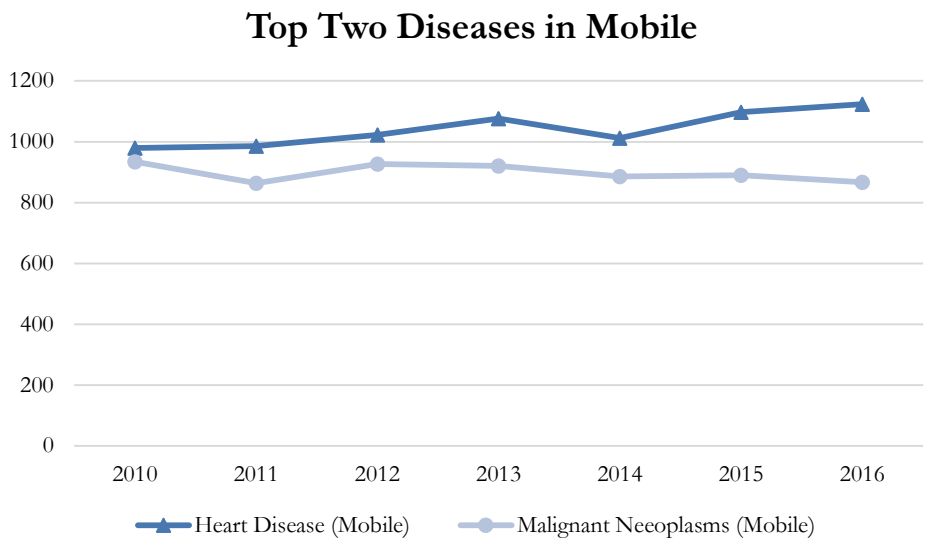


Provided below is a 2016 snapshot of all causes of death, by number, in Mobile County. A detailed discussion of diseases and cancer trends can be found in the following section.

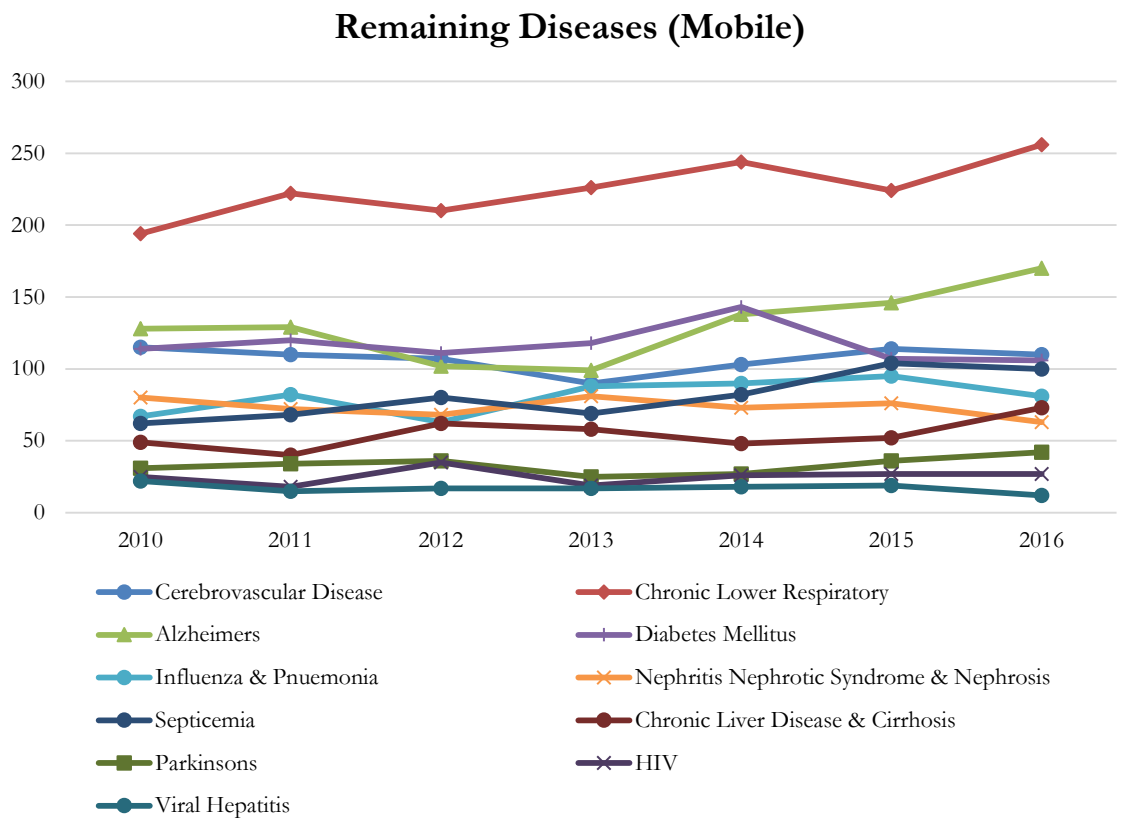


Deaths: Diseases and Cancers

According to the Centers for Disease Control and Prevention, the top ten leading causes for death in the United States in 2016 were heart disease, cancer, accidents, chronic lower respiratory diseases, stroke, Alzheimer's diseases, diabetes, Influenza and Pneumonia, Nephritis (Nephrotic syndrome and Nephrosis included) and suicide. The leading causes for Mobile County are largely the same, with few exceptions. Provided below are the trends for the top ten causes of death in Mobile County from 2010 to 2016.



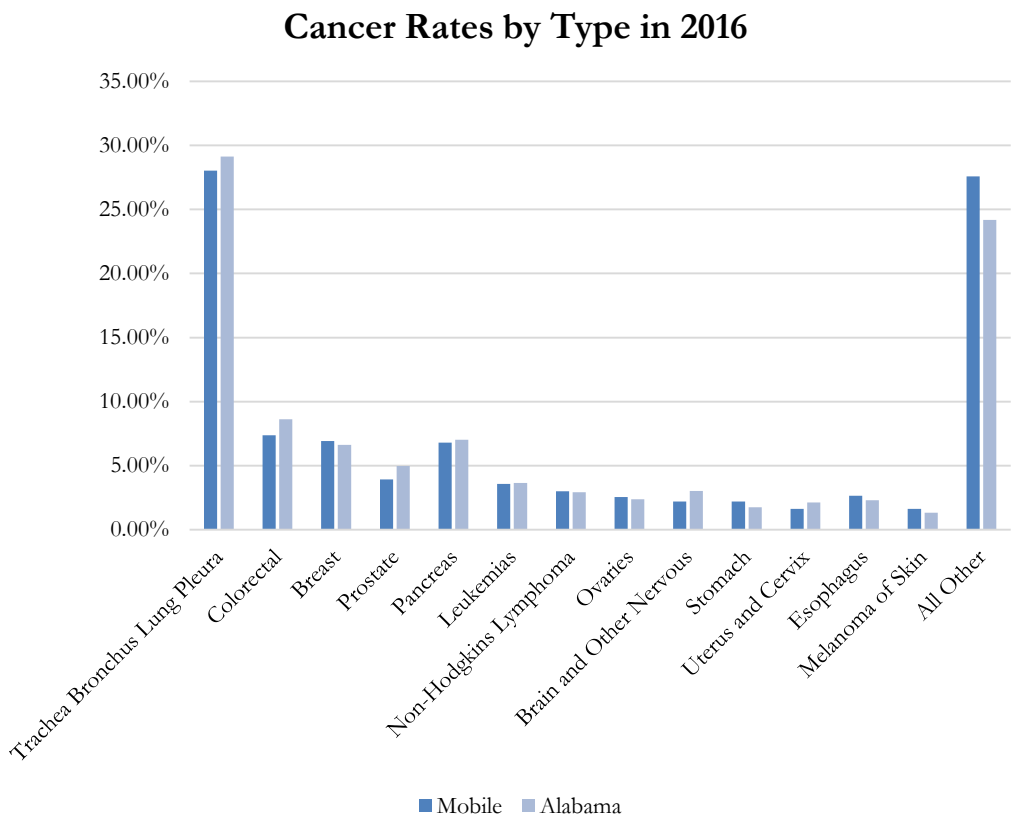
Heart disease and Malignant Neoplasms rates remain consistent over the time period, with Heart disease experiencing a slight rise in the past two years and cancers appearing to decline very modestly in Mobile County.



In Mobile County, over the time period, chronic Lower respiratory, diabetes, Alzheimer's and Influenza/pneumonia all have risen in the number of deaths caused a year. Given the change in population demographics discussed earlier, this may not come as a surprise, as these diseases are often associated with age. Additionally, the relationship between Alzheimer's disease, dysphagia, and aspiration pneumonia may contribute, in part, to the overall increase in deaths reported as pneumonia.

Cancer is the second leading cause of death in Mobile, claiming the lives of approximately 898 Mobile County residents every year for the last seven years.

Together, cancers of the respiratory system, including trachea, bronchus, lung, and pleura account for the vast majority of cancer related deaths. In Mobile County this grouping constituted 28.03% of cancer deaths in 2016 and 29.87% of all cancer deaths from 2010-2016. These trends hold when compared to that of the state of Alabama, with 29.14% in 2014 and 30.24% of all cancer deaths from 2010-2016.



Of the other cancers of significant frequency in both Mobile County, state of Alabama, and the U.S are colorectal and breast cancers. Colorectal cancer is the third most lethal cancer type in the United States among both men and women. Mobile County, and the state of Alabama report colorectal cancer rates at a similar mortality rate to the nation (9% across both sexes nationally, with rates of 7% in Mobile County and 8% in the state of Alabama as a whole). Breast cancer mortality is much lower in Mobile County, and the state of Alabama with only 6% of cancer rates attributed to breast cancer in 2016 -- compared to the national mortality of women (14%). Similarly, the mortality for prostate cancer is much lower in Mobile County, and the state of Alabama than it is nationally (10% of men).

COMMUNITY SURVEY – 3

Community Survey Methodology

The Community Health Needs Assessment survey was comprised of two key sampling elements: 1) the general community survey and 2) the focused community survey. Both surveys examined the key community area of Mobile County but in different ways. The general community survey was a standard random digit dialed (RDD) survey of residents of Mobile County. This survey also included cell phone respondents.[2] A total of 407 respondents were collected from Mobile County in the general community survey for a margin of error of +/- 4.9%. These respondents reflect a somewhat more general view and encompass opinions of respondents throughout all of Mobile County.

The focused community survey examined those zip codes within Mobile County where most USA Health patients reside. In order to be included, the zip code area needed to have had at least 100 patients visiting either University Hospital, USA Health Children's & Women's Hospital, or a clinical visit in fiscal year 2017. See Table 3.1 for a breakdown of the zip codes included and the number of patients visiting either USA Health University Hospital, USA Health Children's & Women's hospital, or those with a clinical visit. The focused survey also included cell phone respondents. A total of 226 respondents were collected from Mobile County in the focused community survey for a margin of error of +/- 6.5%. These respondents are considered more focused in that they reflect the opinions of respondents in areas somewhat more likely to utilize USA Health.

The two groups were then combined to provide an overall estimation of residents of Mobile County. While typically one would need to weight the responses of the focused sample, an examination of the percentage of the population collected for each zip code showed such minor differences that weighting was not necessary. This combined "overall" category includes 633 respondents for a margin of error of +/- 3.9%. The response rate for the overall survey was 10.1% if "No Answer" responses are included in the base and 18.8% if they are excluded.

For these surveys a computer-assisted telephone interviewing (CATI) system was used to conduct the interviews and collect data. The CATI system recorded information related to the call histories and call dispositions used by interviewers to document the outcome of each call attempt, as well as the survey questions and their responses. The USA Polling Group uses WinCATI/CI3, developed by Sawtooth Technologies in Evanston, Illinois, to program and field its surveys. WinCATI/CI3 is widely used by major academic, public, and private survey organizations. With CATI systems, data are entered directly into the computer by the interviewer, so that interviewing and data entry become a single, seamless step. The benefit is twofold: accuracy of data transmission is enhanced and time otherwise spent re-entering data is saved. Further, CATI capabilities allow skip patterns and range checks within the interview

[2] Cell phone respondents were screened for the following items: 1) were they in a safe location to be able to speak by phone, 2) were they 18 years of age or older, and 3) were they still residents of Mobile County.

to reduce back-end data cleaning. In addition to questionnaire programming, the USA Polling Group also utilizes WinCATI/CI3's call scheduling capabilities to maximize the probability of contacting potential respondents. A central file server arranges call scheduling for interviewer administration. The system enables calls to be scheduled so that different times of the day and week are represented.

Table 3.1: Number of USA Health Patients from Mobile County Zip Codes – Used to determine the zip codes included in the focused survey

Zip Code	*Area in Mobile County*	*USA Health University Hospital Count*	*USA Health Children's & Women's Count*	*Clinic Visit Count*	*Total*
36505	Axis	198	169	134	501
36509	Bayou La Batre	167	285	136	588
36521	Chunchula	634	693	423	1750
36522	Chunchula	1073	1115	673	2861
36523	Coden	274	288	237	799
36525	Creola	319	253	195	767
36528	Dauphin Island	233	73	112	418
36541	Citronelle	1371	1504	1090	3965
36544	Grand Bay	1014	1414	905	3333
36560	Irvington	668	683	375	1726
36571	Mt. Vernon	1687	1946	1394	5027
36572	Saraland	641	572	536	1749
36575	Satsuma	1991	2070	1919	5980
36582	Semmes	3106	3447	2654	9207
36587	Theodore	1304	1566	1160	4030
36601	Mobile	125	60	0	185
36602	Mobile	273	113	110	496
36603	Wilmer	2334	2516	1485	6335
36604	Mobile	1868	2058	1386	5312
36605	Mobile	6005	8634	5101	19740
36606	Mobile	3437	4707	3081	11225
36607	Mobile	1671	1638	1191	4500
36608	Mobile	3828	4249	4328	12405
36609	Mobile	2642	3600	3122	9364
36610	Mobile	4144	3989	2197	10330
36611	Mobile	1210	1610	957	3777
36612	Mobile	1215	1451	882	3548
36613	Eight Mile	2420	2302	1644	6366
36617	Mobile	5250	4273	2909	12432
36618	Mobile	2408	2976	2515	7899
36619	Mobile	1536	1681	1461	4678
36633	Mobile	0	112	0	112
36652	Mobile	148	0	0	148
36688	Mobile	91	0	134	225
36689	Mobile	98	54	63	215
36691	Mobile	62	58	0	120
36693	Mobile	2233	1864	2109	6206
36695	Mobile	3672	3902	4612	12186

The survey questionnaire was based on Infirmary Health's community health leaders survey deployed during their 2016-2018 CHNA to allow for comparisons with the health leader's responses. The full text of the survey can be found in Appendix F.

Table 3.2: Survey Details

Area	*Date Started*	*Date Completed*	*N*	*Margin of Error*	*Cell Phone %*	*Median Length (minutes)*	*Response Rate w/ No Answers*[1]	*Response Rate w/out No Answers*[2]
Overall	10/11/2018	12/11/2018	633	+/-	47.7%	16.53	10.1%	18.8%
General	10/11/2018	11/27/2018	407	+/-	50.3%	17.06	10.1%	18.6%
Focused	11/28/2018	12/11/2018	226	+/-	43.1%	16.31	10.1%	19.2%

[1] Calculated by dividing the number of completions by all numbers attempted except those that were out of scope
[2] Calculated the same as [1] but numbers that were categorized as no answers were also excluded from the numerator

Key Survey Findings

This section details the key elements of the survey findings and in particular identifies some of the most highly rated areas of community need. To see all of the findings regarding the survey data please refer to the tables in Appendix B.

Most respondents feel that Mobile County residents are somewhat healthy (60%); respondents suggest that they think only one percent of residents are very healthy and another two percent are very unhealthy.

Respondents are somewhat more positive about the quality of healthcare services. Twelve percent feel services are excellent, 28 percent feel they are very good and 38 percent say they are good. Only seven percent say services are poor.

Medicare is the most frequently mentioned form of health insurance. This is not surprising given the older age of many of the respondents. Twenty-six percent have employer based private insurance, eleven percent have private insurance they purchased themselves, and four percent do not have insurance. Thirteen percent of respondents report not having a personal doctor or healthcare provider. Eighty-nine percent say they have seen a doctor for a wellness exam or routine checkup in the past year but only 70 percent say the same for a dental exam or cleaning.

Respondents were asked about a series of items and how important they felt each item would be in improving the overall health in their community. The top six items rated as most important include: 1) a clean environment, 2) lower crime and safe neighborhoods, 3) less sexually transmitted diseases, 4) good schools, 5) mental health services, and 6) more quality education. The rankings for Mobile county can be seen in Table 3.3 while the full list of all items can be found in Tables B.8 and B.9 in Appendix B.

Table 3.3: Top 6 items respondent thinks would be important for improving the overall health in your community – Ranked according to overall saying "Very Important"

	*Area**	*Very Important*	*Somewhat Important*	*Neither*	*Somewhat Unimportant*	*Very Unimportant*	*Total*	*N*
Q8e. A clean environment including water, air, etc.	*O*	96.4	3.5	0.2	0.0	0.0	100.1%	633
	G	96.6	3.2	0.3	0.0	0.0	100.1%	407
	F	96.0	4.0	0.0	0.0	0.0	100.0%	226
Q8n. Lower crime and safe neighborhoods.	*O*	94.8	4.6	0.6	0.0	0.0	100.0%	630
	G	93.8	5.5	0.7	0.0	0.0	100.0%	404
	F	96.5	3.1	0.4	0.0	0.0	100.0%	226
Q8p. Less sexually transmitted diseases.	*O*	93.3	5.3	0.6	0.2	0.6	100.0%	627
	G	94.0	4.7	0.5	0.3	0.5	100.0%	402
	F	92.0	6.2	0.9	0.0	0.9	100.0%	225
Q8j. Good schools.	*O*	93.2	6.0	0.6	0.0	0.2	100.0%	630
	G	92.8	6.2	0.7	0.0	0.3	100.0%	405
	F	93.8	5.8	0.4	0.0	0.0	100.0%	225
Q8r. Mental health services.	*O*	92.6	6.8	0.2	0.3	0.2	100.1%	631
	G	91.1	7.9	0.3	0.5	0.3	100.1%	405
	F	95.1	4.9	0.0	0.0	0.0	100.0%	226
Q8s. More quality education.	*O*	92.1	7.5	0.5	0.0	0.0	100.1%	631
	G	93.1	6.7	0.3	0.0	0.0	100.1%	405
	F	90.3	8.9	0.9	0.0	0.0	100.1%	226

* The O designation refers to Mobile county overall, the G designation refers to the general survey of Mobile county respondents, and the F designation refers to the focused survey of Mobile county.

Respondents were asked how they felt about a number of health issues. Table 3.4 shows the top six issues respondents felt were a problem for Mobile county: 1) child abuse and neglect, 2) drug use and abuse, 3) cancers, 4) domestic violence, 5) rape and sexual assault, and 6) heart disease and stroke. The full list of health issues is located in Appendix B in Tables B.10 and B.11.

Table 3.4: Top 6 health issues respondent feels are a problem for Mobile county – ranked according to overall saying "Very Important"

	Area	*Very Important*	*Somewhat Important*	*Naither*	*Somewhat Unimportant*	*Very Unimportant*	*Total*	*N*
Q9d. Child abuse and neglect.	*O*	94.4	5.3	0.3	0.0	0.0	100.0%	626
	G	93.3	6.3	0.5	0.0	0.0	100.1%	400
	F	96.5	3.5	0.0	0.0	0.0	100.0%	226
Q9h. Drug use and abuse.	*O*	91.8	7.3	0.8	0.0	0.2	100.1%	632
	G	90.2	8.6	1.2	0.0	0.0	100.0%	406
	F	94.7	4.9	0.0	0.0	0.4	100.0%	226
Q9c. Cancers.	*O*	90.5	9.4	0.2	0.0	0.0	100.1%	631
	G	89.6	10.1	0.3	0.0	0.0	100.0%	405
	F	92.0	8.0	0.0	0.0	0.0	100.0%	226
Q9g. Domestic violence.	*O*	90.4	8.7	0.8	0.0	0.2	100.1%	624
	G	89.3	9.5	1.3	0.0	0.0	100.1%	401
	F	92.4	7.2	0.0	0.0	0.5	100.1%	223
Q9s. Rape and sexual assault.	*O*	88.8	9.6	0.8	0.3	0.5	100.0%	617
	G	88.9	9.3	1.0	0.5	0.3	100.0%	398
	F	88.6	10.1	0.5	0.0	0.9	100.1%	219
Q9j. Heart disease and stroke.	*O*	88.4	11.3	0.2	0.0	0.2	100.1%	627
	G	86.9	12.9	0.3	0.0	0.0	100.1%	403
	F	91.1	8.5	0.0	0.0	0.5	100.1%	224

Determining the prevalence of different health conditions is vital in determining community need. Respondents were asked to identify whether a doctor or other health professional had ever told them if they had any number of a series of twelve major health issues. The top six health conditions identified by respondents in Mobile county were: 1) high blood pressure, 2) high cholesterol, 3) diabetes, 4) depression, 5) obesity, and 6) heart disease. Table 3.5 shows these rankings and Table B.12 in Appendix B shows the responses to all twelve health issues.

Table 3.5: Top 6 health conditions among Mobile county Residents – Ranked according to overall saying "Yes" a doctor or other health professional told them they have the condition

	Area	*Yes*	*No*	*Total*	*N*
Q10h. High blood pressure.	*O*	55.1	44.9	100.0%	624
	G	54.9	45.1	100.0%	399
	F	55.6	44.4	100.0%	225
Q10g. High Cholesterol.	*O*	41.3	58.7	100.0%	622
	G	40.2	59.8	100.0%	398
	F	43.3	56.7	100.0%	224
Q10e. Diabetes.	*O*	23.5	76.5	100.0%	625
	G	21.5	78.5	100.0%	400
	F	27.1	72.9	100.0%	225
Q10d. Depression.	*O*	21.6	78.4	100.0%	626
	G	21.3	78.8	100.1%	400
	F	22.1	77.9	100.0%	226
Q10j. Obesity.	*O*	21.0	79.0	100.0%	625
	G	23.1	76.9	100.0%	399
	F	17.3	82.7	100.0%	226
Q10f. Heart Disease.	*O*	18.2	81.8	100.0%	625
	G	16.8	83.2	100.0%	399
	F	20.8	79.2	100.0%	226

Health related services that are difficult to access are a clear problem and point to community needs. Respondents were asked to identify healthcare services that they felt were difficult to obtain in Mobile county. These responses were unprompted, that is respondents had to identify them on their own, and respondents could select as many as they felt were problems. Not counting those saying some "other" issue, Table 3.6 identifies the six healthcare services respondents feel are most difficult to access in Mobile county: 1) mental health services, 2) specialty medical care (specialist doctors), 3) services for the elderly, 4) dental care / dentures, 5) women's health, and 6) emergency medical care. The full list of services can be found in Table B.13 in Appendix B. The "other" responses are presented in Appendix C, these responses range over a number of issues however many of them reference better and more doctors (in particular dermatologists are mentioned quite frequently along with neurologists and rheumatologists), more affordable care, more timely care, neurology, help for homeless, and help for veterans.

Table 3.6: Top 6 healthcare services respondent feels are difficult to get in Mobile county – Ranked according to overall and not counting "other" in Top 6

	Mobile County – Overall	*Mobile County – General*	*Mobile County – Focused*
Other	14.5	15.0	13.7
Mental health services	10.6	11.3	9.3
Specialty medical care (specialist doctors)	6.2	6.9	4.9
Services for the elderly*	5.1	6.6	2.2
Dental care / dentures	4.4	4.4	4.4
Women's health	3.6	3.9	3.1
Emergency medical care*	3.2	3.4	2.7

Sixteen percent of Mobile county respondents indicated that they had delayed in getting needed medical care at some point in the past 12 months. Delays in seeking healthcare can lead to more severe, complicated, and costly problems. Factors contributing to such delays are again clear signals of community needs. Table 3.7 lists the top six reasons, not counting those saying "other", identified by respondents for why they delayed in getting needed medical care: 1) could not afford medical care, 2) insurance problems or a lack of insurance, 3) could not get an appointment soon enough, 4) provider did not take my insurance, 5) lack of transportation, and 6) could not get a weekend or evening appointment. The full list of reasons for delaying needed medical care can be found in Table B.15 in Appendix B. The "other" responses are presented in Appendix C; many of these responses indicate not having time, just didn't go, didn't want to wait, didn't have coverage or were limited in some way (mobility, number of visits, etc.).

Table 3.7: Top 6 reasons respondent delayed getting needed medical care – ranked according to overall and not counting "other" in Top 6

	Mobile County – Overall	*Mobile County – General*	*Mobile County – Focused*
Other	50.5	51.5	48.6
Could not afford medical care	24.3	27.9	17.1
Insurance problems / lack of insurance	23.3	20.6	28.6
Could not get an appointment soon enough	10.7	11.8	8.6
Provider did not take my insurance	3.9	5.9	0.0
Lack of transportation	2.9	2.9	2.9
Could not get a weekend or evening appointment	2.9	2.9	2.9

When seeking medical care for someone who is sick, respondents overall were first likely to go to their family doctor (63%), then an Emergency Room (15%), and third to an urgent care (14%).

Respondents have a great deal of confidence that they can make and maintain lifestyle changes. Thirty percent are extremely confident in their ability to do so and 42 percent are very confident.

Only 12 percent of respondents indicate that they are currently using tobacco products such as cigarettes and cigars. A modest one percent report using chewing tobacco or snuff and another one percent say they use e-cigarettes or vaporizing pens. Eighty-one percent report never having used tobacco products.

Most respondents for the survey were older. Thirty-four percent were between the ages of 46 and 65 and 48 percent were over 65. However, given that the survey's goal is to identify healthcare needs, this upward age bias is less concerning.

Whites constituted 60 percent of those responding overall and African-American's 37 percent.

Twenty-seven percent of respondents possess a high school degree or GED. Twenty-nine percent have some college coursework; 18 percent have a Bachelor's or four-year degree, and 15 percent have a graduate or professional degree.

Given the older age of the respondents it is not surprising that 51 percent say they are retired. Twenty-seven percent are working full-time, six percent are disabled, and five percent are unemployed.

Overall there was a relatively equitable distribution of respondents across all of the income brackets. Sixteen percent earned less than $15,000 and 15 percent earned more than $100,000.

The majority of survey respondents (74%) were female.

Comparing the general and focused areas of Mobile County

Comparisons were made to determine if there were differences between the respondents in the general and focused survey areas of Mobile County. Cross tabulation was used to test for statistically significant differences between the two areas. Generally, across most questions, respondents from both areas were very similar in their answers and very few statistically significant differences were found. The nine areas where statistically significant differences were identified are discussed below.

Respondents in the general area of Mobile County were somewhat more likely than those in the focused area to rate the quality of healthcare services available in Mobile County as better. One has to be careful in looking at this because at first glance those in the focused are more likely to say healthcare services are excellent (15% in the focused compared to 10% in the general); however, among all of the remaining response options, those in the general area rated healthcare services more positively than those in the focused area.

Another area of difference was in the type of healthcare insurance that respondents possessed across the two areas. Those in the more general area were more likely to have private coverage through their spouse and some "other" form of coverage. Those in the more focused area were somewhat more likely to have Medicare, Medicaid, and Tricare insurance through the military.

For most of the 24 health problems, similar numbers of respondents from the both the general and focused areas had similar ideas as to how much of an issue the problems were for Mobile County. However, when asked about tobacco use, there were differences.

Respondents in the focused area were much more likely to say that tobacco use was a very important issue (82%) compared to those living in the general area (74%).

Probably the area where the most disagreement was found was in identifying which healthcare services are difficult to get in Mobile County. Respondents from the general and focused areas disagreed on four of the 17 items. Respondents from the general area were more likely than respondents from the focused area to identify physical therapy, services for the elderly, alcohol or drug abuse treatment, and x-rays or mammograms as more difficult healthcare services to get in Mobile County. In at least three of the four instances, physical therapy, alcohol or drug abuse treatment, and x-rays or mammograms, no respondents from the focused area identified these services as difficult to get. The data do not reveal if this is the case but it may be possible that fewer people in the focused area are seeking these services.

While there was generally agreement regarding the use of tobacco products, along with likely underreports, there was one area of difference between respondents from the general and focused areas. Respondents from the general area were somewhat more likely than respondents from the focused area to say that they had quit more than a year ago.

The final place we see differences between the two areas is in the domain of education. Respondents in the general area were somewhat more likely than those living in the focused area to have better educational outcomes. More respondents in the general area identified as having some college, a four-year degree, and a graduate or professional degree than did respondents from the focused area of Mobile County.

COMMUNITY HEALTH LEADERS SURVEY – 4

Community Health Leaders Survey Methodology

The Community Health Leaders (CHL) survey employed an Internet/e-mail based survey sent to health leaders throughout Mobile County. A total of 84 responses were collected.

The CHL survey was deployed using the Qualtrics Internet survey system. Qualtrics is widely used in the academic and business community. Although the information collected in this survey did not rise to the level of protected health information, the Qualtrics system meets all HIPAA privacy standards. All collected survey information is anonymous.

The USA Polling Group constructed a list of potential health leaders that included a wide diversity of organizations and individuals including healthcare providers, clinics, public health clinics, key hospital personnel, numerous local non-profit groups and charitable organizations, business leaders, local state legislators, and local city officials. The goal was to cast a wide net and to include people in a variety of areas both in healthcare and in related areas such as Feeding the Gulf Coast, Habitat for Humanity, the United Way, etc. Given that a health community is more than just the healthcare resources in an area but includes aspects such as a clean environment, education, safety, etc., we felt this wide net was appropriate.

Overall, a total of 291 e-mails were initially distributed on October 15, 2018. Reminder surveys were sent on October 23 and October 30, 2018. Of the 352, six e-mails were duplicates and six e-mails bounced for 279 unique and working e-mails. Thus, with 84 responses, the CHL had a completion rate of 30.1%.

The CHL survey questionnaire duplicated Infirmary Health's community health leaders survey deployed for their 2016-2018 CHNA. The full text of the survey can be found in Appendix G.

Table 4.1: Survey Details

Date Started	*1st Reminder*	*2nd Reminder*	*Date Completed*	*N*	*Estimated Response Time*	*Completion Rate*
10/15/2018	10/23/2018	10/30/2018	11/9/2018	84	7 minutes	30.1%

Key Survey Findings

This section details the key elements of the Community Health Leaders (CHL) survey findings and identifies what those leaders see as the highly rated areas of community need. To see all of the findings regarding the CHL survey data please refer to the tables in Appendix D.

The community health leaders were first asked what they think are the most important features of a healthy community. Respondents were presented with a list of 23 possible features of a healthy community and were asked to select up to three items from the list. Respondents were also given three "other" options so that they were not restricted to the items in the pre-defined list but could identify any features that they felt were important. The top six features of a healthy community as identified by community health leaders were: 1) access to health services including family doctors and hospitals, 2) mental health services, 3) quality education, 4) low crime/safe neighborhoods, 5) active lifestyles and outdoor activities, and 6) healthy food options. The rankings are presented in Table 4.2 while the full list of all items can be found in Table D.1 in Appendix D.

Table 4.2: Top 6 items community health leader's think are the most important features of a "healthy community"? Check only three[1]

		Frequency	*Percent*
1a. Access to health services (e.g., family doctor, hospitals)		43	51.2
1r. Mental health services		25	29.8
1s. Quality education		23	27.4
1n. Low crime / safe neighborhoods		22	26.2
1b. Active lifestyles / outdoor activities		15	17.9
1k. Healthy food options		15	17.9
	N	84	

[1] May add to more than 100% since respondents could select up to three responses.

Health leaders were then asked what they felt were the most important health issues in Mobile County. They were again presented with a pre-defined list of 24 health issues of which they were asked to pick three. Again, they were given three "other" options so that they could identify items not on the pre-defined list. Table 4.3 lists the top six health issues identified by community health leaders: 1) mental health problems, 2) obesity and excess weight, 3) drug use and abuse, 4) diabetes, 5) cancers, and 6) heart disease and stroke. The full list of health issues is located in Appendix D in Table D.2.

Table 4.3: What do you think are the most important health issues in Mobile County? Check only three[1]

	Frequency	*Percent*
2p. Mental health problems	52	61.9
2r. Obesity / excess weight	29	34.5
2h. Drug use / abuse	24	28.6
2f. Diabetes	19	22.6
2c. Cancers	13	15.5
2j. Heart disease and stroke	12	14.3
N	184	

[1] May add to more than 100% since respondents could select up to three responses.

Next, health leaders identified their top six unhealthy behaviors in Mobile County. Again, they had the option to select up to three from a pre-defined list of 12 behaviors or could select three "other" options. The top six unhealthy behaviors included: 1) drug abuse, 2) poor eating habits and poor nutrition, 3) excess weight, 4) not seeing a doctor or a dentist, 5) homelessness, and 6) lack of exercise. Table 4.4 shows these rankings and Table D.3 in Appendix D shows the responses to all of the health issues.

Table 4.4: Which of the following unhealthy behaviors in Mobile County concern you the most? Check only three[1]

	Frequency	*Percent*
3b. Drug abuse	43	51.2
3f. Poor eating habits / poor nutrition	40	47.6
3c. Excess weight	29	34.5
3i. Not seeing a doctor or dentist	26	31.0
3d. Homelessness	24	28.6
3e. Lack of exercise	20	23.8
N	84	

[1] May add to more than 100% since respondents could select up to three responses.

Health leaders were also asked to identify which healthcare services are difficult to get in Mobile County. For this question, leaders were allowed to select all that they felt applied. Table 4.5 shows the six healthcare services health leaders felt are the most difficult to access: 1) mental health services, 2) alcohol or drug abuse treatment, 3.1) preventative healthcare including routine or wellness check-ups, 3.2) services for the elderly, 4.1) alternative

therapies like acupuncture and herbals, 4.2) dental care including dentures, 4.3) specialty medical care e.g., specialist doctors, 5) primary medical care (a primary doctor or clinic), and 6) prescriptions/pharmacy services. The full list of services can be found in Table D.4 in Appendix D.

Table 4.5: Which healthcare services are difficult to get in Mobile County? Check all that apply[1]

	Frequency	*Percent*
4f. Mental health services	58	69.0
4m. Alcohol or drug abuse treatment	39	46.4
4h. Preventative healthcare (routine or wellness check-ups, etc.)	22	26.2
4k. Services for the elderly	22	26.2
4a. Alternative therapies (acupuncture, herbals, etc.)	17	20.2
4b. Dental care including dentures	17	20.2
4l. Specialty medical care (specialist doctors)	17	20.2
4j. Primary medical care (a primary doctor / clinic)	14	16.7
4i. Prescriptions / pharmacy services	9	10.7
N	84	

[1] May add to more than 100% since respondents could select up to three responses.

It is notable that the health leaders do not rate anyone in Mobile County as very healthy. The majority of health leaders suggest that people are either somewhat healthy (44%) or unhealthy (40%).

Four percent of health leaders rate the quality of healthcare services available in Mobile County as excellent, 24 percent say very good, 39 percent say good, another 28 percent say fair and four percent say the healthcare services are poor.

Many of the health leaders responding were from healthcare organizations (24%), another 18 percent were in education, 10 percent deal with housing and temporary shelter, and seven percent work in public service. Finally, another 18 percent indicated some other type of service. Follow-up responses as to the type of other services were quite varied and can be seen in Appendix E.

In looking at the types of clients served, 34 percent of health leaders said their organization served families; 36 percent said their organization served individuals, and 19 percent said some other type of client. Among those saying other, many indicated children or adolescents, or that they served all of the different types of clients.

Most health leaders (64%) said that they provide the client information on where to obtain assistance if their organization cannot provide all the services a client needs. Thirty-one percent said they will phone, e-mail, or fax another organization to help the client obtain those services they cannot provide.

Forty-six percent of health leaders said their organizations served adults under 65; 37 percent said they served children, and 20 percent served seniors (65 and over).

Most health leaders (82%) indicated that it would be helpful to them and their ability to provide services to know what other services the client has received from other organizations.

Forty-seven percent of health leaders felt that they served 1,000 of fewer clients (that is unique individuals not visits) on an annual basis. Thirty-two percent said they served 20,000 or more annually.

While some health leaders said their organizations required clients to meet eligibility requirements, most (74%) said that they do not have requirements but serve everyone.

Twenty-one percent of health leaders do not have any volunteers on their staff. Another 60 percent said that between 1 – 25% of their staff was composed of volunteers. Very few health leaders had more than 25% or more of their staff composed of volunteers.

Many health leaders (46%) rely on either electronic medical records (EMR) or electronic health records (HER) for storing client records electronically. Another 27 percent rely on other systems including HMIS, EPIC, Oasis Insight, and others (see Appendix E for a full list), and 20 percent do not know if they store client records electronically or not.

Comparing the Community and the Community Health Leaders

This section compares the results of the 633 community members with the results of the 84 community health leaders from Mobile County. These comparisons should demonstrate where the community and health leaders converge and diverge in terms what of constitutes a healthy community, what the most important health issues are, how each group views the health of the community and the quality of health services available, and what services are perceived to be difficult to obtain. Many of these survey questions were essentially the same; however, the mode of delivery necessitated some differences in their delivery depending on if the questions were being presented over the telephone versus electronically.

In looking at the features of a healthy community, there were three areas that overlapped between the health leaders and the community at large: mental health services, quality education, and lower crime and safe neighborhoods. All three of these items appeared in the top six of both the community health leaders and the community respondents.

The relative priority of the three items differed somewhat between the two groups. Of the three, the community health leaders rated mental health services highest in the number 2 spot, quality education next highest in the third spot, and lower crime / safe neighborhoods the lowest in the fourth spot. Community respondents rated lower crime / safe neighborhoods the highest of the three in the second spot, mental health services second in the fifth spot, and quality education the lowest in the sixth spot.

In terms of divergent priorities, the health leaders identified access to health services (1), active lifestyles and outdoor activities (5), and healthy food options (6) as their other key

features of a health community. Community respondents identified a clean environment (1), less sexually transmitted diseases (3), and good schools (4).

Table 4.6: Comparison of Features of a Healthy Community

Community Health Leaders Survey	*Community Survey*
1. Access to health services (e.g., family doctor, hospitals).	1. A clean environment including water, air, etc.
2. Mental health services.	2. Lower crime and safe neighborhoods.
3. Quality education.	3. Less sexually transmitted diseases.
4. Low crime / safe neighborhoods.	4. Good schools.
5. Active lifestyles / outdoor activities.	5. Mental health services.
6. Healthy food options.	6. More quality education.

When examining the most important health issues, there was a similar level of consensus between the health leaders and the community on half of the items that belonged in the top six. Both groups identified drug use / abuse, cancers, and heart disease and stroke as three of the six most important health issues facing Mobile County. Community health leaders ranked these three in the following order 1) drug use / abuse (3), 2) cancers (5), and 3) heart disease and stroke (6). Community respondents had them in the same order of importance but at different levels of priority 1) drug use / abuse (2), 2) cancers (3), and 3) heart disease and stroke (6).

The two groups diverged over the following issues that made it into the top six health issues. Community health leaders identified mental health problems (1), obesity / excess weight (2), and diabetes (4). Community respondents further identified child abuse / neglect (1), domestic violence (4), and rape and sexual assault (5).

Table 4.7: Comparison of Most Important Health Issues

Community Health Leaders Survey	*Community Survey*
1. Mental health problems.	1. Child abuse / neglect.
2. Obesity / excess weight.	2. Drug use and abuse.
3. Drug use / abuse.	3. Cancers.
4. Diabetes.	4. Domestic violence.
5. Cancers.	5. Rape and sexual assault.
6. Heart disease and stroke.	6. Heart disease and stroke.

The modal category for both groups for evaluating the health of community members was "somewhat healthy". For the quality of healthcare services available, the modal category was "good" for both leaders and community members. In both cases, this represents the middle category of the scales and is somewhat unsurprising as it is the cognitively easiest answer for both questions.

Table 4.8: Comparison of Community Health and Health Services

	Community Health Leaders Survey	*Community Survey*
The health of my community:	Somewhat Healthy	Somewhat Healthy
Quality of health services:	Good	Good

Community health leaders and community respondents demonstrate slightly higher than 50 percent agreement regarding the top six healthcare services that are difficult to obtain in Mobile County.

Both groups identified mental health services as the number one healthcare service that is difficult to obtain. Both groups also had services for the elderly in the number three spot and dental care including dentures in the number four spot. Thus, not only do both groups agree on these three items but also agree on their relative priority. The last service that both groups agreed on was specialty medical care; however, community leaders had this service tied in the fourth spot while community members had this as the second most difficult service to obtain.

Other items identified by the community health leaders include alcohol or drug abuse treatment (2), preventative healthcare (3), alternative therapies (4), primary medical care (5), and prescription / pharmacy services (6). Additional community member selections included women's health (5), and emergency medical care (6).

Table 4.9: Comparison of Healthcare Services That Are Difficult to Obtain

Community Health Leaders Survey	*Community Survey*
1. Mental health services.	1. Mental health services.
2. Alcohol or drug abuse treatment.	2. Specialty medical care (specialist doctors).
3a. Preventative healthcare (routine or wellness check-ups).	3. Services for the elderly.
3b. Services for the elderly.	
4a. Alternative therapies (acupuncture, herbals, etc.).	4. Dental care including dentures.
4b. Dental care including dentures.	
4c. Specialty medical care (specialist doctors).	
5. Primary medical care (a primary doctor / clinic).	5. Women's health.
6. Prescriptions / pharmacy services.	6. Emergency medical care.

Overall, health leaders and community members agreed on a number of items including: three of the key features of a healthy community – mental health services, lower crime and safe neighborhood, and quality education; three of most important health issues for Mobile County – drug use and abuse, cancers, and heart disease and stroke; that people in Mobile

County are somewhat healthy; that the quality of healthcare services is good; and four of the most difficult healthcare services to obtain – mental health services, services for the elderly, dental care including dentures, and specialty medical care.

COMMUNITY RESOURCES – 5

Summary

Along with the five acute care hospitals, two specialty hospitals, and six federally qualified health clinics, there are numerous other community resources dedicated to providing access to healthcare services or provide services that directly impact health. This includes nursing homes, hospice care, and in-home health care for those that need assistance. There are currently 19 nursing homes, 15 hospice care providers, and 14 home care providers. Beyond direct health care, there are a variety of agencies that assist with access to prescriptions, food, housing, childcare, counseling, and more.

A list of major providers of health and social services is provided in the Community Resource List Tables 5.1 thru 5.7. This list however is not exhaustive. To find specific services or further providers, residents can call 211 where operators can direct callers to the appropriate service providers.

Community Resource List

Table 5.1 : Acute Care Hospitals

Facility	*Phone*
Mobile Infirmary	(251) 435-2400
Providence Hospital	(251) 633-1000
Springhill Medical Center	(251) 344-9630
USA Health University Hospital	(251) 471-7110
USA Health Children's and Women's Hospital	(251) 415-1000

Table 5.2: Specialty Hospitals

Facility	*Phone*
BayPointe Children's Hospital	(251) 661-0153
Mobile Infirmary Long Term Acute Care Hospital	(251) 435-2400

Table 5.3: Federally Qualified Health Clinics

Facility	*Phone*
Aeillo/Buskey Women and Children Center	(251) 452-1442
Family Oriented Primary Health Care Clinic	(251) 690-8115
Franklin Primary Health Centers	(251) 432-4117
Maysville Medical Center	(251) 471-3747
Mostellar Medical Center	(251) 824-2174
The Hadley Medical Center	(251) 450-8055

Table 5.4: Nursing Homes

Facility	*Phone*
Allen Memorial Home	(251) 433-2642
Ashland Place Health & Rehabilitation	(251) 471-5431
Azalea Gardens of Mobile	(251) 479-0551
Citronelle Health & Rehabilitation Center	(251) 866-5509
Crowne Health Care of Mobile	(251) 473-8684
Crowne Health Care of Springhill	(251) 304-3013
Gordon Oaks Health & Rehab	(251) 661-7608
Grand Bay Convalescent Home, Inc.	(251) 865-6443
Gulf Coast Health & Rehabilitation	(251) 634-8002
Kindred Transitional Care and Rehab	(251) 316-0917
Little Sisters of the Poor Sacred Heart Residence	(251) 476-6335
Lynwood Nursing Home	(251) 661-5404
Mobile Nursing & Rehabilitation Center	(251) 639-1588
North Mobile Nursing & Rehabilitation Center	(251) 452-0996
Palm Gardens Health & Rehabilitation	(251) 450-2800
Sea Breeze Healthcare Center	(251) 433-5471
Springhill Manor Nursing Home	(251) 342-5623
Springhill Senior Residence	(251) 343-0909
Twin Oaks Rehabilitation & Healthcare Center	(251) 476-3420

Table 5.5: Hospice Services

Facility	*Phone*
Alabama Hospice Care of Mobile	(251) 345-1023
Alacare Hospice - Mobile County	(251) 666-2399
AseraCare Hospice-Mobile	(251) 343-0989
Coastal Hospice Care	(251) 675-0012
Comfort Care Coastal Hospice - Mobile	(251) 304-3135
Covenant Hospice, Inc. Mobile	(251) 478-6931
Gentiva Hospice	(251) 340-6387
Infirmary Hospice Care	(251) 435-7460
Kindred Hospice - Mobile	(251) 478-9900
Odyssey Health Care	(251) 478-9900
Saad's Hospice Services	(251) 343-9600
SouthernCare Mobile	(251) 666-2113
Springhill Home Health and Hospice	(251) 725-1268
St. Joseph Hospice of South Alabama, LLC	(251) 675-7555
Veterans Affairs Outpatient Clinic	(251) 219-3900

Table 5.6: Home Health Agencies

Facility	*Phone*
Addus Healthcare	(251) 414-5855
Alacare Home Health & Hospice - Mobile	(251) 341-0707
Amedisys Home Health of Mobile	(251) 380-0492
Carestaff	(251) 380-2070
Comfort Care Coastal Home Health	(251) 621-4431
Home Instead Senior Care	(251) 342-6655
Infirmary HomeCare of Mobile	(866) 541-0239
Kindred at Home	(251) 316-0917
Maxim Healthcare	(251) 470-0223
Mercy Life of Alabama	(251) 287-8427
Oxford HealthCare Services	(800) 404-3191
ProHealth-Gulf Coast, LLC	(866) 330-0609
Saad Healthcare	(251) 343-9600
Springhill Home Health & Hospice	(251) 433-8172

Table 5.7a: Social Service Agencies

Facility	*Phone*
Social Service Organizations	
Community Action Agency of Mobile	(251) 457-7143
Community Action Agency of South Alabama	(251) 626-2646
Community Foundation of South Alabama	(251) 438-5591
Dumas Wesley Community Center	(251) 479-0649
Goodwill Easter Seals of the Gulf Coast	(251) 471-1581
Mobile United	(251) 432-1638
Salvation Army of Coastal Alabama	(251) 438-1625
The Light of the Village	(251) 680-4613
United Way of Southwest Alabama	(251) 433-3624
Volunteers of America Southeast	(251) 300-3500
Waterfront Rescue Mission	(251) 433-1847
YMCA Dearborn	(251) 432-4768
YMCA North Mobile	(251) 679-8877
YMCA Bounds Branch	(251) 626-0888
Aging and Gerontology	
AARP Mobile	(251) 470-5235
Area Agency on Aging	(251) 433-6541
Independent Living Center	(251) 460-0301
Via! Senior Citizens Services	(251) 470-5226
Alcohol, Tobacco, and Other Drugs	
Drug Education Council	(251) 478-7855
Home of Grace for Women	(251) 456-7807
Mission of Hope	(251) 649-0830
Serenity Care	(251) 478-1917
Wings of Life	(251) 432-5245
Church Groups and Organizations	
Catholic Social Services	(251) 434-1500
Christ United Methodist Church	(251) 342-0462
Dauphin United Way Methodist Church	(251) 471-1511
Little Sisters of the Poor	(251) 476-6335
Mount Hebron	(251) 457-9900
Ramsom Ministries	(251) 751-0044
Revelation Missionary Baptist Church	(251) 473-2555
Trinity Lutheran Church	(251) 456-7929
Trinity Family Church	(251) 423-8238

Table 5.7b: Social Service Agencies

Facility	*Phone*
Developmental Disabilities	
Mobile Arc	(251) 479-7409
Mulherin Custodial Home	(251) 471-1998
The Learning Tree	(251) 649-4420
Education and Youth Development	
Big Brothers Big Sisters of South Alabama	(251) 344-0536
Boys & Girls Club of South Alabama	(251) 432-1235
Child Day Care Association	(251) 441-0840
Fuse Project	(251) 265-3873
Girl Scouts of Southern Alabama	(800) 239-6636
GRMCA Early Childhood Directions	(251) 473-1060
Junior League of Mobile	(251) 471-3348
Mobile Area Education Foundation	(251) 476-0002
Preschool for the Sensory Impaired	(251) 433-1234
Family and Child Welfare	
Child Advocacy Center	(251) 432-1101
Court Appointed Special Advocates (CASA) Mobile	(251) 574-5277
Crittendon Youth Services	(251) 639-0004
Penelope House Family Violence Center	(251) 342-8994
St. Mary's Home	(251) 344-7733
Wilmer Hall Children's Home	(251) 342-4931
Food Pantries	
Emma's Harvest Home	(251) 478-8768
Feeding the Gulf Coast	(251) 653-1617
Health Care	
AIDS South Alabama	(251) 471-5277
Alabama Rehabilitation Services	(251) 479-8611
American Cancer Society	(251) 344-9856
American Heart Association - Mobile	(800) 257-6941 Ext. 5397
American Red Cross	(251) 544-6100
E.A. Roberts Alzheimer Center	(251) 435-6950
Epilepsy Foundation of Alabama	(251) 341-0170
Franklin H.E. Savage Healthcare for the Homeless	(251) 694-0070
Lifesouth Community Blood Center	(888) 795-2707
March of Dimes – Mobile	(251) 438-1360
Oznam Charitable Pharmacy	(251) 432-4111
Ronald McDonald House Charities of Mobile	(251) 694-6873
Sickle Cell Disease Association of America (Mobile)	(251) 432-0301
United Cerebral Palsy of Mobile	(251) 479-4900
Us Too!	(251) 591-8557
Victory Health Partners	(251) 460-0999

Table 5.7c: Social Service Agencies

Facility	*Phone*
Housing and Homelessness	
Family Promise of Coastal Alabama	(251) 441-1991
Habitat for Humanities of Southwest Alabama	(251) 476-7171
Housing First	(251) 450-3345
McKemie Place	(251) 432-1122
South Alabama Center for Fair Housing	(251) 479-1532
Justice and Corrections	
South Alabama Volunteer Lawyers Program	(251) 438-1102
Mental Health and Clinical	
AltaPointe Health Systems	(251) 450-2211
Lifelines Counseling Services	(251) 602-0909
Survivors of Mental Illness	(251) 342-0261
Sustainability Organizations	
Alabama Coastal Foundation	(251) 990-6002
Dauphin Island Sea Lab	(251) 861-2141
Dog River Clearwater Revival	(251) 377-4485
Mobile Bay Keepers	(251) 433-4229
Mobile Waterways	

2019-2021 IMPLEMENTATION STRATEGIES – 6

Introduction

In this section the 2019-2021 health needs are identified and evaluated relative to the 2015-2016 health needs. They have been broken down into two sections that correspond to the data collection process: 1) the health needs identified in the community demographic profile, and 2) those identified in the community input survey. Each section presents the key needs identified. These needs are then further prioritized according to how much of an impact USA Health is likely to be able to have in addressing the need.

It should also be noted that there are limitations to identifying the independent impact of specific organizations such as USA Health. First, many of the health needs identified herein are related to rather broad measures of the community. When dealing with such broad measures, it often requires a significant amount of change for these measures to even move slightly. Also, it often takes a considerable amount of time for actual changes to be realized. Thus, expectations for impact should be set at realistic levels. Second, as identified in the section on community resources, there are numerous organizations oriented around health and the community's health needs in Mobile County. Particularly when dealing with broad measures, it is difficult if not impossible to fully isolate the impact of any one organization on any change that might occur.

Health Needs – Community Demographic Profile

The following needs were identified from the data collected for the community demographic profile. These needs essentially replicate the needs identified in 2015-2016 and highlight the aforementioned difficulty in making marked changes across broad measures of health. They are ordered according to how much of an impact USA Health should be able to have on the need.

1 – Focus efforts on the problems faced by infants and expecting mothers. With our changing demographics (falling numbers of residents aged 0-19 while growing numbers 60+) it is essential that the community preserve and protect the new residents we could potentially gain. The assessment shows that not only are neonatal deaths and post neonatal death rates on the rise in Mobile, but that the infant death rate is climbing at a noticeable rate over the past five years. The community survey shows that community members feel that there is not enough access to women's health care, part of which is pregnancy and childbirth. USA Health does participate in some notable efforts to deal with these problems including providing community car seat safety training via certified nursing instructors who train people in the appropriate installation and use of car seats to maximize their effectiveness in providing infant safety. This program and related efforts should be expanded. Suggested efforts include participation in activities that encourage education for expecting mothers and new mothers-- nutrition, child-care, etc., in addition to providing additional and affordable access to care where possible.

2 – Combat diabetes. The assessment shows that diabetes has been on the rise in Mobile over the past 6 years. Suggestions include providing more resources into the diabetes education programs offered through USA Health, participation in health nutrition programs, school lunch programs, school exercise programs. This could decrease long-term death rates and related syndromes and comorbidities such as nephrotic syndrome.

3 – Combat respiratory cancers. In the United States cancers of the respiratory system hold the highest mortality of all cancers. This is also the case for Alabama and Mobile. The health system should focus efforts on combating respiratory cancers. Suggested activities include: promoting tobacco cessation programs, education for public on behavioral and lifestyle choices that promote cancer, funding or participation in cancer research programs, etc.

4 – Disease prevention efforts. The system should continue to focus on increasing and promoting screenings for the more prevalent diseases in our area, and in the United States. For instance, behind respiratory cancers, the largest killers can be caught early through regular screenings and visits with one's primary care physician (colorectal, breast, and prostate). Care should be taken to promote regular primary care in the community and encourage screenings. This can be encouraged in needier communities, such as the poor, by providing discounted screening days for instance.

5 – Promote secondary education for the general public. Studies have shown the beneficial effect that education has on many aspects of life (income, job stability, health and longevity of life). To date, the health system does participate in some related efforts, such as the Summer Scrubs program, which allows a select number of local high school students interested in the field of medicine to participate in a shadowing experience, additional programs and efforts in this area should be pursued. Suggested activities include: working with local high schools to encourage enrollment (guest speakers, high school tours, shadowing experiences) or funding scholarships.

Health Needs – Community Input Survey

In terms of the evaluation of 2015-2016 needs, USA Health in conjunction with the USA College of Medicine and the Pat Capps Covey College of Allied Health Professions continues to provide Mobile County with both general and specialized physicians, physician assistants, and allied health providers. USA Health provides general and specialized medical treatment for the full range of possible harmful health conditions and via Children's and Women's Hospital provides for specialized care related to children's health, women's health, and pregnancy. Unfortunately specific metrics in these areas are disparately collected and difficult to aggregate. USA Health should continue to work towards developing mechanisms by which these metrics can be more consistently reported. Other areas identified in 2015-2016 where USA Health has little or no impact due to mission relevance or resource constraints include access to health care, availability of mental health care facilities and providers, transportation services, and dental services. Certainly in terms of access to healthcare, USA Health provides acute emergency care to all who seek it without regard for insurance or ability to pay; unfortunately, the broader problem of access related to insurance falls within the domain of the federal and state governments. Mental health care and dental

services fall outside of the mission relevance of USA Health. Finally, transportation services are also outside of the mission relevance of USA Health; however, USA Health does attempt to partner with outside services if/when available and when resources allow.

The following needs were identified from the data collected for the community input survey. These needs are somewhat different than those identified in 2015-2016 and have been restricted to the community health needs identified by community members. They are ordered according to how much of an impact USA Health should be able to have on the need. The first two needs have been identified as directly addressable needs; that is, USA Health is most likely to have a direct impact on satisfying these needs. Needs three through six are indirect needs; that is, they are peripheral to USA Health's immediate objectives. While USA Health and partner organizations will certainly do what is possible to address these needs, mission focus and resource constraints will likely restrict efforts to address these needs such that USA Health's impact on them will be limited.

1 – Heart disease and stroke (number six in the community priority ranking of Mobile County's top six health issues). USA Health's Cardiology Clinic/The Heart Center provides high quality cardiac care to the Mobile County population. It also maintains the most advanced heart care in the region. USA Health should and will continue to provide leading edge cardiac care to the community.

2 – Cancers (number three in the community priority ranking of Mobile County's top six health issues). The Mitchell Cancer Institute is one of the four pillars of the USA Health System. It is a leading cancer research facility in the region and provides a multitude of cancer related services to the people of Mobile County including (but not limited to): breast cancer, cancer prevention, colorectal surgery, mammography, medical oncology, pediatric cancer care, radiation oncology, and surgical oncology.

3 – Rape and sexual assault (number five in the community priority ranking of Mobile County's top six health issues). USA Health via University Hospital and Children's & Women's Hospital likely have an indirect impact via hospital and emergency services on the immediate health needs of rape and sexual assault victims. Other local programs such as the Alabama Coalition Against Rape, Penelope House, and the Rape Crisis Center are positioned to provide more ongoing and direct assistance with the issue of sexual assault. USA Health should partner with these organizations to increase awareness amongst their patients of services that are available in the community.

4 – Drug use and abuse (number two in the community priority ranking of Mobile County's top six health issues). Again, USA Health via University Hospital and possibly Children's & Women's Hospital likely have an indirect impact via hospital and emergency services on the immediate health needs of those using and abusing drugs as they have acute health needs that arise. Similarly local programs like the Drug Education Council, Home of Grace for Women, and Mission of Hope along with private rehabilitation centers such as Bradford Health Services provide more direct assistance with addiction and its consequences. Once again, USA Health should partner with relevant agencies to increase awareness of the local services available.

5 – Domestic violence (number four in the community priority ranking of Mobile County's top six health issues). This again is a more indirect area of impact for USA Health. While University Hospital and Children's and Women's Hospital likely provide immediate services for victims of physical domestic abuse, it is not in the immediate mission of USA Health to provide services relating to dealing with or necessarily ending domestic violence. Local organizations such as Penelope House are able to provide more direct attention to these needs.

6 – Child abuse and neglect (number one in the community priority ranking of Mobile County's top six health issues). Similar to many of the other needs three through five, USA Health provides an important but more indirect role in providing immediate care for any health needs that child victims of abuse and neglect may require. Again, local organizations such as the Child Advocacy Center, St. Mary's Home, and Wilmer Hall Children's Home are positioned to provide direct attention to these social problems. USA Health should partner with these organizations and others to provide enhanced awareness throughout the community.

In particular relating to health needs three through six, USA Health should endeavor to invite and have these groups available at health fairs and other community events sponsored by USA Health.

APPENDIX A – DEMOGRAPHIC DATA PROFILE

Table 1a: County, State, and National Population by Age (2017**) – Mobile County
Source: U.S. Census Bureau

	Mobile County	Percent of Total	Male	Female
Under 5 Years	27,085	6.54%	13,619	13,466
5 to 9 years	26,845	6.49%	13,635	13,210
10 to 14 years	26,897	6.50%	13,736	13,161
15 to 19 years	26,952	6.51%	13,605	13,347
20 to 24 years	27,434	6.63%	13,651	13,783
25 to 29 years	30,972	7.48%	14,926	16,046
30 to 34 years	26,832	6.48%	12,535	14,297
35 to 39 years	25,426	6.14%	12,165	13,261
40 to 44 years	23,832	5.76%	11,363	12,469
45 to 49 years	24,897	6.01%	11,774	13,123
50 to 54 years	26,622	6.43%	12,679	13,943
55 to 59 years	28,580	6.90%	13,421	15,159
60 to 64 years	26,372	6.37%	12,387	13,985
65 to 69 years	22,129	5.35%	10,315	11,814
70 to 74 years	17,170	4.15%	7,603	9,567
75 to 79 years	11,317	2.73%	4,773	6,544
80 to 84 years	7,447	1.80%	2,992	4,455
85 years and over	7,146	1.73%	2,294	4,852
Total	413,955	100.00%	197,473	216,482

Table 1b: County, State, and National Population by Age (2017**) - Alabama
Source: U.S. Census Bureau

	Alabama	Percent of Total	Male	Female
Under 5 Years	293,554	6.02%	149,374	144,180
5 to 9 years	301,285	6.18%	153,526	147,759
10 to 14 years	308,459	6.33%	157,478	150,981
15 to 19 years	318,807	6.54%	161,735	157,072
20 to 24 years	329,597	6.76%	166,366	163,231
25 to 29 years	338,151	6.94%	167,743	170,408
30 to 34 years	302,151	6.20%	147,599	154,552
35 to 39 years	302,111	6.20%	146,855	155,256
40 to 44 years	289,684	5.94%	140,254	149,430
45 to 49 years	313,756	6.44%	152,753	161,003
50 to 54 years	322,876	6.62%	156,734	166,142
55 to 59 years	337,258	6.92%	161,580	175,678
60 to 64 years	313,287	6.43%	147,832	165,455
65 to 69 years	268,693	5.51%	125,004	143,689
70 to 74 years	208,639	4.28%	95,008	113,631
75 to 79 years	143,159	2.94%	62,262	80,897
80 to 84 years	95,101	1.95%	38,581	56,520
85 years and over	88,179	1.81%	29,152	59,027
Total	4,874,747	100.00%	2,359,836	2,514,911

Table 1c: County, State, and National Population by Age (2017**) – United States
Source: U.S. Census Bureau

	United States	Percent of Total	Male	Female
Under 5 Years	19,938,860	6.12%	10,195,968	9,742,892
5 to 9 years	20,304,238	6.23%	10,368,141	9,936,097
10 to 14 years	20,778,454	6.38%	10,605,072	10,173,382
15 to 19 years	21,131,660	6.49%	10,800,491	10,331,169
20 to 24 years	22,118,635	6.79%	11,349,142	10,769,493
25 to 29 years	23,370,460	7.18%	11,902,230	11,468,230
30 to 34 years	21,972,212	6.75%	11,089,131	10,883,081
35 to 39 years	21,231,997	6.52%	10,615,985	10,616,012
40 to 44 years	19,643,373	6.03%	9,753,115	9,890,258
45 to 49 years	20,973,858	6.44%	10,386,175	10,587,683
50 to 54 years	21,401,094	6.57%	10,520,182	10,880,912
55 to 59 years	22,007,956	6.76%	10,700,520	11,307,436
60 to 64 years	19,987,702	6.14%	9,557,283	10,430,419
65 to 69 years	16,836,381	5.17%	7,929,868	8,906,513
70 to 74 years	12,847,065	3.94%	5,947,272	6,899,793
75 to 79 years	8,741,261	2.68%	3,898,816	4,842,445
80 to 84 years	5,965,290	1.83%	2,509,059	3,456,231
85 years and over	6,468,682	1.99%	2,279,669	4,189,013
Total	325,719,178	100.00%	160,408,119	165,311,059

Table 2: Population Classified by Race and Ethnicity (2017)
Source: U.S. Census Bureau

Race/Ethnicity	Mobile County	State of Alabama	United States
Total Population	413,955	4,874,747	325,719,178
White	244,012	3,312,718	235,507,457
Black	147,234	1,307,467	41,393,491
Hispanic	11,943	201,970	58,846,134
Asian	7504	66,908	18,215,328
American Indian or Alaskan	3,410	25,181	2,726,278
Hawaiian or Pacific Islander	79	1,581	608,219
Other	5,038	67,308	16,552,940
Two or More Races	6,678	93,584	10,715,465

Table 3a: Population Classified by Race and Ethnicity (2013-2017) – Mobile County
Source: U.S. Census Bureau

Mobile County Race/Ethnicity	2013	2014	2015	2016	2017
Total Population	413,188	414,045	414,251	414,291	413,955
White	250,269	249,439	248,566	246,794	244,012
Black	143,681	144,637	145,175	146,306	147,234
Hispanic	10,789	11,520	10,917	10,957	11,943
Asian	7,850	7,953	8,148	8,140	7,504
American Indian or Alaskan	3,187	2,801	2,680	2,568	3,410
Hawaiian or Pacific Islander	54	60	64	49	79
Other	1,950	2,472	2,781	3,207	5,038
Two or More Races	12,394	13,366	6,837	7,227	6,678

Table 3b: Population Classified by Race and Ethnicity (2013-2017) – Alabama
Source: U.S. Census Bureau

Alabama Race/Ethnicity	2013	2014	2015	2016	2017
Total Population	4,799,277	4,817,678	4,830,620	4,841,164	4,874,747
White	3,326,188	3,327,891	3,325,464	3,325,037	3,312,718
Black	1,262,152	1,269,808	1,276,544	1,282,053	1,307,467
Hispanic	189,934	192,413	193,492	193,503	201,970
Asian	56,831	58,322	59,599	60,744	66,908
American Indian or Alaskan	25,278	25,181	23,850	23,919	25,181
Hawaiian or Pacific Islander	1,387	1,430	2,439	2,008	1,581
Other	55,296	58,618	61,078	61,991	67,308
Two or More Races	144,290	152,856	81,646	85,412	93,584

Table 3c: Population Classified by Race and Ethnicity (2013-2017) – United States
Source: U.S. Census Bureau

United States Race/Ethnicity	2013	2014	2015	2016	2017
Total Population	311,536,594	314,107,084	316,515,021	318,558,162	325,719,178
White	230,592,579	231,849,713	232,943,055	233,657,078	235,507,457
Black	39,167,010	39,564,785	39,908,095	40,241,818	41,393,491
Hispanic	53,986,412	55,279,452	54,232,205	55,199,107	58,846,134
Asian	15,231,962	15,710,659	16,235,305	16,614,625	18,215,328
American Indian or Alaskan	2,540,309	2,565,520	2,569,170	2,597,817	2,726,278
Hawaiian or Pacific Islander	526,347	535,761	546,255	560,021	608,219
Other	14,746,054	14,754,895	14,865,258	15,133,856	16,552,940
Two or More Races	17,464,666	18,251,502	9,447,883	9,752,947	10,715,465

Table 4: Population by Poverty Level
Source: U.S. Census Bureau

		Population Total	Below 100% FPL	100 to 149% FPL	150% and Over FPL	% at 100 FPL	% at 149 FPL	% at 150 and Over FPL
Mobile	2013	413,188	83,185	49,716	274,731	20.13%	12.03%	66.49%
	2014	414,045	77,748	50,384	271,923	18.78%	12.17%	65.67%
	2015	414,251	76,488	45,694	277,073	18.46%	11.03%	66.89%
	2016	414,291	77,180	43,792	277,860	18.63%	10.57%	67.07%
	2017	413,955	77,784	45,243	279,070	18.79%	10.93%	67.42%
Alabama	2013	4,799,277	866,771	536,144	3,261,529	18.06%	11.17%	67.96%
	2014	4,817,678	890,580	514,690	3,265,418	18.49%	10.68%	67.78%
	2015	4,830,620	857,105	478,990	3,343,710	17.74%	9.92%	69.22%
	2016	4,841,164	794,258	483,084	3,411,191	16.41%	9.98%	70.46%
	2017	4,874,747	786,996	474,099	3,437,640	16.14%	9.73%	70.52%
United States	2013	311,536,594	47,882,335	29,178,826	227,492,884	15.37%	9.37%	73.02%
	2014	314,107,084	47,288,340	29,161,025	230,743,526	15.05%	9.28%	73.46%
	2015	316,515,021	45,286,625	28,319,483	236,144,610	14.31%	8.95%	74.61%
	2016	318,558,162	43,454,037	27,670,414	240,340,684	13.64%	8.69%	75.45%
	2017	325,719,178	41,824,483	27,131,398	245,151,630	12.84%	8.33%	75.26%

Table 5: Population over 25 years by Educational Attainment
Source: U.S. Census Bureau

		Less than High School Graduate	High school Graduate (includes equivalency)	Some College or Associate's Degree	Bachelor's Degree or Higher
Mobile	2012	52,668	102,870	96,355	57,156
	2013	52,485	101,686	98,234	59,003
	2014	49,789	101,857	99,799	61,085
	2015	48,243	102,778	99,654	63,299
	2016	46,648	102,705	100,628	64,915
Alabama	2012	641,324	1,133,370	1,133,124	739,279
	2013	627,502	1,135,487	1,157,929	758,185
	2014	608,361	1,144,361	1,173,190	777,065
	2015	587,452	1,150,810	1,183,615	796,769
	2016	570,203	1,155,930	1,191,896	817,946
United States	2012	34,009,014	66,746,316	73,096,898	61,102,289
	2013	33,562,829	67,217,209	74,047,902	62,418,000
	2014	33,122,628	67,761,339	75,158,504	64,255,682
	2015	32,732,542	68,044,371	76,018,103	66,036,180
	2016	32,145,211	68,210,886	76,640,939	67,948,688

Table 6: Medicaid Births
Source: Alabama Public Health

		Total Births	Medicaid Births	Percent Medicaid
Mobile	2012	5,489	3,152	57.42%
	2013	5,576	3,262	58.50%
	2014	5,690	3,390	59.58%
	2015	5,660	3,243	57.30%
	2016	5,502	3,082	56.02%
Alabama	2012	58,381	29,743	50.95%
	2013	58,162	29,810	51.25%
	2014	59,532	31,234	52.47%
	2015	59,651	30,149	50.54%
	2016	59,090	29,845	50.51%

Table 7: Births by Race
Source: Alabama Public Health

		Total Births	Births White	% Births White	Births Black and Other	% Births Black and Other
Mobile	2012	5,489	2,951	53.76%	2,538	46.24%
	2013	5,576	3,091	55.43%	2,485	44.57%
	2014	5,690	3,047	53.55%	2,643	46.45%
	2015	5,660	3,036	53.64%	2,624	46.36%
	2016	5,502	2,998	54.49%	2,504	45.51%
Alabama	2012	58,381	38,637	66.18%	19,744	33.82%
	2013	58,162	38,604	66.37%	19,558	33.63%
	2014	59,532	39,488	66.33%	20,044	33.67%
	2015	59,651	39,632	66.44%	20,019	33.56%
	2016	59,090	39,241	66.41%	19,849	33.59%

Table 8: Teen and Unwed Births
Source: Alabama Public Health

		Total Births	Births to Teens Total	Birth to Teens White	Birth to Teens Black and Other	Births to Teens Percentage	Unwed Birth Total	Unwed Birth Percentage
Mobile	2012	5,489	665	260	405	12.12%	2,899	52.81%
	2013	5,576	572	258	402	10.26%	2,927	52.49%
	2014	5,690	499	220	279	8.77%	3,096	54.41%
	2015	5,660	466	177	289	8.23%	3,034	53.60%
	2016	5,502	424	174	250	7.71%	2,947	53.56%
Alabama	2012	58,381	6,236	3,546	2,690	10.68%	24,854	42.57%
	2013	58,162	5,420	3,194	2,226	9.32%	24,566	42.24%
	2014	59,532	5,085	3,075	2,009	8.54%	25,728	43.22%
	2015	59,651	4,790	2,876	1,914	8.03%	26,150	43.84%
	2016	59,090	4,526	2,642	1,884	7.66%	26,408	44.69%

Table 9: Low Weight Births
Source: Alabama Public Health

		Total Births	Low Weight Births Total	Low Weight Births Percent
Mobile	2012	5,489	657	11.97%
	2013	5,576	673	12.07%
	2014	5,690	643	11.30%
	2015	5,660	683	12.07%
	2016	5,502	654	11.89%
Alabama	2012	58,381	5,866	10.05%
	2013	58,162	5,824	10.01%
	2014	59,532	6,024	10.12%
	2015	59,651	6,227	10.44%
	2016	59,090	6,104	10.33%

Table 10: Infant and Neonatal Death
Source: Alabama Public Health

		Infant Deaths Number	Infant Deaths Rate	Neonatal Deaths Number	Neonatal Deaths Rate	Post Neonatal Deaths Number	Post Neonatal Deaths Rate
Mobile	2012	60	10.9	36	6.6	24	4.4
	2013	54	9.7	35	6.3	19	3.4
	2014	58	10.2	37	6.5	21	3.7
	2015	43	4.6	24	4.2	19	3.4
	2016	57	10.4	38	6.9	19	3.5
Alabama	2012	519	8.9	337	5.8	182	3.1
	2013	500	8.6	322	5.5	178	3.1
	2014	517	8.7	307	5.6	210	3.5
	2015	494	8.3	300	5	194	3.3
	2016	537	9.1	324	5.5	213	3.6

Table 11: Infant Death by Race
Source: Alabama Public Health

		Infant Deaths Number	Infant Deaths Rate	Number White	Rate White	Number Black and Other	Rate Black and Other
Mobile	2012	60	10.9	22	7.5	38	15
	2013	54	9.7	22	7.1	32	12.9
	2014	58	10.2	20	6.6	38	14.4
	2015	43	4.6	10	3.3	33	12.6
	2016	57	10.4	21	7	36	14.4
Alabama	2012	519	8.9	253	6.5	266	13.5
	2013	500	8.6	266	6.9	234	12
	2014	517	8.7	238	6	279	13.9
	2015	494	8.3	206	5.2	288	14.4
	2016	537	9.1	255	6.5	282	14.2

Table 12: Fetal Deaths and Induced Pregnancy Terminations
Source: Alabama Public Health

		Fetal Deaths Number	Induced Pregnancy Terminations Number	Induced Pregnancy Terminations Rate
Mobile	2012	52	739	8.8
	2013	37	646	7.7
	2014	39	649	7.7
	2015	63	391	4.6
	2016	49	336	4
Alabama	2012	538	7,970	8.3
	2013	534	7,423	7.7
	2014	500	6,848	7.1
	2015	517	5,193	5.4
	2016	569	6,959	7.3

Table 13: Deaths by Gender and Race
Source: Alabama Public Health

		Number	Rate	White Male	White Male Rate	White Female	White Female Rate	Black Male	Black Male Rate	Black Female	Black Female Rate
Mobile	2012	4,264	10.3	1,463	11.7	1,447	11.3	699	9.2	682	7.8
	2013	4,251	10.3	1,444	11.8	1,424	11.3	725	9.5	658	7.5
	2014	4,187	10.1	1,451	11.9	1,315	10.3	716	9.3	705	7.9
	2015	4283	10.3	1,480	12.2	1,361	10.7	784	10.2	659	7.3
	2016	4410	10.6	1,478	12.3	1,476	11.7	765	9.9	691	7.7
Alabama	2012	49,212	10.2	18,973	11.4	18,933	11	5,743	8.5	5,563	7.2
	2013	50,140	10.4	19,682	11.8	18,761	10.9	6,053	8.9	5,644	7.3
	2014	50,127	10.3	19,566	11.8	18,942	11	5,825	8.4	5,794	7.4
	2015	51,896	10.7	20,328	12.3	19,505	11.4	6,266	9	5,797	7.3
	2016	52,452	10.8	20,477	12.4	19,652	11.5	6,364	9.1	5,959	7.5

Table 14: Deaths
Source: Alabama Public Health

	Mobile 2012	2013	2014	2015	2016
Heart Disease	1,023	1,076	1,012	1,097	1,124
Rate	241.1	259.9	243.8	264.1	271
Malignant Neoplasm	927	921	886	890	867
Rate	223.9	222.4	213.4	214.3	209
Cerebrovascular Disease	228	219	209	221	248
Rate	55.1	52.9	50.3	53.2	59.8
Chronic Lower Respiratory	210	226	244	224	256
Rate	50.7	54.6	58.8	53.9	61.7
Accidents	196	200	198	206	182
Rate	47.4	48.3	47.7	49.6	43.9
Alzheimer's	102	99	138	146	170
Rate	24.6	23.9	33.2	35.1	41
Diabetes Mellitus	111	118	143	107	106
Rate	26.8	28.5	34.4	25.8	25.6
Influenza and Pneumonia	63	88	90	95	81
Rate	15.2	21.3	21.7	22.9	19.5
Nephritis, Nephrotic Syndrome, and Nephrosis	68	81	73	76	63
Rate	16.4	19.6	17.6	18.3	15.2
Suicide	75	57	60	66	69
Rate	15.7	13.8	14.5	15.9	16.6
Septicemia	80	69	82	104	100
Rate	19.3	16.7	19.8	25	24.1
Homicide	58	53	54	59	80
Rate	14	12.8	13	14.2	19.3
Chronic Liver Disease and Cirrhosis	62	58	48	52	73
Rate	15	4	11.6	12.5	17.6
Parkinson's	36	25	27	36	42
Rate	8.7	6	6.5	8.7	10.1
HIV	35	19	26	27	27
Rate	8.5	4.6	6.3	6.5	6.5
Viral Hepatitis	17	17	18	19	12
Rate	4.1	4.1	4.3	4.6	2.9
Other	-	-	501	498	508
Rate	-	-	120.7	119.9	122.5

Table 15: Cancers
Source: Alabama Public Health

	Mobile 2012	2013	2014	2015	2016
All Cancer	927	921	886	890	867
Trachea, Bronchus, Lung, and Pleura	267	297	256	234	243
Colorectal	71	83	92	87	64
Breast	69	58	56	56	60
Prostate	43	41	37	45	34
Pancreas	60	46	52	49	59
Leukemias	47	26	34	38	31
Non-Hodgkin's Lymphoma	22	32	26	17	26
Stomach	20	13	13	10	19
Esophagus	22	20	24	23	23
Brain and Other Nervous	27	18	23	20	19
Uterus and Cervix	15	21	22	16	14
Ovaries	16	19	15	21	22
Melanoma of Skin	9	14	16	23	14
All Other	239	233	220	251	239

Table 16: Accidental Deaths
Source: Alabama Public Health

		All Accidents	Motor Vehicle	Suffocation	Poisoning	Smoke Fire & Flames	Falls	Drowning	Firearms	Other Accidents
Mobile	2012	196	64	13	38	5	24	14	0	44
	2013	200	76	7	55	6	20	11	1	29
	2014	198	85	7	52	9	11	7	1	26
	2015	206	69	9	69	5	22	13	1	18
	2016	182	74	5	55	6	15	6	0	21
Alabama	2012	2255	855	124	482	82	196	93	14	493
	2013	2302	904	123	540	85	237	69	25	412
	2014	2421	891	122	644	84	221	75	28	356
	2015	2529	958	106	691	86	252	65	20	351
	2016	2747	1157	124	720	94	244	75	21	312

APPENDIX B – COMMUNITY SURVEY TABLES

Table B.1: q1. Would you say that in general your health is . . . ?

	Mobile County – Overall	*Mobile County – General*	*Mobile County – Focused*
Excellent	10.3	11.4	8.4
Very Good	29.8	30.1	29.2
Good	37.4	37.3	37.6
Fair	17.3	16.3	19.0
Poor	5.2	4.9	5.8
Total	100.0%	100.0%	100.0%
N	631	405	226

Table B.2: q2. Thinking about Mobile County overall, how would you rate the health of people who live in Mobile County . . . ?

	Mobile County – Overall	*Mobile County – General*	*Mobile County – Focused*
Very Healthy	1.0	0.8	1.5
Healthy	20.5	22.2	17.4
Somewhat Healthy	60.1	59.4	61.4
Unhealthy	16.3	16.5	15.9
Very Unhealthy	2.1	1.1	3.9
Total	100.0%	100.0%	100.1%
N	576	369	207

Table B.3: q3. Overall, how would you rate the quality of healthcare services available in Mobile County . . . ?*

	Mobile County – Overall	*Mobile County – General*	*Mobile County – Focused*
Excellent	11.5	9.6	15.0
Very Good	26.7	27.7	25.0
Good	37.6	40.8	31.8
Fair	17.5	16.4	19.6
Poor	6.7	5.5	8.6
Total	100.0%	100.0%	100.0%
N	617	397	220

* Statistically significant difference between Mobile County general and Mobile County focused, $p < .05$

Table B.4: q4. What type of healthcare insurance do you have?*

	Mobile County – Overall	*Mobile County – General*	*Mobile County – Focused*
Private Insurance – Direct Purchase	11.5	11.2	12.1
Private Insurance – Employer Based	25.6	25.6	25.6
Private Insurance – Employer Based Spouse	3.5	5.0	0.9
Medicare	43.7	42.5	45.7
Medicaid	4.6	4.0	5.8
Tricare / Military Insurance	3.7	2.7	5.4
Other	3.0	4.2	0.9
No Insurance	4.3	4.7	3.6
Total	99.9%	99.9%	100.0%
N	625	402	223

* Statistically significant difference between Mobile County general and Mobile County focused, $p < .05$

Table B.5: q5. Do you have one person you think of as your personal doctor or health care provider?

		Mobile County – Overall	*Mobile County – General*	*Mobile County – Focused*
Yes, Only One		79.7	78.0	82.7
Yes, More than One		7.8	8.2	7.1
No		12.5	13.9	10.2
	Total	100.0%	100.1%	100.0%
	N	630	404	226

Table B.6: q6. How long has it been since your last visit to a doctor for a wellness exam or routine checkup . . . ?

		Mobile County – Overall	*Mobile County – General*	*Mobile County – Focused*
Within the past 12 months		89.4	88.2	91.6
1 to 2 years ago		5.9	5.4	6.7
2 to 5 years ago		1.9	2.5	0.9
5 or more years ago		1.9	2.5	0.9
Have never had one		1.0	1.5	0.0
	Total	100.1%	100.1%	100.1%
	N	632	407	225

Table B.7: q7. How long has it been since your last dental exam or cleaning . . . ?

	Mobile County – Overall	*Mobile County – General*	*Mobile County – Focused*
Within the past 12 months	69.9	69.6	70.6
1 to 2 years ago	11.4	11.0	12.3
2 to 5 years ago	8.0	9.0	6.2
5 or more years ago	6.7	7.2	5.7
Have never had one	3.9	3.2	5.2
Total	99.9%	100.0%	100.0%
N	612	401	211

Table B.8: q8a – q8l For each item please tell me how important you think that item would be to improving the overall health in your community.

	County	*Very Important*	*Somewhat Important*	*Neither*	*Somewhat Unimportant*	*Very Unimportant*	*Total*	*N*
Q8a. Access to health services such a health clinic or hospital.	*O*	91.8	7.6	0.3	0.2	0.2	100.1%	630
	G	89.9	9.1	0.5	0.3	0.3	100.0%	406
	F	95.1	4.9	0.0	0.0	0.0	100.0%	224
Q8b. Active lifestyles including outdoor activities.	*O*	80.2	18.8	0.5	0.3	0.2	100.0%	627
	G	80.0	19.3	0.3	0.5	0.0	100.1%	404
	F	80.7	17.9	0.9	0.0	0.5	100.0%	223
Q8c. Affordable housing.	*O*	77.6	18.0	2.6	0.8	1.0	100.0%	617
	G	76.8	18.1	3.3	0.8	1.0	100.0%	393
	F	79.0	17.9	1.3	0.9	0.9	100.0%	224
Q8d. Arts and cultural events.	*O*	42.7	46.1	6.5	2.4	2.3	100.0%	618
	G	44.8	44.3	6.6	2.3	2.0	100.0%	395
	F	39.0	49.3	6.3	2.7	2.7	100.0%	223
Q8e. A clean environment including water, air, etc.	*O*	96.4	3.5	0.2	0.0	0.0	100.1%	633
	G	96.6	3.2	0.3	0.0	0.0	100.1%	407
	F	96.0	4.0	0.0	0.0	0.0	100.0%	226
Q8f. Family doctors and specialists.	*O*	91.9	7.8	0.3	0.0	0.0	100.0%	630
	G	91.6	7.9	0.5	0.0	0.0	100.0%	404
	F	92.5	7.5	0.0	0.0	0.0	100.0%	226
Q8g. Good employment opportunities.	*O*	92.0	7.7	0.3	0.0	0.0	100.0%	625
	G	91.8	7.7	0.5	0.0	0.0	100.0%	403
	F	92.3	7.7	0.0	0.0	0.0	100.0%	222
Q8h. Good places to raise children.	*O*	91.3	8.1	0.3	0.2	0.2	100.1%	631
	G	91.6	7.9	0.3	0.3	0.0	100.1%	406
	F	90.7	8.4	0.4	0.0	0.4	99.9%	225
Q8i. Good race relations.	*O*	89.0	9.3	1.1	0.0	0.6	100.0%	626
	G	89.6	8.0	1.5	0.0	1.0	100.1%	402
	F	88.0	11.6	0.5	0.0	0.0	100.1%	224
Q8j. Good schools.	*O*	93.2	6.0	0.6	0.0	0.2	100.0%	630
	G	92.8	6.2	0.7	0.0	0.3	100.0%	405
	F	93.8	5.8	0.4	0.0	0.0	100.0%	225
Q8k. Healthy food options.	*O*	88.0	11.4	0.5	0.2	0.0	100.1%	631
	G	89.4	9.9	0.5	0.3	0.0	100.1%	405
	F	85.4	14.2	0.4	0.0	0.0	100.0%	226
Q8l. Fewer homeless.	*O*	83.0	13.8	2.1	0.7	0.5	100.1%	617
	G	81.8	14.1	2.8	0.5	0.8	100.0%	396
	F	85.1	13.1	0.9	0.9	0.0	100.0%	221

Table B.9: q8m – q8w For each item please tell me how important you think that item would be to improving the overall health in your community.

	County	*Very Important*	*Somewhat Important*	*Neither*	*Somewhat Unimportant*	*Very Unimportant*	*Total*	*N*
Q8m. Less alcohol and drug abuse.	*O*	88.4	8.3	2.2	0.3	0.8	100.0%	630
	G	87.4	8.7	3.2	0.3	0.5	100.1%	404
	F	90.3	7.5	0.4	0.4	1.3	99.9%	226
Q8n. Lower crime and safe neighborhoods.	*O*	94.8	4.6	0.6	0.0	0.0	100.0%	630
	G	93.8	5.5	0.7	0.0	0.0	100.0%	404
	F	96.5	3.1	0.4	0.0	0.0	100.0%	226
Q8o. Less obesity.	*O*	86.9	11.7	1.0	0.2	0.3	100.1%	626
	G	87.1	11.4	1.2	0.3	0.0	100.0%	403
	F	86.6	12.1	0.5	0.0	0.9	100.1%	223
Q8p. Less sexually transmitted diseases.	*O*	93.3	5.3	0.6	0.2	0.6	100.0%	627
	G	94.0	4.7	0.5	0.3	0.5	100.0%	402
	F	92.0	6.2	0.9	0.0	0.9	100.0%	225
Q8q. Less tobacco use.	*O*	83.6	12.9	1.9	0.3	1.3	100.0%	629
	G	82.7	13.6	2.2	0.3	1.2	100.0%	404
	F	85.3	11.6	1.3	0.4	1.3	99.9%	225
Q8r. Mental health services.	*O*	92.6	6.8	0.2	0.3	0.2	100.1%	631
	G	91.1	7.9	0.3	0.5	0.3	100.1%	405
	F	95.1	4.9	0.0	0.0	0.0	100.0%	226
Q8s. More quality education.	*O*	92.1	7.5	0.5	0.0	0.0	100.1%	631
	G	93.1	6.7	0.3	0.0	0.0	100.1%	405
	F	90.3	8.9	0.9	0.0	0.0	100.1%	226
Q8t. More quality health care options.	*O*	90.5	8.6	0.6	0.0	0.3	100.0%	629
	G	89.6	9.2	0.7	0.0	0.5	100.0%	403
	F	92.0	7.5	0.4	0.0	0.0	99.9%	226
Q8u. Good transportation options.	*O*	76.4	20.9	1.8	0.3	0.6	100.0%	627
	G	75.6	21.1	2.0	0.3	1.0	100.0%	402
	F	77.8	20.4	1.3	0.4	0.0	99.9%	225
Q8v. Religious and/or spiritual values.	*O*	78.6	16.0	3.7	1.0	0.8	100.1%	630
	G	79.6	14.0	4.2	1.0	1.2	100.0%	406
	F	76.8	19.6	2.7	0.9	0.0	100.0%	224
Q8w. Social support services such as food pantries and charity services.	*O*	80.3	17.9	1.3	0.0	0.5	100.0%	630
	G	80.2	17.3	2.0	0.0	0.5	100.0%	404
	F	80.5	19.0	0.0	0.0	0.4	99.9%	226

Table B.10: q9a – q9l For each health issue please tell me how important of a problem you feel that issue is for Mobile County.

	County	*Very Important*	*Somewhat Important*	*Neither*	*Somewhat Unimportant*	*Very Unimportant*	*Total*	*N*
Q9a. Accidental injuries at places like work, home or school.	*O*	56.5	33.9	6.2	1.2	2.3	100.1%	611
	G	54.7	34.1	7.1	1.3	2.8	100.0%	393
	F	59.6	33.5	4.6	0.9	1.4	100.0%	218
Q9b. Aging problems like dementia and loss of mobility.	*O*	83.5	15.4	1.1	0.0	0.0	100.0%	629
	G	84.4	13.9	1.7	0.0	0.0	100.0%	404
	F	81.8	18.2	0.0	0.0	0.0	100.0%	225
Q9c. Cancers.	*O*	90.5	9.4	0.2	0.0	0.0	100.1%	631
	G	89.6	10.1	0.3	0.0	0.0	100.0%	405
	F	92.0	8.0	0.0	0.0	0.0	100.0%	226
Q9d. Child abuse and neglect.	*O*	94.4	5.3	0.3	0.0	0.0	100.0%	626
	G	93.3	6.3	0.5	0.0	0.0	100.1%	400
	F	96.5	3.5	0.0	0.0	0.0	100.0%	226
Q9e. Dental problems.	*O*	66.6	29.3	2.6	0.5	1.1	100.1%	625
	G	65.8	28.8	3.2	0.7	1.5	100.0%	403
	F	68.0	30.2	1.4	0.0	0.5	100.1%	222
Q9f. Diabetes.	*O*	86.7	11.7	1.4	0.2	0.0	100.0%	624
	G	85.5	12.3	2.0	0.3	0.0	100.1%	399
	F	88.9	10.7	0.4	0.0	0.0	100.0%	225
Q9g. Domestic violence.	*O*	90.4	8.7	0.8	0.0	0.2	100.1%	624
	G	89.3	9.5	1.3	0.0	0.0	100.1%	401
	F	92.4	7.2	0.0	0.0	0.5	100.1%	223
Q9h. Drug use and abuse.	*O*	91.8	7.3	0.8	0.0	0.2	100.1%	632
	G	90.2	8.6	1.2	0.0	0.0	100.0%	406
	F	94.7	4.9	0.0	0.0	0.4	100.0%	226
Q9i. Fire-arm related injuries.	*O*	77.5	18.0	3.2	0.3	1.0	100.0%	617
	G	75.9	18.6	4.0	0.3	1.3	100.1%	399
	F	80.3	17.0	1.8	0.5	0.5	100.1%	218
Q9j. Heart disease and stroke.	*O*	88.4	11.3	0.2	0.0	0.2	100.1%	627
	G	86.9	12.9	0.3	0.0	0.0	100.1%	403
	F	91.1	8.5	0.0	0.0	0.5	100.1%	224
Q9k. HIV/AIDS.	*O*	82.2	15.0	1.9	0.5	0.3	99.9%	619
	G	80.6	15.4	3.0	0.8	0.3	100.1%	396
	F	85.2	14.4	0.0	0.0	0.5	100.1%	223
Q9l. Homelessness.	*O*	80.4	15.7	2.9	0.3	0.8	100.1%	626
	G	78.4	16.4	4.0	0.5	0.8	100.1%	402
	F	83.9	14.3	0.9	0.0	0.9	100.0%	224

Table B.11: q9m – q9x For each health issue please tell me how important of a problem you feel that issue is for Mobile County.

	County	*Very Important*	*Somewhat Important*	*Neither*	*Somewhat Unimportant*	*Very Unimportant*	*Total*	*N*
Q9m. Homicides.	*O*	84.3	13.0	2.2	0.2	0.3	100.0%	625
	G	83.3	13.2	3.2	0.3	0.0	100.0%	401
	F	86.2	12.5	0.5	0.0	0.9	100.1%	224
Q9n. Infant death.	*O*	84.8	12.6	1.9	0.3	0.3	99.9%	617
	G	84.6	12.4	2.5	0.5	0.0	100.0%	395
	F	85.1	13.1	0.9	0.0	0.9	100.0%	222
Q9o. Infectious diseases like hepatitis and tuberculosis.	*O*	77.7	18.6	1.9	1.1	0.7	100.0%	620
	G	77.4	18.3	2.3	1.5	0.5	100.0%	399
	F	78.3	19.0	1.4	0.5	0.9	100.1%	221
Q9p. Mental health problems.	*O*	87.6	11.5	0.6	0.2	0.2	100.1%	628
	G	86.4	12.4	1.0	0.3	0.0	100.1%	403
	F	89.8	9.8	0.0	0.0	0.4	100.0%	225
Q9q. Motor vehicle crash injuries.	*O*	77.2	19.9	1.9	0.3	0.6	99.9%	623
	G	78.3	18.8	2.3	0.3	0.5	100.2%	400
	F	75.3	22.0	1.4	0.5	0.9	100.1%	223
Q9r. Obesity or excess weight.	*O*	81.9	15.6	2.2	0.0	0.3	100.0%	628
	G	80.2	16.6	3.0	0.0	0.3	100.1%	403
	F	84.9	13.8	0.9	0.0	0.4	100.0%	225
Q9s. Rape and sexual assault.	*O*	88.8	9.6	0.8	0.3	0.5	100.0%	617
	G	88.9	9.3	1.0	0.5	0.3	100.0%	398
	F	88.6	10.1	0.5	0.0	0.9	100.1%	219
Q9t. Respiratory problems and lung disease.	*O*	80.8	17.4	1.3	0.2	0.3	100.0%	621
	G	80.2	17.6	2.0	0.3	0.0	100.1%	398
	F	82.1	17.0	0.0	0.0	0.9	100.0%	223
Q9u. Sexually transmitted diseases.	*O*	84.6	12.4	2.4	0.2	0.5	100.1%	622
	G	83.5	12.7	3.5	0.0	0.3	100.0%	401
	F	86.4	11.8	0.5	0.5	0.9	100.1%	221
Q9v. Suicide.	*O*	84.0	13.3	1.6	0.5	0.6	100.0%	623
	G	84.3	12.5	2.0	0.8	0.5	100.1%	401
	F	83.3	14.9	0.9	0.0	0.9	100.0%	222
Q9w. Teenage pregnancy.	*O*	78.8	18.3	1.8	0.5	0.6	100.0%	623
	G	77.6	19.5	2.0	0.5	0.5	100.1%	401
	F	81.1	16.2	1.4	0.5	0.9	100.1%	222
Q9x. Tobacco Use.*	*O*	76.4	19.4	2.7	0.0	1.4	99.9%	624
	G	73.6	21.4	3.7	0.0	1.2	99.9%	402
	F	81.5	15.8	0.9	0.0	1.8	100.0%	222

* Statistically significant difference between Mobile County general and Mobile County focused, $p < .05$

Table B.12: q10a – q10l For each health condition, please tell me if a doctor or other health care professional has ever told you that you have that condition.

	County	*Yes*	*No*	*Total*	*N*
Q10a. Asthma.	*O*	14.6	85.4	100.0%	625
	G	16.0	84.0	100.0%	400
	F	12.0	88.0	100.0%	225
Q10b. Chronic obstructive pulmonary disease or COPD.	*O*	7.5	92.5	100.0%	624
	G	8.0	92.0	100.0%	400
	F	6.7	93.3	100.0%	224
Q10c. Dementia or Alzheimer's.	*O*	0.6	99.4	100.0%	626
	G	0.8	99.3	100.1%	400
	F	0.4	99.6	100.0%	226
Q10d. Depression.	*O*	21.6	78.4	100.0%	626
	G	21.3	78.8	100.1%	400
	F	22.1	77.9	100.0%	226
Q10e. Diabetes.	*O*	23.5	76.5	100.0%	625
	G	21.5	78.5	100.0%	400
	F	27.1	72.9	100.0%	225
Q10f. Heart Disease.	*O*	18.2	81.8	100.0%	625
	G	16.8	83.2	100.0%	399
	F	20.8	79.2	100.0%	226
Q10g. High Cholesterol.	*O*	41.3	58.7	100.0%	622
	G	40.2	59.8	100.0%	398
	F	43.3	56.7	100.0%	224
Q10h. High blood pressure.	*O*	55.1	44.9	100.0%	624
	G	54.9	45.1	100.0%	399
	F	55.6	44.4	100.0%	225
Q10i. HIV or Aids.	*O*	0.2	99.8	100.0%	626
	G	0.3	99.8	100.1%	400
	F	0.0	100.0	100.0%	226
Q10j. Obesity.	*O*	21.0	79.0	100.0%	625
	G	23.1	76.9	100.0%	399
	F	17.3	82.7	100.0%	226
Q10k. Tuberculosis.	*O*	0.5	99.5	100.0%	626
	G	0.5	99.5	100.0%	400
	F	0.4	99.6	100.0%	226
Q10l. Alcohol or drug addiction.	*O*	1.3	98.7	100.0%	626
	G	1.5	98.5	100.0%	400
	F	0.9	99.1	100.0%	226

Table B.13: q11. Thinking about your experience with healthcare services in Mobile County, please tell me if there are any healthcare services which you feel are difficult to get in Mobile County? Select All That Apply[1]

	Mobile County – Overall	*Mobile County – General*	*Mobile County – Focused*
Alternative therapies (acupuncture, herbals)	0.5	0.7	0.0
Dental care / dentures	4.4	4.4	4.4
Emergency medical care	3.2	3.4	2.7
Hospital care	1.4	2.0	0.4
Laboratory services	0.6	1.0	0.0
Mental health services	10.6	11.3	9.3
Physical therapy / rehabilitation*	1.1	1.7	0.0
Preventative healthcare (routine or wellness checkups)	2.7	3.2	1.8
Prescriptions / pharmacy services	3.0	3.7	1.8
Primary medical care (primary doctor or clinic)	2.4	3.0	1.3
Services for the elderly*	5.1	6.6	2.2
Specialty medical care (specialist doctors)	6.2	6.9	4.9
Alcohol or drug abuse treatment*	1.7	2.7	0.0
Vision care / eye exams / glasses	1.6	2.2	0.4
Women's health	3.6	3.9	3.1
X-rays or mammograms**	1.9	3.0	0.0
Other	14.5	15.0	13.7
None	61.6	58.7	66.8
N	633	407	226

[1] May add to more than 100% since respondents could select all that apply.
* Statistically significant difference between Mobile County general and Mobile County focused, $p < .05$
** Statistically significant difference between Mobile County general and Mobile County focused, $p < .01$

Table B.14: q12. In the past 12 months, have you delayed getting needed medical care for any reason?

	Mobile County – Overall	*Mobile County – General*	*Mobile County – Focused*
Yes	16.3	16.8	15.5
No	83.7	83.2	84.5
Total	100.0%	100.0%	100.0%
N	631	405	226

Table B.15: q13. (Of those saying YES to Q12) Why did you delay in getting needed medical care? Select All That Apply[1]

	Mobile County – Overall	*Mobile County – General*	*Mobile County – Focused*
Could not afford medical care	24.3	27.9	17.1
Insurance problems / lack of insurance	23.3	20.6	28.6
Lack of transportation	2.9	2.9	2.9
Language barriers / could not communicate	0.0	0.0	0.0
Provider did not take my insurance	3.9	5.9	0.0
Provider was not taking new patients	0.0	0.0	0.0
Could not get an appointment soon enough	10.7	11.8	8.6
Could not get a weekend or evening appointment	2.9	2.9	2.9
Other	50.5	51.5	48.6
N	103	68	35

[1] May add to more than 100% since respondents could select all that apply.

Table B.16: q14. When you or someone in your family is sick, where do you typically go for healthcare?

	Mobile County – Overall	*Mobile County – General*	*Mobile County – Focused*
Emergency room (hospital)	15.3	14.7	16.4
Family doctor	62.6	60.9	65.5
Any doctor	0.8	0.7	0.9
Urgent care clinic	14.4	15.2	12.8
Health department	1.3	1.2	1.3
Community health center	0.6	0.5	0.9
Free clinic	0.8	0.7	0.8
VA / Military facility	1.4	1.7	0.9
Other	2.8	4.2	0.4
I usually go without receiving healthcare	0.0	0.0	0.0
Total	100.0%	99.8%	99.9%
N	633	407	226

Table B.17: q15. Thinking about yourself personally, how confident are you that you can make and maintain lifestyle changes like eating right, exercising, or not smoking . . . ?

	Mobile County – Overall	*Mobile County – General*	*Mobile County – Focused*
Extremely confident	30.7	30.4	31.4
Very confident	41.9	44.5	37.2
Somewhat confident	22.5	21.6	23.9
Not very confident	3.5	2.2	5.8
Not at all confident	1.4	1.2	1.8
Total	100.0%	99.9%	100.1%
N	628	402	226

Table B.18: q16. Do you currently use any tobacco products such as cigarettes, cigars, chewing tobacco, snuff, vaping or e-cigarettes? Select All That Apply[1]

	Mobile County – Overall	*Mobile County – General*	*Mobile County – Focused*
Yes, cigarettes or cigars	11.5	11.6	11.5
Yes, chewing tobacco, snuff	1.4	1.7	0.9
Yes, vaping or e-cigarettes	1.1	1.0	1.3
No, quit in the last 12 months	0.2	0.0	0.4
No, quit more than a year ago*	6.3	7.9	3.5
No, never used tobacco products	80.6	78.9	83.6
N	633	407	226

[1] May add to more than 100% since respondents could select all that apply.
* Statistically significant difference between Mobile County general and Mobile County focused, $p < .05$

Table B.19: q17. Age – Calculated from year respondent was born.

	Mobile County – Overall	*Mobile County – General*	*Mobile County – Focused*
18 to 30	5.6	6.1	4.6
31 to 45	11.8	12.5	10.6
46 to 65	34.4	33.6	35.8
Over 65	48.3	47.8	49.1
Total	100.1%	100.0%	100.1%
N	611	393	218

Table B.20: q18. What is your race?

	Mobile County – Overall	*Mobile County – General*	*Mobile County – Focused*
White / Caucasian	59.6	60.9	57.1
Black / African-American	36.5	34.2	40.7
Hispanic or Latino	0.8	1.0	0.4
Asian	0.0	0.0	0.0
American Indian / Alaskan Native	0.5	0.5	0.4
Pacific Islander	0.0	0.0	0.0
Multi-racial	0.8	1.0	0.4
Other	1.9	2.5	0.9
Total	100.1%	100.1%	99.9%
N	633	407	226

Table B.21: q19. What is the highest level of school you have completed or the highest degree you have received?*

	Mobile County – Overall	*Mobile County – General*	*Mobile County – Focused*
Never attended school or only Kindergarten	0.5	0.7	0.0
Grades 1 through 8	1.0	0.3	2.2
Some High School (grades 9 through 11)	4.4	3.2	6.6
High School Degree or GED	26.9	24.6	31.0
Vocational / Technical School	4.6	4.4	4.9
Some College	29.2	30.5	27.0
Bachelors or 4 Year College Degree	18.3	19.2	16.8
Graduate or Professional Degree (Law Degree)	15.2	17.2	11.5
Total	100.1%	100.1%	100.0%
N	633	407	226

* Statistically significant difference between Mobile County general and Mobile County focused, $p < .05$

Table B.22: q20. What is your current employment status?

	Mobile County – Overall	*Mobile County – General*	*Mobile County – Focused*
Disabled / Unable to work	6.2	6.0	6.7
Employed full-time	27.2	28.7	24.4
Employed part-time	4.3	4.0	4.9
Homemaker / Housewife or househusband	2.4	1.8	3.6
Retired	51.3	50.4	52.9
Seasonal worker	0.0	0.0	0.0
Student	0.5	0.3	0.9
Self-employed	3.5	3.2	4.0
Unemployed	4.6	5.7	2.7
Total	100.0%	100.1%	100.1%
N	626	401	225

Table B.23: q21. And finally, what was your total family income last year . . . ?

	Mobile County – Overall	*Mobile County – General*	*Mobile County – Focused*
Less than $15,000	16.0	14.2	19.0
$15,000 - $25,000	9.2	7.4	12.3
$25,000 - $35,000	12.8	13.7	11.3
$35,000 - $50,000	19.0	19.0	19.0
$50,000 - $75,000	18.8	19.3	18.0
$75,000 - $100,000	9.0	10.1	7.2
More than $100,000	15.2	16.3	13.3
Total	100.0%	100.0%	100.1%
N	532	337	195

Table B.24: Sex

		Mobile County – Overall	*Mobile County – General*	*Mobile County – Focused*
Male		26.4	27.5	24.3
Female		73.6	72.5	75.7
	Total	100.0%	100.0%	100.0%
	N	633	407	226

APPENDIX C – COMMUNITY HEALTH SURVEY OPEN-ENDED RESPONSES

Q11. Thinking about your experience with healthcare services in Mobile County, please tell me if there are any healthcare services which you feel are difficult to get in Mobile County?

- More care and compassion for citizens/patients.
- Access to pain clinic that has very pain.
- Urgent care.
- Transplant services.
- Home health care.
- Thyroid specialist.
- Mental health care.
- 24hr. care facilities.
- Drug abuse.
- More cancer research centers.
- Mental health.
- More cancer treatment options.
- Transportation.
- Need a service for bed patient.
- Brain treatment.
- New patients have to wait to long to see a doctor.
- Better doctors.
- Hospital care in a timely fashion.
- Neurologist.
- More treatment for cancer patients; the doctors need to see patients more.
- People without insurance have difficulties.
- Low-income specialists.
- A dermatologist that specializes in African-American skin.
- For homeless.
- Homeless resources.
- Basic health care services.
- Holistic care and medication.
- Drug rehab.
- More affordability.
- Help with hospital cost.
- More help for veterans.
- It needs to get better.
- Mental health ward.
- Dermatologist.

- More VA hospitals/ services.
- Doctor appt.
- Dermatology & allergies.
- Pain management.
- Difficulty getting health insurance.
- Health specialist [rare sickness].
- Minimum health care options for unemployed and/or uninsured citizens.
- Affordable alcohol and drug counseling.
- Any health care for low income.
- Pulmonologist.
- Children’s Cancer treatment.
- Women's Rehab.
- Stroke treatment.
- Increasingly difficult to receive antibiotics for conditions.
- Need more doctors.
- Rheumatology.
- Rape crisis.
- Dietary needs to be addressed.
- Health care service office.
- Emergency room needs to listen to patients; needs more specialists.
- Pain management.
- Suicide preventive care.
- Family doctors not taking new patients.
- Not enough general practitioners.
- Neurosurgery.
- Cancer treatment.
- Research.
- Dermatology.
- Health insurance options.
- Having records on discs would be helpful.
- Any kind of health care without insurance.
- Dermatology.
- Dermatology.
- Pain management.
- Dental care or anything if you don't have insurance.
- Can't see a doctor, only nurse practitioner.
- Child care if don't have insurance.
- They don't want to take care of you when you are old.
- Dental care, dermatology and mental health for the people that have no insurance.
- Weight loss programs.

- Skin disorders.
- Transportation.
- Center for people who have dementia.
- Nutrition.
- Pediatric specialists.
- Addiction treatment.
- Dermatology.
- Dermatology.
- Cat scan.
- Emergency rooms are overcrowded.
- Prescription prices.
- Home healthcare.
- Cancer treatment.
- Dermatologist who accepts most health insurance.
- Cancer treatment.
- VA hospital.
- GI specialist /neurologist.
- Difficult to get a good doctor.
- Public transportation needs to be improved.
- Not enough local VA facilities.
- Neurologist for children.
- Older people need more help.
- Baby doctors for people without insurance.
- ER services are terrible need better nurses; need more training.
- Home healthcare and transportation.
- If you don't have the right insurance.
- Should get a standardized test.
- Pediatric neurologist.
- Hard to get appointment at Franklin clinic.
- Any of them when you don't have insurance.
- Drugs help.
- If you don't have insurance all of it is hard to get care.
- Natural and holistic care.
- If you have no insurance no one is able to get to see the doctor.
- Everyone needs medical care.
- If you don't have any insurance.
- Hard to get good doctor to take insurance.
- Hard to get good healthcare.
- Primary care doctors.
- Dialysis.

- Having someone at home to help.
- Hard to get an appointment.
- Pain management doctors are hard to find.
- First class trauma unit.
- Transportation; exercise classes.

Q13. Why did you delay in getting needed medical care?

- Don't like going to the dentist.
- Not having time.
- Just haven't gotten care.
- Scared.
- Limited mobility because of therapy.
- Limited to the number of visits per year.
- Medical reason.
- Didn't want to go.
- No denture coverage.
- Not being able to make the time.
- Too busy, getting kids ready for school and sick parents.
- Didn't want to sit in hospital.
- Could not find a doctor.
- Family matters and sickness.
- Personal choice.
- Put it off.
- Couldn't make time.
- VA was closed during time of illness.
- Dentist.
- Husband sick.
- Hurricane delayed appt.
- Doctor appt.
- Also, don’t like care from doctors.
- Didn't have time.
- She said she could deal with it on her on.
- Because she has to sit so long.
- Back surgery.
- Didn't feel like it.
- Side effects.
- Did not have sitter for mother.
- Work.
- Put it off.

- Needed work done and they wouldn't do it.
- Copay.
- Knee surgery.
- Respondent thought she could treat herself.
- Forgot to make appointment.
- Refused to go.
- Postponed until seen a different doctor.
- Took oxygen, wouldn’t fill medicine.
- Time.
- Did not need it anymore; was just given pain pills.
- Didn't feel like going.
- Poor health knowledge and skills.
- Because there are no good doctors.
- Dental care.
- Don't trust the doctors.
- Stubbornness.
- Traveling.
- Thinks her insurance was not good enough.
- Could not go to doctor because of current medicine.
- Just didn't want to go.
- Was scared.
- Had to postpone dentist because of hurt shoulder.
- Just have not gone to eye doctor.
- Due to doctor malpractice.
- Because the doctors are not good.
- Don't have a primary care doctor.
- Not enough time.

APPENDIX D – COMMUNITY HEALTH LEADERS SURVEY DATA TABLES

Table D.1: q1. What do you think are the most important features of a "Healthy Community"? Check only three[1]

	Frequency	*Percent*
1a. Access to health services (e.g., family doctor, hospitals)	43	51.2
1b. Active lifestyles / outdoor activities	15	17.9
1c. Affordable housing	14	16.7
1d. Arts and cultural events	0	0.0
1e. Clean environment (clean water, air, etc.)	13	15.5
1f. Family doctors and specialists	2	2.4
1g. Good employment opportunities	14	16.7
1h. Good place to raise children	3	3.6
1i. Good race relations	1	1.2
1j. Good schools	6	7.1
1k. Healthy food options	15	17.9
1l. Low numbers of homeless	1	1.2
1m. Low alcohol and drug use	4	4.8
1n. Low crime / safe neighborhoods	22	26.2
1o. Low percent of population that are obese	3	3.6
1p. Low numbers of sexually transmitted diseases (STDs)	0	0.0
1q. Low tobacco use	2	2.4
1r. Mental health services	25	29.8
1s. Quality education	23	27.4
1t. Quality hospitals and urgent / emergency services	3	3.6
1u. Good transportation options	5	6.0
1v. Religious or spiritual values	5	6.0
1w. Social support services	1	1.2
1x. Some other feature	2	2.4
N	84	

[1] May add to more than 100% since respondents could select up to three responses.

Table D.2: q2. What do you think are the most important health issues in Mobile County? Check only three[1]

	Frequency	*Percent*
2a. Accidental injuries (at work, home, school, farm)	1	1.2
2b. Aging problems (e.g., dementia, vision / hearing loss, loss of mobility)	9	10.7
2c. Cancers	13	15.5
2d. Child abuse / neglect	11	13.1
2e. Dental problems	1	1.2
2f. Diabetes	19	22.6
2g. Domestic violence	8	9.5
2h. Drug use / abuse	24	28.6
2i. Fire-arm related injuries	4	4.8
2j. Heart disease and stroke	12	14.3
2k. HIV / Aids	1	1.2
2l. Homelessness	6	7.1
2m. Homicide	8	9.5
2n. Infant Death	4	4.8
2o. Infectious diseases (e.g., hepatitis, TB, etc.)	1	1.2
2p. Mental health problems	52	61.9
2q. Motor vehicle crash injuries	1	1.2
2r. Obesity / excess weight	29	34.5
2s. Rape / sexual assault	0	0.0
2t. Respiratory / lung disease	0	0.0
2u. Sexually Transmitted Diseases (STDs)	2	2.4
2v. Suicide	3	3.6
2w. Teenage pregnancy	4	4.8
2x. Tobacco use	1	1.2
2y. Some other health issue	4	4.8
2z. Some other health issue	1	1.2
N	84	

[1] May add to more than 100% since respondents could select up to three responses.

Table D.3: q3. Which of the following unhealthy behaviors in Mobile County concern you the most? Check only three[1]

	Frequency	*Percent*
3a. Alcohol abuse	12	14.3
3b. Drug abuse	43	51.2
3c. Excess weight	29	34.5
3d. Homelessness	24	28.6
3e. Lack of exercise	20	23.8
3f. Poor eating habits / poor nutrition	40	47.6
3g. Not getting shots to prevent disease	3	3.6
3h. Not using seat belts / child safety seats	5	6.0
3i. Not seeing a doctor or dentist	26	31.0
3j. Tobacco use	8	9.5
3k. Unprotected / unsafe sex	8	9.5
3l. Some other unhealthy behavior	1	1.2
N	84	

[1] May add to more than 100% since respondents could select up to three responses.

Table D.4: q4. Which healthcare services are difficult to get in Mobile County? Check all that apply[1]

	Frequency	*Percent*
4a. Alternative therapies (acupuncture, herbals, etc.)	17	20.2
4b. Dental care including dentures	17	20.2
4c. Emergency medical care	3	3.6
4d. Hospital care	1	1.2
4e. Laboratory services	4	4.8
4f. Mental health services	58	69.0
4g. Physical therapy / rehabilitation	5	6.0
4h. Preventative healthcare (routine or wellness check-ups, etc.)	22	26.2
4i. Prescriptions / pharmacy services	9	10.7
4j. Primary medical care (a primary doctor / clinic)	14	16.7
4k. Services for the elderly	22	26.2
4l. Specialty medical care (specialist doctors)	17	20.2
4m. Alcohol or drug abuse treatment	39	46.4
4n. Vision care (eye exams and glasses)	3	3.6
4o. Women's health	6	7.1
4p. X-Rays or mammograms	1	1.2
4q. Some other healthcare service	3	3.6
N	84	

[1] May add to more than 100% since respondents could select up to three responses.

Table D.5: q5. Overall, how would you rate the health of people who live in Mobile County?

		Frequency	*Percent*
Very healthy		0	0.0
Healthy		6	8.3
Somewhat healthy		32	44.4
Unhealthy		29	40.3
Very unhealthy		4	5.6
Don't Know		1	1.4
	N	72	100.0

Table D.6: q6. Overall, how would you rate the quality of healthcare services available in Mobile County?

		Frequency	*Percent*
Excellent		3	4.2
Very good		17	23.9
Good		28	39.4
Fair		20	28.2
Poor		3	4.2
Don't Know		0	0.0
	N	71	99.9

Table D.7: q7. What is the primary type of service(s) you or your organization provide?

		Frequency	*Percent*
Alcohol / substance abuse treatment		0	0.0
Business		0	0.0
Clothing / thrift store		0	0.0
Disability services		1	1.4
Education		13	18.1
Employment / job training		1	1.4
Faith based counseling		2	2.8
Financial counseling		0	0.0
Food assistance		3	4.2
Government		1	1.4
Healthcare		17	23.6
Housing / temporary shelter		7	9.7
Legal aid		1	1.4
Mental health		4	5.6
Pregnancy or adoption assistance		0	0.0
Public Service		5	6.9
Senior services		4	5.6
Utility payment assistance		0	0.0
Some other services		13	18.1
	N	72	100.2

Table D.8: q8. Which of the following best describes the clients you serve?

		Frequency	*Percent*
Active duty military		0	0.0
Disabled		2	3.2
Families		21	33.9
Homeless		5	8.1
Individuals		22	35.5
Veterans		0	0.0
Other		12	19.4
	N	62	100.1

Table D.9: q9. Which of the following best describes what happens if your organization cannot provide all the services needed by a client?

	Frequency	*Percent*
Give the client information on where to obtain assistance (client is responsible for contacting other organization)	37	63.8
Phone, email, or fax a referral to another organization	18	31.0
Send an electronic referral using a shared software system (such as Bowman Systems or CareScope)	0	0.0
Other	3	5.2
N	58	100.0

Table D.10: q10. What age group do most of your clients fit into? Check all that apply[1]

	Frequency	*Percent*
Children	31	36.9
Adults (under age 65)	39	46.4
Seniors (65 and over)	17	20.2
N	87	

[1] May add to more than 100% since respondents could select up to three responses.

Table D.11: q11. Given the services that your organization provides and the clients you serve; how helpful would it be to know what other services the client has received from other organizations?

	Frequency	*Percent*
Helpful	49	81.7
Somewhat helpful	8	13.3
Not helpful	3	5.0
Don't Know	0	0.0
N	60	100.0

Table D.12: q12. How many clients (unique individuals, not visits) do you serve on an annual basis?

		Frequency	*Percent*
500 or less		10	16.7
501 to 1,000		10	16.7
1,001 to 5,000		8	13.3
5,001 to 10,000		5	8.3
10,001 to 20,000		4	6.7
20,000 or more		19	31.7
Don't Know		4	6.7
	N	60	100.1

Table D.13: q13. Do your clients have to meet income eligibility requirements to obtain services?

		Frequency	*Percent*
Yes, 50% of the federal poverty level or less		3	5.7
Yes, 100% of the federal poverty level or less		5	9.4
Yes, 150% of the federal poverty level or less		0	0.0
Yes, 200% of the federal poverty level or less		0	0.0
Yes, 300% of the federal poverty level or less		0	0.0
No, we serve everyone		39	73.6
Other		6	11.3
Don't Know		0	0.0
	N	53	100.0

Table D.14: q14. What percent of your staff would you say are volunteers?

		Frequency	*Percent*
0%		11	21.2
1 – 25%		31	59.6
26 – 50%		3	5.8
51 – 75%		3	5.8
76 – 100%		4	7.7
	N	52	100.1

Table D.15: q15. Do you use any of the following systems to store client records electronically?

	Frequency	*Percent*
CareScope	0	0.0
Bowman Systems (Service Point or Community Point)	3	7.3
VisionLink (2-1-1 or Community)	0	0.0
Social Solutions (ETO Collaborative)	0	0.0
An electronic medical record (EMR) or electronic health record (EHR)	19	46.3
Some other system	11	26.8
Don't Know	8	19.5
N	41	99.9

APPENDIX E – COMMUNITY HEALTH LEADERS SURVEY OPEN-ENDED RESPONSES

Q1. What is some other feature that you think if most important for a "Healthy Community"?

- A community focused on the social determinants of health.
- Livable Wages/Incomes for Residents.

Q2. What is some other important health issue in Mobile County?

- Food insecurity/malnutrition.
- High blood pressure.
- Hunger/healthy diet.
- Poverty.
- Asthma/Allergies.

Q3. What is some other unhealthy behavior in Mobile County that concern you the most?

- Mental health.

Q4. What is some other healthcare service in Mobile County that you feel is difficult to get?

- Affordable housing.
- Dermatology.
- Patient apathy/compliance.

Q7. What other type of service do you or your organization provide?

- Access to outdoor recreation.
- Community convener and funder.
- Environmental protection.
- Fair housing, financial literacy, mortgage default counseling.
- Faith development.
- Funding for programs at nonprofits, schools, government entities, churches.
- Physical, Spiritual, and emergency assistance.
- Public health.
- Research.
- Social service.
- Social Services.
- Treatment for foster youth.
- We fund a variety of the services listed above.

Q8. What other category best describes the clients you serve?

- Adolescent 8-19.
- All of the above.
- Anyone seeking healthcare.
- Children.
- Children.
- College students.
- Foster children.
- Homeless due to Domestic Violence.
- Low income, uninsured.
- Very low income.
- We fund programs that serve all of the people listed above.
- We serve all.

Q9. What other actions do you or your organization take if you cannot provide all the services needed by a client?

- DHR finds alternative placement.
- Provide information and/or referrals with follow-up.
- We contact the other agencies on behalf of the client.

Q15. What other system do you use to store client records electronically?

- Custom.
- Data Base.
- EPIC.
- HMIS.
- HMIS.
- My Senior.
- Oasis Insight.
- Osnium.
- SmartCare.
- Sumac.

APPENDIX F – COMMUNITY HEALTH SURVEY QUESTIONNAIRE

2018-2019 COMMUNITY HEALTH NEEDS ASSESSMENT

SCREENER

I. Introduction

"My name is _____ and I'm calling from the University of South Alabama. We are conducting a survey about healthcare needs and services in (Baldwin/Mobile) County."

IF LANDLINE SKIPTO II
IF CELL PHONE SKIPTO III

II. Respondent Selection

"I'd like to talk to the person in your household who's 18 or older and who makes most of the household decisions regarding healthcare?"

A. IF RESPONDENT – "Then you're the one I want to talk to." SKIP TO QUESTIONNAIRE

B. IF SOMEONE ELSE – "May I speak to them please?"

IF RESPONDENT IS NOT HOME, ASK – "Could you suggest a convenient time for me to call back when I might be able to reach them?" GIVE SHIFT TIMES IF NECESSARY. GET FIRST NAME OF RESPONDENT IF POSSIBLE.

IF RESPONDENT IS DIFFERENT FROM PERSON WHO ANSWERED PHONE – "My name is _____ and I'm calling from the University Polling Group. We are conducting a survey about healthcare needs and services in (Baldwin/Mobile) County."

SKIPTO IV

III. Cell Phone

C1. "Is this a safe time to talk with you, or are you driving?"

1 YES, SAFE TIME
2 NO, NOT A SAFE TIME

IF NO: "May I schedule a day and time to call you back?"
PRESSING 2 FOR NO WILL EXIT THE SURVEY AND ALLOW YOU TO DISPOSITION AND SETUP A CALLBACK

C2. "Are you 18 years of age or older?"

1 18 YEARS OF AGE OR OLDER
2 UNDER 18 YEARS OF AGE

IF UNDER 18 YEARS OF AGE: "Thank you, but we are only talking to adults 18 years of age or older for this survey."
EXIT TO DISPOSITION

C3. “And, do you currently live in (Baldwin/Mobile) County?”

1 YES, LIVE IN BALDWIN/MOBILE COUNTY
2 NO, DO NOT LIVE IN BALDWIN/MOBILE COUNTY

IF NO: “Thank you, but we are only talking to residents of (Baldwin/Mobile) County for this survey.”
EXIT TO DISPOSITION

SKIPTO IV

IV. Survey Start

“You may refuse to answer any question, and you may stop the survey at any time. Your answers to these questions are completely anonymous.”

1. (16) “First, would you say that in general your health is . . . excellent, very good, good, fair, or poor?”

1 EXCELLENT
2 VERY GOOD
3 GOOD
4 FAIR
5 POOR

8 DK
9 NA

2. (4) “Thinking about (Baldwin/Mobile) County overall, how would you rate the health of people who live in (Baldwin/Mobile) County . . . very healthy, healthy, somewhat healthy, unhealthy, or very unhealthy?”

1 VERY HEALTHY
2 HEALTHY
3 SOMEWHAT HEALTHY
4 UNHEALTHY
5 VERY UNHEALTHY

8 DK
9 NA

3. (14) “Overall, how would you rate the quality of healthcare services available in (Baldwin/Mobile) County . . . excellent, very good, good, fair, or poor?”

1 EXCELLENT
2 VERY GOOD
3 GOOD
4 FAIR
5 POOR

8 DK
9 NA

4. (6) "What type of healthcare insurance do you have?"

IF RESPONDENT HAS PRIVATE INSURANCE: “Is your private insurance plan one you purchased yourself or is it provided to you through your employer or spouse’s employer?”

1 PRIVATE INSURANCE – DIRECT PURCHASE
2 PRIVATE INSURANCE – EMPLOYER BASED
3 PRIVATE INSURANCE – EMPLOYER BASED SPOUSE
4 MEDICARE
5 MEDICAID
6 OTHER
7 NO INSURANCE
8 TRICARE/MILITARY INSURANCE

98 DON’T KNOW
99 REF/NA

5. “Do you have one person you think of as your personal doctor or health care provider?”

IF “No” ASK: “Is there more than one, or is there no person who you think of as your personal doctor or health care provider?”

1 YES ONLY ONE
2 YES MORE THAN ONE
3 NO

8 DK
9 NA

6. (8) “How long has it been since your last visit to a doctor for a wellness exam or routine checkup . . . was that within the past 12 months, 1 to 2 years ago, 2 to 5 years ago, 5 or more years ago, or have you never had a wellness exam or routine checkup?”

1 WITHIN THE PAST 12 MONTHS
2 1 TO 2 YEARS AGO
3 2 TO 5 YEARS AGO
4 5 OR MORE YEARS AGO
5 NEVER HAD ONE

8 DK
9 NA

7. (7) “How long has it been since your last dental exam or cleaning . . . was that within the past 12 months, 1 to 2 years ago, 2 to 5 years ago, 5 or more years ago, or have you never had a dental exam or cleaning?”

1 WITHIN THE PAST 12 MONTHS
2 1 TO 2 YEARS AGO
3 2 TO 5 YEARS AGO
4 5 OR MORE YEARS AGO
5 NEVER HAD ONE

8 DK
9 NA

8. (1) Next, I’m going to read a list of things that apply to healthy communities. For each item please tell me how important you think that item would be to improving the overall health in your community.

A. “First, access to health services such a health clinic or hospital . . . would say this is very important, somewhat important, neither important nor unimportant, somewhat unimportant, or very unimportant to the overall health in your community?”

1 VERY IMPORTANT
2 SOMEWHAT IMPORTANT
3 NEITHER IMPORTANT NOR UNIMPORTANT
4 SOMEWHAT UNIMPORTANT
5 VERY UNIMPORTANT

8 DK
9 NA

B. “What about, active lifestyles including outdoor activities . . . would say this is very important, somewhat important, neither important nor unimportant, somewhat unimportant, or very unimportant to the overall health in your community?”

1 VERY IMPORTANT
2 SOMEWHAT IMPORTANT
3 NEITHER IMPORTANT NOR UNIMPORTANT
4 SOMEWHAT UNIMPORTANT
5 VERY UNIMPORTANT

8 DK
9 NA

C. “Affordable housing?”

PROBE IF NEEDED: “Would say this is very important, somewhat important, neither important nor unimportant, somewhat unimportant, or very unimportant to the overall health in your community?”

1 VERY IMPORTANT
2 SOMEWHAT IMPORTANT
3 NEITHER IMPORTANT NOR UNIMPORTANT
4 SOMEWHAT UNIMPORTANT
5 VERY UNIMPORTANT

8 DK
9 NA

D. “Arts and cultural events?”

PROBE IF NEEDED: “Would say this is very important, somewhat important, neither important nor unimportant, somewhat unimportant, or very unimportant to the overall health in your community?”

1 VERY IMPORTANT
2 SOMEWHAT IMPORTANT
3 NEITHER IMPORTANT NOR UNIMPORTANT
4 SOMEWHAT UNIMPORTANT
5 VERY UNIMPORTANT

8 DK
9 NA

E. “A clean environment including water, air, etc.?”

PROBE IF NEEDED: “Would say this is very important, somewhat important, neither important nor unimportant, somewhat unimportant, or very unimportant to the overall health in your community?”

1 VERY IMPORTANT
2 SOMEWHAT IMPORTANT
3 NEITHER IMPORTANT NOR UNIMPORTANT
4 SOMEWHAT UNIMPORTANT
5 VERY UNIMPORTANT

8 DK
9 NA

F. “Family doctors and specialists?”

PROBE IF NEEDED: “Would say this is very important, somewhat important, neither important nor unimportant, somewhat unimportant, or very unimportant to the overall health in your community?”

1 VERY IMPORTANT
2 SOMEWHAT IMPORTANT
3 NEITHER IMPORTANT NOR UNIMPORTANT
4 SOMEWHAT UNIMPORTANT
5 VERY UNIMPORTANT

8 DK
9 NA

G. “Good employment opportunities?”

PROBE IF NEEDED: “Would say this is very important, somewhat important, neither important nor unimportant, somewhat unimportant, or very unimportant to the overall health in your community?”

1 VERY IMPORTANT
2 SOMEWHAT IMPORTANT
3 NEITHER IMPORTANT NOR UNIMPORTANT
4 SOMEWHAT UNIMPORTANT
5 VERY UNIMPORTANT

8 DK
9 NA

H. “Good places to raise children?”

PROBE IF NEEDED: “Would say this is very important, somewhat important, neither important nor unimportant, somewhat unimportant, or very unimportant to the overall health in your community?”

1 VERY IMPORTANT
2 SOMEWHAT IMPORTANT
3 NEITHER IMPORTANT NOR UNIMPORTANT
4 SOMEWHAT UNIMPORTANT
5 VERY UNIMPORTANT

8 DK
9 NA

I. “Good race relations?”

PROBE IF NEEDED: “Would say this is very important, somewhat important, neither important nor unimportant, somewhat unimportant, or very unimportant to the overall health in your community?”

1 VERY IMPORTANT
2 SOMEWHAT IMPORTANT
3 NEITHER IMPORTANT NOR UNIMPORTANT
4 SOMEWHAT UNIMPORTANT
5 VERY UNIMPORTANT

8 DK
9 NA

J. “Good schools?”

PROBE IF NEEDED: “Would say this is very important, somewhat important, neither important nor unimportant, somewhat unimportant, or very unimportant to the overall health in your community?”

1 VERY IMPORTANT
2 SOMEWHAT IMPORTANT
3 NEITHER IMPORTANT NOR UNIMPORTANT
4 SOMEWHAT UNIMPORTANT
5 VERY UNIMPORTANT

8 DK
9 NA

K. “Healthy food options?”

PROBE IF NEEDED: “Would say this is very important, somewhat important, neither important nor unimportant, somewhat unimportant, or very unimportant to the overall health in your community?”

1 VERY IMPORTANT
2 SOMEWHAT IMPORTANT
3 NEITHER IMPORTANT NOR UNIMPORTANT
4 SOMEWHAT UNIMPORTANT
5 VERY UNIMPORTANT

8 DK
9 NA

L. “Fewer homeless?”

PROBE IF NEEDED: “Would say this is very important, somewhat important, neither important nor unimportant, somewhat unimportant, or very unimportant to the overall health in your community?”

1 VERY IMPORTANT
2 SOMEWHAT IMPORTANT
3 NEITHER IMPORTANT NOR UNIMPORTANT
4 SOMEWHAT UNIMPORTANT
5 VERY UNIMPORTANT

8 DK
9 NA

M. “Less alcohol and drug abuse?”

PROBE IF NEEDED: “Would say this is very important, somewhat important, neither important nor unimportant, somewhat unimportant, or very unimportant to the overall health in your community?”

1 VERY IMPORTANT
2 SOMEWHAT IMPORTANT
3 NEITHER IMPORTANT NOR UNIMPORTANT
4 SOMEWHAT UNIMPORTANT
5 VERY UNIMPORTANT

8 DK
9 NA

N. “Lower crime and safe neighborhoods?”

PROBE IF NEEDED: “Would say this is very important, somewhat important, neither important nor unimportant, somewhat unimportant, or very unimportant to the overall health in your community?”

1 VERY IMPORTANT
2 SOMEWHAT IMPORTANT
3 NEITHER IMPORTANT NOR UNIMPORTANT
4 SOMEWHAT UNIMPORTANT
5 VERY UNIMPORTANT

8 DK
9 NA

O. “Less obesity?”

PROBE IF NEEDED: “Would say this is very important, somewhat important, neither important nor unimportant, somewhat unimportant, or very unimportant to the overall health in your community?”

1 VERY IMPORTANT
2 SOMEWHAT IMPORTANT
3 NEITHER IMPORTANT NOR UNIMPORTANT
4 SOMEWHAT UNIMPORTANT
5 VERY UNIMPORTANT

8 DK
9 NA

P. “Less sexually transmitted diseases?”

PROBE IF NEEDED: “Would say this is very important, somewhat important, neither important nor unimportant, somewhat unimportant, or very unimportant to the overall health in your community?”

1 VERY IMPORTANT
2 SOMEWHAT IMPORTANT
3 NEITHER IMPORTANT NOR UNIMPORTANT
4 SOMEWHAT UNIMPORTANT
5 VERY UNIMPORTANT

8 DK
9 NA

Q. “Less tobacco use?”

PROBE IF NEEDED: “Would say this is very important, somewhat important, neither important nor unimportant, somewhat unimportant, or very unimportant to the overall health in your community?”

1 VERY IMPORTANT
2 SOMEWHAT IMPORTANT
3 NEITHER IMPORTANT NOR UNIMPORTANT
4 SOMEWHAT UNIMPORTANT
5 VERY UNIMPORTANT

8 DK
9 NA

R. “Mental health services?”

PROBE IF NEEDED: “Would say this is very important, somewhat important, neither important nor unimportant, somewhat unimportant, or very unimportant to the overall health in your community?”

1 VERY IMPORTANT
2 SOMEWHAT IMPORTANT
3 NEITHER IMPORTANT NOR UNIMPORTANT
4 SOMEWHAT UNIMPORTANT
5 VERY UNIMPORTANT

8 DK
9 NA

S. “More quality education?”

PROBE IF NEEDED: “Would say this is very important, somewhat important, neither important nor unimportant, somewhat unimportant, or very unimportant to the overall health in your community?”

1 VERY IMPORTANT
2 SOMEWHAT IMPORTANT
3 NEITHER IMPORTANT NOR UNIMPORTANT
4 SOMEWHAT UNIMPORTANT
5 VERY UNIMPORTANT

8 DK
9 NA

T. “More quality health care options?”

PROBE IF NEEDED: “Would say this is very important, somewhat important, neither important nor unimportant, somewhat unimportant, or very unimportant to the overall health in your community?”

1 VERY IMPORTANT
2 SOMEWHAT IMPORTANT
3 NEITHER IMPORTANT NOR UNIMPORTANT
4 SOMEWHAT UNIMPORTANT
5 VERY UNIMPORTANT

8 DK
9 NA

U. “Good transportation options?”

PROBE IF NEEDED: “Would say this is very important, somewhat important, neither important nor unimportant, somewhat unimportant, or very unimportant to the overall health in your community?”

1 VERY IMPORTANT
2 SOMEWHAT IMPORTANT
3 NEITHER IMPORTANT NOR UNIMPORTANT
4 SOMEWHAT UNIMPORTANT
5 VERY UNIMPORTANT

8 DK
9 NA

V. “Religious and/or spiritual values?”

PROBE IF NEEDED: “Would say this is very important, somewhat important, neither important nor unimportant, somewhat unimportant, or very unimportant to the overall health in your community?”

1 VERY IMPORTANT
2 SOMEWHAT IMPORTANT
3 NEITHER IMPORTANT NOR UNIMPORTANT
4 SOMEWHAT UNIMPORTANT
5 VERY UNIMPORTANT

8 DK
9 NA

W. “Social support services such as food pantries and charity services?”

PROBE IF NEEDED: “Would say this is very important, somewhat important, neither important nor unimportant, somewhat unimportant, or very unimportant to the overall health in your community?”

1 VERY IMPORTANT
2 SOMEWHAT IMPORTANT
3 NEITHER IMPORTANT NOR UNIMPORTANT
4 SOMEWHAT UNIMPORTANT
5 VERY UNIMPORTANT

8 DK
9 NA

9. (2) Next, I’m going to read a list of health issues, for each one please tell me how important of a problem you feel that issue is for (Baldwin/Mobile) County.

A. “First, what about accidental injuries at places like work, home or school . . . would say this is very important, somewhat important, neither important nor unimportant, somewhat unimportant, or very unimportant to the overall health in your community?”

1 VERY IMPORTANT
2 SOMEWHAT IMPORTANT
3 NEITHER IMPORTANT NOR UNIMPORTANT
4 SOMEWHAT UNIMPORTANT
5 VERY UNIMPORTANT

8 DK
9 NA

B. “What about, aging problems like dementia and loss of mobility . . . would say this is very important, somewhat important, neither important nor unimportant, somewhat unimportant, or very unimportant to the overall health in your community?”

1 VERY IMPORTANT
2 SOMEWHAT IMPORTANT
3 NEITHER IMPORTANT NOR UNIMPORTANT
4 SOMEWHAT UNIMPORTANT
5 VERY UNIMPORTANT

8 DK
9 NA

C. “Cancers?”

PROBE IF NEEDED: “Would say this issue is a very important, somewhat important, neither important nor unimportant, somewhat unimportant, or very unimportant problem to the overall health in your community?”

1 VERY IMPORTANT
2 SOMEWHAT IMPORTANT
3 NEITHER IMPORTANT NOR UNIMPORTANT
4 SOMEWHAT UNIMPORTANT
5 VERY UNIMPORTANT

8 DK
9 NA

D. “Child abuse and neglect?”

PROBE IF NEEDED: “Would say this issue is a very important, somewhat important, neither important nor unimportant, somewhat unimportant, or very unimportant problem to the overall health in your community?”

1 VERY IMPORTANT
2 SOMEWHAT IMPORTANT
3 NEITHER IMPORTANT NOR UNIMPORTANT
4 SOMEWHAT UNIMPORTANT
5 VERY UNIMPORTANT

8 DK
9 NA

E. “Dental problems?”

PROBE IF NEEDED: “Would say this issue is a very important, somewhat important, neither important nor unimportant, somewhat unimportant, or very unimportant problem to the overall health in your community?”

1 VERY IMPORTANT
2 SOMEWHAT IMPORTANT
3 NEITHER IMPORTANT NOR UNIMPORTANT
4 SOMEWHAT UNIMPORTANT
5 VERY UNIMPORTANT

8 DK
9 NA

F. “Diabetes?”

PROBE IF NEEDED: “Would say this issue is a very important, somewhat important, neither important nor unimportant, somewhat unimportant, or very unimportant problem to the overall health in your community?”

1 VERY IMPORTANT
2 SOMEWHAT IMPORTANT
3 NEITHER IMPORTANT NOR UNIMPORTANT
4 SOMEWHAT UNIMPORTANT
5 VERY UNIMPORTANT

8 DK
9 NA

G. “Domestic violence?”

PROBE IF NEEDED: “Would say this issue is a very important, somewhat important, neither important nor unimportant, somewhat unimportant, or very unimportant problem to the overall health in your community?”

1 VERY IMPORTANT
2 SOMEWHAT IMPORTANT
3 NEITHER IMPORTANT NOR UNIMPORTANT
4 SOMEWHAT UNIMPORTANT
5 VERY UNIMPORTANT

8 DK
9 NA

H. “Drug use and abuse?”

PROBE IF NEEDED: “Would say this issue is a very important, somewhat important, neither important nor unimportant, somewhat unimportant, or very unimportant problem to the overall health in your community?”

1 VERY IMPORTANT
2 SOMEWHAT IMPORTANT
3 NEITHER IMPORTANT NOR UNIMPORTANT
4 SOMEWHAT UNIMPORTANT
5 VERY UNIMPORTANT

8 DK
9 NA

I. “Fire-arm related injuries?”

PROBE IF NEEDED: “Would say this issue is a very important, somewhat important, neither important nor unimportant, somewhat unimportant, or very unimportant problem to the overall health in your community?”

1 VERY IMPORTANT
2 SOMEWHAT IMPORTANT
3 NEITHER IMPORTANT NOR UNIMPORTANT
4 SOMEWHAT UNIMPORTANT
5 VERY UNIMPORTANT

8 DK
9 NA

J. “Heart disease and stroke?”

PROBE IF NEEDED: “Would say this issue is a very important, somewhat important, neither important nor unimportant, somewhat unimportant, or very unimportant problem to the overall health in your community?”

1 VERY IMPORTANT
2 SOMEWHAT IMPORTANT
3 NEITHER IMPORTANT NOR UNIMPORTANT
4 SOMEWHAT UNIMPORTANT
5 VERY UNIMPORTANT

8 DK
9 NA

K. “HIV/AIDS?”

PROBE IF NEEDED: “Would say this issue is a very important, somewhat important, neither important nor unimportant, somewhat unimportant, or very unimportant problem to the overall health in your community?”

1 VERY IMPORTANT
2 SOMEWHAT IMPORTANT
3 NEITHER IMPORTANT NOR UNIMPORTANT
4 SOMEWHAT UNIMPORTANT
5 VERY UNIMPORTANT

8 DK
9 NA

L. “Homelessness?”

PROBE IF NEEDED: “Would say this issue is a very important, somewhat important, neither important nor unimportant, somewhat unimportant, or very unimportant problem to the overall health in your community?”

1 VERY IMPORTANT
2 SOMEWHAT IMPORTANT
3 NEITHER IMPORTANT NOR UNIMPORTANT
4 SOMEWHAT UNIMPORTANT
5 VERY UNIMPORTANT

8 DK
9 NA

M. “Homicides?”

PROBE IF NEEDED: “Would say this issue is a very important, somewhat important, neither important nor unimportant, somewhat unimportant, or very unimportant problem to the overall health in your community?”

1 VERY IMPORTANT
2 SOMEWHAT IMPORTANT
3 NEITHER IMPORTANT NOR UNIMPORTANT
4 SOMEWHAT UNIMPORTANT
5 VERY UNIMPORTANT

8 DK
9 NA

N. “Infant death?”

PROBE IF NEEDED: “Would say this issue is a very important, somewhat important, neither important nor unimportant, somewhat unimportant, or very unimportant problem to the overall health in your community?”

1 VERY IMPORTANT
2 SOMEWHAT IMPORTANT
3 NEITHER IMPORTANT NOR UNIMPORTANT
4 SOMEWHAT UNIMPORTANT
5 VERY UNIMPORTANT

8 DK
9 NA

O. “Infectious diseases like hepatitis and tuberculosis?”

PROBE IF NEEDED: “Would say this issue is a very important, somewhat important, neither important nor unimportant, somewhat unimportant, or very unimportant problem to the overall health in your community?”

1 VERY IMPORTANT
2 SOMEWHAT IMPORTANT
3 NEITHER IMPORTANT NOR UNIMPORTANT
4 SOMEWHAT UNIMPORTANT
5 VERY UNIMPORTANT

8 DK
9 NA

P. “Mental health problems?”

PROBE IF NEEDED: “Would say this issue is a very important, somewhat important, neither important nor unimportant, somewhat unimportant, or very unimportant problem to the overall health in your community?”

1 VERY IMPORTANT
2 SOMEWHAT IMPORTANT
3 NEITHER IMPORTANT NOR UNIMPORTANT
4 SOMEWHAT UNIMPORTANT
5 VERY UNIMPORTANT

8 DK
9 NA

Q. “Motor vehicle crash injuries?”

PROBE IF NEEDED: “Would say this issue is a very important, somewhat important, neither important nor unimportant, somewhat unimportant, or very unimportant problem to the overall health in your community?”

1 VERY IMPORTANT
2 SOMEWHAT IMPORTANT
3 NEITHER IMPORTANT NOR UNIMPORTANT
4 SOMEWHAT UNIMPORTANT
5 VERY UNIMPORTANT

8 DK
9 NA

R. “Obesity or excess weight?”

PROBE IF NEEDED: “Would say this issue is a very important, somewhat important, neither important nor unimportant, somewhat unimportant, or very unimportant problem to the overall health in your community?”

1 VERY IMPORTANT
2 SOMEWHAT IMPORTANT
3 NEITHER IMPORTANT NOR UNIMPORTANT
4 SOMEWHAT UNIMPORTANT
5 VERY UNIMPORTANT

8 DK
9 NA

S. “Rape and sexual assault?”

PROBE IF NEEDED: “Would say this issue is a very important, somewhat important, neither important nor unimportant, somewhat unimportant, or very unimportant problem to the overall health in your community?”

1 VERY IMPORTANT
2 SOMEWHAT IMPORTANT
3 NEITHER IMPORTANT NOR UNIMPORTANT
4 SOMEWHAT UNIMPORTANT
5 VERY UNIMPORTANT

8 DK
9 NA

T. “Respiratory problems and lung disease?”

PROBE IF NEEDED: “Would say this issue is a very important, somewhat important, neither important nor unimportant, somewhat unimportant, or very unimportant problem to the overall health in your community?”

1 VERY IMPORTANT
2 SOMEWHAT IMPORTANT
3 NEITHER IMPORTANT NOR UNIMPORTANT
4 SOMEWHAT UNIMPORTANT
5 VERY UNIMPORTANT

8 DK
9 NA

U. “Sexually transmitted diseases?”

PROBE IF NEEDED: “Would say this issue is a very important, somewhat important, neither important nor unimportant, somewhat unimportant, or very unimportant problem to the overall health in your community?”

1 VERY IMPORTANT
2 SOMEWHAT IMPORTANT
3 NEITHER IMPORTANT NOR UNIMPORTANT
4 SOMEWHAT UNIMPORTANT
5 VERY UNIMPORTANT

8 DK
9 NA

V. “Suicide?”

PROBE IF NEEDED: “Would say this issue is a very important, somewhat important, neither important nor unimportant, somewhat unimportant, or very unimportant problem to the overall health in your community?”

1 VERY IMPORTANT
2 SOMEWHAT IMPORTANT
3 NEITHER IMPORTANT NOR UNIMPORTANT
4 SOMEWHAT UNIMPORTANT
5 VERY UNIMPORTANT

8 DK
9 NA

W. “Teenage pregnancy?”

PROBE IF NEEDED: “Would say this issue is a very important, somewhat important, neither important nor unimportant, somewhat unimportant, or very unimportant problem to the overall health in your community?”

1 VERY IMPORTANT
2 SOMEWHAT IMPORTANT
3 NEITHER IMPORTANT NOR UNIMPORTANT
4 SOMEWHAT UNIMPORTANT
5 VERY UNIMPORTANT

8 DK
9 NA

X. “Tobacco Use?”

PROBE IF NEEDED: “Would say this issue is a very important, somewhat important, neither important nor unimportant, somewhat unimportant, or very unimportant problem to the overall health in your community?”

1 VERY IMPORTANT
2 SOMEWHAT IMPORTANT
3 NEITHER IMPORTANT NOR UNIMPORTANT
4 SOMEWHAT UNIMPORTANT
5 VERY UNIMPORTANT

8 DK
9 NA

10. (5) “Now I am going to read a list of common health conditions . . . for each one, please tell me if a doctor or other health care professional has ever told you that you have that condition.”

A. “The first condition is asthma, has a doctor or other health professional ever told you that you have asthma?”

1 YES
2 NO

8 DK
9 NA

B. “Has a doctor or other health professional ever told you that you have chronic obstructive pulmonary disease or COPD?”

1 YES
2 NO

8 DK
9 NA

C. “What about dementia or Alzheimer’s (ALS-HI-MERS) disease?”

PROBE IF NEEDED: “Has a doctor or other health professional ever told you that you have this health condition?”

1 YES
2 NO

8 DK
9 NA

D. “Depression?”

PROBE IF NEEDED: “Has a doctor or other health professional ever told you that you have this health condition?”

1 YES
2 NO

8 DK
9 NA

E. “Diabetes?”

PROBE IF NEEDED: “Has a doctor or other health professional ever told you that you have this health condition?”

1 YES
2 NO

8 DK
9 NA

F. “Heart Disease?”

PROBE IF NEEDED: “Has a doctor or other health professional ever told you that you have this health condition?”

1 YES
2 NO

8 DK
9 NA

G. “High Cholesterol?”

PROBE IF NEEDED: “Has a doctor or other health professional ever told you that you have this health condition?”

1 YES
2 NO

8 DK
9 NA

H “High blood pressure?”

PROBE IF NEEDED: “Has a doctor or other health professional ever told you that you have this health condition?”

1 YES
2 NO

8 DK
9 NA

I. “HIV or Aids?”

PROBE IF NEEDED: “Has a doctor or other health professional ever told you that you have this health condition?”

1 YES
2 NO

8 DK
9 NA

J. “Obesity?”

PROBE IF NEEDED: “Has a doctor or other health professional ever told you that you have this health condition?”

1 YES
2 NO

8 DK
9 NA

K. “Tuberculosis?”

PROBE IF NEEDED: “Has a doctor or other health professional ever told you that you have this health condition?”

1 YES
2 NO

8 DK
9 NA

L. “Alcohol or drug addiction?”

PROBE IF NEEDED: “Has a doctor or other health professional ever told you that you have this health condition?”

1 YES
2 NO

8 DK
9 NA

11. (10) “Thinking about your experience with healthcare services in (Baldwin/Mobile) County, please tell me if there are any healthcare services which you feel are difficult to get in (Baldwin/Mobile) County?”

PROBE: “Are there any other healthcare services which you feel are difficult to get?”

SELECT ALL THAT APPLY

1 ALTERNATIVE THERAPIES (ACUPUNCTURE, HERBALS)
2 DENTAL CARE / DENTURES
3 EMERGENCY MEDICAL CARE
4 HOSPITAL CARE
5 LABORATORY SERVICES
6 MENTAL HEALTH SERVICES
7 PHYSICAL THERAPY / REHABILITATION
8 PREVENTATIVE HEALTHCARE (ROUTINE OR WELLNESS CHECKUPS)
9 PRESCRIPTIONS / PHARMACY SERVICES
10 PRIMARY MEDICAL CARE (PRIMARY CARE DOCTOR OR CLINIC)
11 SERVICES FOR THE ELDERLY
12 SPECIALTY MEDICAL CARE (SPECIALIST DOCTORS)
13 ALCOHOL OR DRUG ABUSE TREATMENT
14 VISION CARE / EYE EXAMS / GLASSES
15 WOMEN’S HEALTH
16 X-RAYS OR MAMMOGRAMS
17 OTHER
18 NO / NO MORE

12. (11) “In the past 12 months, have you delayed getting needed medical care for any reason?”

1 YES
2 NO

8 DK
9 NA

IF YES SKIPTO Q13; ELSE SKIPTO Q14

13. (11) “Why did you delay in getting needed medical care?”

PROBE: “Are there any reasons you delayed getting needed medical care in the past 12 months?”

SELECT ALL THAT APPLY

1 COULD NOT AFFORD MEDICAL CARE
2 INSURANCE PROBLEMS / LACK OF INSURANCE
3 LACK OF TRANSPORTATION
4 LANGUAGE BARRIERS / COULD NOT COMMUNICATE
5 PROVIDER DID NOT TAKE MY INSURANCE
6 PROVIDER WAS NOT TAKING NEW PATIENTS
7 COULD NOT GET AN APPOINTMENT SOON ENOUGH
8 COULD NOT GET A WEEKEND OR EVENING APPOINTMENT
9 OTHR
10 NO MORE REASONS

14. (12) “When you or someone in your family is sick, where do you typically go for healthcare?”

1 EMERGENCY ROOM (HOSPITAL)
2 FAMILY DOCTOR
3 ANY DOCTOR
4 URGENT CARE CLINIC
5 HEALTH DEPARTMENT
6 COMMUNITY HEALTH CENTER
7 FREE CLINIC
8 VA / MILITARY FACILITY
9 OTHER
10 I USUALLY GO WITHOUT RECEIVING HEALTHCARE

98 DK
99 NA

15. (17) “Thinking about yourself personally, how confident are you that you can make and maintain lifestyle changes like eating right, exercising, or not smoking . . . extremely confident, very confident, somewhat confident, not very confident, or not at all confident?”

1 EXTREMELY CONFIDENT
2 VERY CONFIDENT
3 SOMEWHAT CONFIDENT
4 NOT VERY CONFIDENT
5 NOT AT ALL CONFIDENT

8 DK
9 NA

16. (15) “Do you currently use any tobacco products such as cigarettes, cigars, chewing tobacco, snuff, vaping or e-cigarettes?”

IF YES, PROBE: “Anything else?”

IF NO, PROBE: “Have you ever used any of these tobacco products?” IF YES: “Did you stop using them in the last 12 months, or has it been more than a year since you used any of these tobacco products?”

SELECT ALL THAT APPLY

1 YES, CIGARETTES OR CIGARS
2 YES, CHEWING TOBACCO, SNUFF
3 YES, VAPING OR E-CIGARETTES
4 NO, QUIT IN THE LAST 12 MONTHS
5 NO, QUIT MORE THAN A YEAR AGO
6 NO, NEVER USED ANY TOBACCO PRODUCTS / NO MORE PRODUCTS

17. (22) “Finally for statistical purposes, I need to ask a few questions about yourself. In what year were you born?”

RECORD YEAR BORN

18. (21) “What is your race?”

1 WHITE / CAUCASION
2 BLACK / AFRICAN-AMERICAN
3 HISPANIC OR LATNIO
4 ASIAN
5 AMERICAN INDIAN / ALASKAN NATIVE
6 PACIFIC ISLANDER
7 MULTI-RACIAL
8 OTHER

98 DK
99 NA

19. (23) “What is the highest level of school you have completed or the highest degree you have received?”

1 GRADES 1 THROUGH 8
2 SOME HIGH SCHOOL (GRADES 9 THROUGH 11)
3 HIGH SCHOOL OR GED
4 VOCATIONAL / TECHNICAL SCHOOL
5 SOME COLLEGE
6 ASSOCIATES DEGREE OR 2 YEAR COLLEGE DEGREE
7 BACHELORS OR 4 YEAR COLLEGE DEGREE
8 GRADUATE OR PROFESSIONAL DEGREE (LAW DEGREE)

98 DK
99 NA

20. (24) “What is your current employment status?”

IF WORKING OR EMPLOYED: “Is that full-time or part-time?”

1 DISABLED / UNABLE TO WORK
2 EMPLOYED FULL-TIME
3 EMPLOYED PART-TIME
4 HOMEMAKER / HOUSEWIFE OR HOUSEHUSBAN
5 RETIRED
6 SEASONAL WORKER
7 STUDENT
8 SELF-EMPLOYED
9 UNEMPLOYED

98 DK
99 NA

21. (25) “And finally, what was your total family income last year . . . was it less than $15,000, $15,001 to $25,000, $25,001 to $35,000, $35,001 to $50,000, $50,001 to $75,000, $75,001 to $100,000 or more than $100,000?”

1 LESS THAN $15,000
2 $15,000 - $25,000
3 $25,000 - $35,000
4 $35,000 - $50,000
5 $50,000 - $75,000
6 $75,000 - $100,000
7 MORE THAN $100,000

8 DK
9 NA

“Thank you very much for your time and taking the survey today!”

APPENDIX G – COMMUNITY HEALTH LEADERS SURVEY QUESTIONNAIRE

Start of Block: Introduction and informed consent

I1
You have been specially selected as a community leader from either Baldwin or Mobile County to participate in the Community Health Leaders Survey for the 2018-2019 Community Health Needs Assessment. This needs assessment is being conducted by the USA Polling Group at the University of South Alabama for Infirmary Health, Providence Hospital, and USA Health including The USA Medical Center (USA Health University Hospital), USA Health Children's & Women's Hospital, and the USA Health Mitchell Cancer Institute (MCI).

The purpose of the survey is to get your opinions about community health issues in Baldwin and Mobile County. The results of the survey will be used to identify health priorities for community action.

This survey should take less than 10 minutes to complete, and your answers are completely confidential.

We very much appreciate you taking the time to complete this survey. By clicking continue you are consenting to participate and will be taken to the survey.

O CONTINUE TO SURVEY (1)

O PREFER NOT TO PARTICIPATE (2)

Skip To: End of Block If You have been specially selected as a community leader from either Baldwin or Mobile County to pa... = CONTINUE TO SURVEY

Skip To: End of Survey If You have been specially selected as a community leader from either Baldwin or Mobile County to pa... = PREFER NOT TO PARTICIPATE

End of Block: Introduction and informed consent

Start of Block: Community Health 01



Q1 What do you think are the most important features of a "Healthy Community"? *(Those factors that would most improve the quality of life in this community.) Check only three (3).*

- ☐ Access to health services (e.g., family doctor, hospitals) (1)
- ☐ Active lifestyles / outdoor activities (2)
- ☐ Affordable housing (3)
- ☐ Arts and cultural events (4)
- ☐ Clean environment (clean water, air, etc.) (5)
- ☐ Family doctors and specialists (6)
- ☐ Good employment opportunities (7)
- ☐ Good place to raise children (8)
- ☐ Good race relations (9)
- ☐ Good schools (10)
- ☐ Healthy food options (11)
- ☐ Low numbers of homeless (12)
- ☐ Low alcohol & drug use (13)
- ☐ Low crime / safe neighborhoods (14)
- ☐ Low percent of population that are obese (15)
- ☐ Low numbers of sexually transmitted disease (STDs) (16)
- ☐ Low tobacco use (17)
- ☐ Mental health services (18)

☐ Quality education (19)

☐ Quality hospitals and urgent / emergency services (20)

☐ Good transportation options (21)

☐ Religious or spiritual values (22)

☐ Social support services (such as Salvation Army, food pantries, Catholic charities, Red Cross, etc.) (23)

☐ Some other feature (please specify) (24)
_____

☐ Some other feature (please specify) (25)
_____

☐ Some other feature (please specify) (26)
_____

End of Block: Community Health 01

Start of Block: Community Health 02



Q2 What do you think are the most important health issues in Baldwin or Mobile County (consider the county where you or your agency perform most of your service(s))?

(Those problems that have the greatest impact on overall community health.) Check only three (3).

- ☐ Accidental injuries (at work, home, school, farm) (1)
- ☐ Aging problems (e.g., dementia, vision/hearing loss, loss of mobility) (2)
- ☐ Cancers (3)
- ☐ Child abuse / neglect (4)
- ☐ Dental problems (5)
- ☐ Diabetes (6)
- ☐ Domestic violence (7)
- ☐ Drug use / abuse (8)
- ☐ Fire-arm related injuries (9)
- ☐ Heart disease and stroke (10)
- ☐ HIV / AIDS (11)
- ☐ Homelessness (12)
- ☐ Homicide (13)
- ☐ Infant death (14)
- ☐ Infectious diseases (e.g., hepatitis, TB, etc.) (15)
- ☐ Mental health problems (16)
- ☐ Motor vehicle crash injuries (17)
- ☐ Obesity / excess weight (18)
- ☐ Rape / sexual assault (19)

- [ ] Respiratory / lung disease (20)
- [ ] Sexually Transmitted Diseases (STDs) (21)
- [ ] Suicide (22)
- [ ] Teenage pregnancy (23)
- [ ] Tobacco use (24)
- [ ] Some other health issue (please specify) (25)
_____
- [ ] Some other health issue (please specify) (26)
_____
- [ ] Some other health issue (please specify) (27)
_____

End of Block: Community Health 02

Start of Block: Community Health 03

*

Q3 Which of the following unhealthy behaviors in Baldwin or Mobile County concern you the most (consider the county where you or your agency perform most of your service(s))?
(Those behaviors that have the greatest impact on overall community health.) Check only thee (3).

- ☐ Alcohol abuse (1)
- ☐ Drug abuse (2)
- ☐ Excess weight (3)
- ☐ Homelessness (4)
- ☐ Lack of exercise (5)
- ☐ Poor eating habits / poor nutrition (6)
- ☐ Not getting shots to prevent disease (7)
- ☐ Not using seat belts / child safety seats (8)
- ☐ Not seeing a doctor or dentist (9)
- ☐ Tobacco use (10)
- ☐ Unprotected / unsafe sex (11)
- ☐ Some other unhealthy behavior (please specify) (12)
  _____
- ☐ Some other unhealthy behavior (please specify) (13)
  _____
- ☐ Some other unhealthy behavior (please specify) (14)
  _____

End of Block: Community Health 03

Start of Block: Community Health 04

Q4 Which healthcare services are difficult to get in Baldwin or Mobile County (consider the county where you or your agency perform most of your service(s))? *(Check all that apply)*

- ☐ Alternative therapies (acupuncture, herbals, etc.) (1)
- ☐ Dental care including dentures (2)
- ☐ Emergency medical care (3)
- ☐ Hospital care (4)
- ☐ Laboratory services (5)
- ☐ Mental health services (6)
- ☐ Physical therapy / rehabilitation (7)
- ☐ Preventative healthcare (routine or wellness check-ups, etc.) (8)
- ☐ Prescriptions / pharmacy services (9)
- ☐ Primary medical care (a primary doctor / clinic) (10)
- ☐ Services for the elderly (11)
- ☐ Specialty medical care (specialist doctors) (12)
- ☐ Alcohol or drug abuse treatment (13)
- ☐ Vision care (eye exams and glasses) (14)
- ☐ Women's health (15)
- ☐ X-Rays or mammograms (16)
- ☐ Some other healthcare service (please specify) (17)

_____

End of Block: Community Health 04

Start of Block: Community Health 05

Q5 Overall, how would you rate the health of people who live in Baldwin or Mobile County (consider the county where you or your agency perform most of your service(s))?

- O Very healthy (1)
- O Healthy (2)
- O Somewhat healthy (3)
- O Unhealthy (4)
- O Very unhealthy (5)
- O Don't know / not sure (6)

Q6 Overall, how would you rate the quality of healthcare services available in Baldwin or Mobile County (consider the county where you or your agency perform most of your service(s))?

- O Excellent (1)
- O Very Good (2)
- O Good (3)
- O Fair (4)
- O Poor (5)
- O Don't know / not sure (6)

End of Block: Community Health 05

Start of Block: Screener

Q7 What is the primary type of service(s) you or your organization provide?

- O Alcohol / substance abuse treatment (1)
- O Business (2)
- O Clothing / thrift store (3)
- O Disability services (4)
- O Education (5)
- O Employment / job training (6)
- O Faith based counseling (7)
- O Financial counseling (8)
- O Food assistance (9)
- O Government (10)
- O Healthcare (11)
- O Housing / temporary shelter (12)
- O Legal aid (13)
- O Mental health (14)
- O Pregnancy or adoption assistance (15)
- O Public service (16)
- O Senior services (17)
- O Utility payment assistance (18)
- O Some other service (please specify) (19)

_____

Skip To: End of Survey If What is the primary type of service(s) you or your organization provide? = Business

Skip To: End of Survey If What is the primary type of service(s) you or your organization provide? = Government

Skip To: End of Survey If What is the primary type of service(s) you or your organization provide? = Public service

End of Block: Screener

Start of Block: Service Information

Q8 Which of the following which best describes the clients you serve?

- O Active duty military (1)
- O Disabled (2)
- O Families (3)
- O Homeless (4)
- O Individuals (5)
- O Veterans (6)
- O Other (please specify) (7) _____
- O Not applicable (8)

Q9 Which of the following best describes what happens if your organization cannot provide all the services needed by a client?

- O Give the client information on where to obtain assistance (client is responsible for contacting other organization) (1)
- O Phone, email, or fax a referral to another organization (2)
- O Send an electronic referral using a shared software system (such as Bowman Systems or CareScope) (3)
- O Other (please specify) (4) _____
- O Not applicable (5)

Q10 What age group do most of your clients fit into?
(Check all that apply)

- ☐ Children (1)
- ☐ Adults (under the age of 65) (2)
- ☐ Seniors (65+) (3)
- ☐ Not applicable (4)

Q11 Given the services that your organization provides and the clients you serve; how helpful would it be to know what other services the client has received from other organizations?

- ○ Helpful (1)
- ○ Somewhat helpful (2)
- ○ Not helpful (3)
- ○ Don't know / not sure (4)
- ○ Not applicable (5)

Q12 How many clients (unique individuals, not visits) do you serve on an annual basis?

- O 500 or less (1)
- O 501 to 1,000 (2)
- O 1,001 to 5,000 (3)
- O 5,001 to 10,000 (4)
- O 10,001 to 20,000 (5)
- O 20,000 or more (6)
- O Don't know / not sure (7)
- O Not applicable (8)

Q13 Do your clients have to meet income eligibility requirements to obtain services?

- O Yes, 50% of the federal poverty level or less (1)
- O Yes, 100% of the federal poverty level or less (2)
- O Yes, 150% of the federal poverty level or less (3)
- O Yes, 200% of the federal poverty level or less (4)
- O Yes, 300% of the federal poverty level or less (5)
- O No, we serve everyone (6)
- O Other (please specify) (7)
- O Don't know / not sure (8)
- O Not applicable (9)

Q14 Thinking about your staff . . .

	0 10 20 30 40 50 60 70 80 90 100
What percent of your staff would you say is volunteer? ()	

Q15 Do you use any of the following systems to store client records electronically? *(Check all that apply)*

- O CareScope (1)
- O Bowman Systems (Service Point or Community Point) (2)
- O VisionLink (2-1-1 or Community OS) (3)
- O Social Solutions (ETO Collaborative) (4)
- O An electronic medical record (EMR) or electronic health record (EHR) (5)
- O Some other system (please specify) (6)

_____

- O Don't know / not sure (7)
- O Not applicable (8)

End of Block: Service Information

Start of Block: Thank You

I2 Thank you very much for taking the time to complete the survey.

End of Block: Thank You

UNIVERSITY OF SOUTH ALABAMA

BOARD OF TRUSTEES

ACADEMIC AND

STUDENT AFFAIRS COMMITTEE

UNIVERSITY OF SOUTH ALABAMA
BOARD OF TRUSTEES

ACADEMIC AND STUDENT AFFAIRS COMMITTEE

June 5, 2019
2:11 p.m.

A meeting of the Academic and Student Affairs Committee of the University of South Alabama Board of Trustees was duly convened by Dr. Scott Charlton, Chair, on Wednesday, June 5, 2019, at 2:11 p.m. in the Board Room of the Frederick P. Whiddon Administration Building.

Members Present:	Alexis Atkins, Scott Charlton, Ron Graham, Lenus Perkins, Margie Tuckson and Mike Windom.
Member Absent:	Steve Furr.
Other Trustees:	Chandra Brown Stewart, Tom Corcoran, Ron Jenkins, Arlene Mitchell, Jimmy Shumock and Jim Yance.
Administration and Others:	Robert Berry, Lynne Chronister, James Davis, Joel Erdmann, Monica Ezell, Ryan Ferguson, Paul Frazier, Mike Haskins, David Johnson, Nick Lawkis, John Marymont, Susan McCready (Faculty Senate), Mike Mitchell, Rod Rocconi, John Smith, Margaret Sullivan, Jean Tucker, Sahilee Waitman (SGA), Tony Waldrop and Scott Weldon.

The meeting came to order and the attendance roll was called. Dr. Charlton called for consideration of the minutes of the meeting held on March 15, 2019. On motion by Mr. Windom, seconded by Ms. Atkins, the Committee voted unanimously to adopt the minutes.

Dr. Charlton called on Dr. Johnson, who presented **ITEM 12**, a resolution appointing retired Professor of Physical Therapy Dr. Dennis W. Fell to the rank of Professor Emeritus and conveying appreciation for his service (to view approved resolutions, policies and other authorizations, refer to the minutes of the Board of Trustees meeting held on June 6, 2019). On motion by Mr. Windom, seconded by Mr. Perkins, the Committee voted unanimously to recommend approval of the resolution by the Board of Trustees.

Dr. Johnson discussed **ITEM 13**, a resolution granting tenure and promotion to faculty of the Division of Academic Affairs and College of Medicine effective August 15, 2019. He pointed out that candidates are subject to rigorous review processes. On motion by Ms. Atkins, seconded by Mr. Windom, the Committee voted unanimously to recommend approval of the resolution by the Board of Trustees.

Dr. Johnson introduced **ITEM 14**, a resolution authorizing housing and dining rates for 2019-2020 as set forth, as well as a 32-percent reduction in tuition per credit hour for the College of Nursing's RN-BSN program. He noted that an increase in state appropriation helped the University to avoid a tuition increase, and conveyed optimism that the RN-BSN tuition reduction would help attract new students. Mr. Weldon commented that South placed 11th among Alabama's 14 four-year institutions in terms of least tuition and fees charged, and recommended that the University continue in its efforts to address this gap. Dr. Smith advised that the increase in housing and dining rates as proposed would fund renovations occurring over the 2019 and 2020 summer terms at an

approximate cost of $3 million. On motion by Mr. Perkins, seconded by Mr. Windom, the Committee voted unanimously to recommend approval of the resolution by the Board of Trustees.

ITEM 15, a report on the activities of the Division of Academic Affairs, was deferred to the June 6 meeting of the Board of Trustees.

Dr. Charlton called on Dr. Mitchell for presentation of **ITEM 16**, a report on the activities of the Division of Student Affairs. Dr. Mitchell reviewed changes pertaining to the Student Health Center, noting that, effective May 1, the unit would be managed through Student Affairs. He introduced new Student Health Center Director and USA alumnus Mr. Ryan Ferguson, who made brief remarks.

Dr. Charlton called on Ms. Chronister to address **ITEM 17**, a report on the activities of the Division of Research and Economic Development. Ms. Chronister introduced Chemistry Professor Dr. James Davis, who gave an overview on research involving ionic liquids, which has garnered grant awards totaling close to $5 million, including awards from the National Aeronautics and Space Administration and the U.S. Department of Energy. Dr. Davis answered questions and shared examples of market application.

There being no further business, the meeting was adjourned at 2:39 p.m.

Respectfully submitted:

_____
Scott A. Charlton, M.D., Chair

RESOLUTION

TENURE

WHEREAS, in accordance with University policy, faculty applications for tenure have been reviewed by the respective faculty peers, departmental chair and college dean, and by the Provost and Senior Vice President for Academic Affairs or the Vice President for Medical Affairs, and the President, and the following individuals are hereby recommended for tenure,

THEREFORE, BE IT RESOLVED, the University of South Alabama Board of Trustees approves and grants tenure to the following individuals effective September 13, 2019.

COLLEGE OF ENGINEERING:

John M. Usher

COLLEGE OF MEDICINE:

Kevin R. Macaluso

UNIVERSITY OF SOUTH ALABAMA

MEMORANDUM

Academic Affairs

DATE: August 21, 2019

TO: Tony Waldrop

FROM: G. David Johnson, Provost and Senior Vice President, Academic Affairs

SUBJECT: Tenure Recommendation for Dr. John M. Usher

Dr. John Usher has been hired as the Dean of the College of Engineering effective August 1, 2019.

It is recommended by the Tenure and Promotion Committee in the College of Engineering that Dr. Usher be granted tenure effective as of the date of the next meeting of the Board of Trustees, September 7, 2019. I endorse this recommendation.

Upon your final action, a resolution for the Board of Trustees will be forwarded. Thank you for consideration of this request.

Approved: _____

Disapproved: _____

GDJ:rmh

UNIVERSITY OF SOUTH ALABAMA

MEMORANDUM

Office of Faculty and Postdoctoral Affairs/College of Medicine

DATE: August 5, 2019

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

FROM: Dr. John V. Marymont
Vice-President for Medical Affairs and Dean of the College of Medicine

SUBJECT: College of Medicine Tenure Recommendations, September 2019 Board Meeting

Below is my recommendation for the College of Medicine tenure for the September 2019 Board Meeting. The recommendation is being forwarded to you for your approval and for approval by the Board of Trustees.

RECOMMENDED:

COLLEGE OF MEDICINE:

Tenure:

Kevin R. Macaluso, Ph.D.

RESOLUTION

PAT CAPPS COVEY COLLEGE OF ALLIED HEALTH PROFESSIONS OUT-OF-STATE GRADUATE TUITION

WHEREAS, the University of South Alabama is committed to maintaining high-quality educational and student services programs, and

WHEREAS, the current out-of-state graduate tuition rate for the Master of Physician Assistant Studies, the Master of Occupational Therapy, Master of Speech-Language Pathology, the Doctor of Physical Therapy, and the Doctor of Audiology is significantly lower than that of peer institutions, and

WHEREAS, an increase in out-of-state tuition for these programs will allow for the preparation of additional clinicians who will meet the needs of the state and region, and

WHEREAS, the revised out-of-state tuition rate will remain competitive,

THEREFORE, BE IT RESOLVED, the University of South Alabama Board of Trustees authorizes the out-of-state graduate tuition rate for the Pat Capps Covey College of Allied Health Professions as set forth in the attached memoranda.

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UNIVERSITY OF SOUTH ALABAMA

MEMORANDUM

Academic Affairs

DATE: June 21, 2019

TO: Tony Waldrop

FROM: G. David Johnson, Provost and Senior Vice President, Academic Affairs

SUBJECT: Out-of-State graduate tuition rate

After reviewing the attached recommendation from Dr. Gregory Frazer, Dean of the Pat Capps Covey College of Allied Health Professions, I agree with his proposal to increase the out-of-state tuition/credit hour for the Allied Health Professions Graduate Programs to 2.33 times the in-state graduate tuition rate. This increase will apply to the following graduate programs: Master of Physician Assistant Studies, Master of Occupational Therapy, Master of Speech Language Pathology, Doctor of Physical Therapy, Doctor of Audiology. If approved, effective Summer 2020 the proposed out-of-state credit hour rate for new students in these programs would be $1,083. Please note that this tuition rate will only apply to students who initially enroll in their graduate programs in Summer 2020 or later. This recommended tuition rate will be more in line with the rates at peer institutions.

I also request that, if approved, we include this in the tuition recommendation in the September 2019 meeting of the Board of Trustees.

Thank you for consideration of this request.

Approved: _____

Disapproved: _____

GDJ:rmh

UNIVERSITY OF SOUTH ALABAMA

MEMORANDUM

Academic Affairs

DATE: May 15, 2019

TO: G. David Johnson, Provost and Senior Vice President, Academic Affairs

FROM: Dr. Gregory H. Frazer, Dean, Covey College of Allied Health Professions

SUBJECT: Out-of-State graduate tuition rate

Please consider this a recommendation to increase the out-of-state tuition rate for the graduate programs in the Pat Capps Covey College of Allied Health Professions (Master of Physician Assistant Studies, Master of Occupational Therapy, Master of Speech Language Pathology, Doctor of Physical Therapy, Doctor of Audiology) to 2.33 times the in-state graduate tuition rate beginning Fall semester 2020. Based upon the 2018-2019 in-state tuition rate of $465/credit and $930/credit for out-of-state students and the current cohort size and geographic distribution, the graduate programs generate $31,702,305 in gross tuition absent of fees and before expenses. This recommendation would increase the graduate out-of-state per credit rate to $1,083 and, when coupled with the expected increase in cohort sizes, these programs could be expected to generate $49,633,062, an increase of $17,960,757 over a three-year period. Although this increase constitutes a 16.5% increase in the out-of-state tuition rate, the resulting market-sensitive tuition rate remains lower than that charged at peer institutions such as the University of Alabama-Birmingham ($1,272/credit), Louisiana State University ($1,713/credit), Augusta University (formerly the Medical College of Georgia) ($1,163/credit, and Georgia Southern University ($1,105/credit). This change will coincide with an anticipated enrollment increase to 60 students per cohort on Physician Assistant and Physical Therapy, 48 students per cohort in Occupational Therapy, and 36 students per cohort in Speech Language Pathology. The Audiology cohort will remain at 12.

The rationale for such an increase is that the current tuition charge undervalues the quality of and depth and breadth of the educational experience provided to students, the per credit hour tuition charges are below the national average for each program, each program has an enrollment wait-list of qualified applicants that would support such an increase in enrollment and tuition costs, and such an increase would provide needed capital to increase faculty salaries to levels comparable to our peers, to facilitate faculty retention and recruitment, to hire additional faculty, and to enhance and expand facilities and technology. Subsequent proposals will be submitted that address each of these areas.

Projection of In-state and Out-of-state enrollment

	5-year **in/out** state %	Current Cohort Size	Current 3-year total Enrollment	Projected Cohort Size	Projected 3-year Total Size
PA	60/40	40	120	60	180
PT	60/40	40	120	60	180
OT	60/40	36	108	48	148
Speech	50/50	24	72	36	108
Audiology	50/50	12	36	12	36

Income Projection (tuition w/o fees and w/o expenses) after 3 years: $49,663,062

PA

Instate: 72 students * 121 credits * $465 = $ 4,051,080
Out-of-state: 48 students * 121 credits * $ 930 = $ 5,401,440
Total CURRENT 3-year PA tuition-only income: $ 9,452,520

Instate: 108 students * 121 credits * $465 = $6,076,620
Out-of-state: 72 students * 121 credits * $1,083 = $ 9,435,096
Total PROJECTED 3-year PA tuition-only income: $15,511,716

PT

Instate: 72 students * 121 credits * $465 = $ 4.051,080
Out-of-state: 48 students * 121 credits * $ 930 = $ 5,401,440
Total CURRENT 3-year PT tuition-only income: $ 9,452,520

Instate: 108 students * 121 credits * $465 = $6,076,620
Out-of-state: 72 students * 121 credits * $1,083 = $ 9,435,096
Total PROJECTED 3-year PT tuition-only income: $15,511,716

OT

Instate: 65 students * 95 credits * $465 = $ 2,871,375
Out-of-state: 43 students * 95 credits * $ 930 = $ 3,799,050
Total CURRENT 3-year OT tuition-only income: $ 6,670,425

Instate: 89 students * 95 credits * $465 = $ 3,931,575
Out-of-state: 59 students * 95 credits * $1,083 = $ 6,070,215
Total PROJECTED 3-year OT tuition-only income: $10,001,790

Speech

Instate: 36 students * 66 credits * $465 = $ 1,104,840
Out-of-state: 36 students * 66 credits * $ 930 = $ 2,209,680
Total CURRENT 3-year SP tuition-only income: $ 3,314,520

Instate: 54 students * 66 credits * $465 = $ 1,657,260
Out-of-state: 54 students * 66 credits * $1,083 = $ 3,859,812
Total PROJECTED 3-year SP tuition-only income: $ 5,517,072

Audiology

Instate: 18 students * 112 credits * $465 = $ 937,440
Out-of-state: 18 students * 112 credits * $ 930 = $ 1,874,880
Total CURRENT 3-year AuD tuition-only income: $ 2,812,320

Instate: 18 students * 112 credits * $465 = $ 937,440
Out-of-state: 18 students * 112 credits * $1,083 = $ 2,183,328
Total PROJECTED 3-year AuD tuition-only income: $ 3,120,768

RESOLUTION

CREATION OF JAGUAR REALTY, LLC
MITCHELL COLLEGE OF BUSINESS

WHEREAS, the University of South Alabama is committed to maintaining high-quality educational and student services programs, and

WHEREAS, the Mitchell College of Business has proposed the creation of Jaguar Realty, LLC, a University-owned real estate company formed and operated for the purpose of providing opportunities to students pursuing the real estate concentration within the Department of Economics and Finance, and

WHEREAS, Jaguar Realty, LLC will offer students the opportunity to obtain a professional real estate license, learn critical skills from some of the area's top performing industry professionals, develop an extensive professional network, and earn money working as a real estate professional, all while still enrolled at the University of South Alabama,

THEREFORE, BE IT RESOLVED, the University of South Alabama Board of Trustees authorizes the establishment of Jaguar Realty, LLC, as set forth in the attached memoranda.

UNIVERSITY OF SOUTH ALABAMA

MEMORANDUM

Academic Affairs

DATE: August 19, 2019

TO: Tony Waldrop

FROM: G. David Johnson, Provost and Senior Vice President, Academic Affairs

SUBJECT: Proposal for Jaguar Realty, LLC

I recommend approval of the attached proposal to establish Jaguar Realty, LLC, a University-owned real estate company formed and operated for the purpose of providing opportunities to students pursuing the real estate concentration within the Department of Economics and Finance. Jaguar Realty will be reviewed for continuation after two years with attention on enrollment increases due to the program.

As outlined in the proposal, the company would:

- be duly licensed as a real estate brokerage in the State of Alabama;
- be housed within a physical location in either USA's tech park or the Mitchell College of Business;
- provide scholarship funds to students who complete the required 60 classroom hours of pre-license education needed to enter the real estate business;
- offer students opportunities to be trained by area real estate professionals;
- offer students opportunities to work with area real estate professionals in the listing and selling of area properties (primarily residential properties);
- offer students opportunities to build professional networks within the real estate and ancillary industries (mortgage, appraisal, title insurance, etc.); and,
- offer students opportunities to earn sales commissions.

I also recommend that we include this request as a resolution to the Board of Trustees for their consideration at their September 2019 meeting.

Thank you for consideration of this request.

Approved: Tony E. Waldrop

Disapproved: _____

UNIVERSITY OF
SOUTH ALABAMA

JAGUAR REALTY

A Real Estate Company

for

Real Estate Concentration Students

Question:

What is an innovative and entrepreneurial way to promote and grow USA's Real Estate Concentration and at the same time increase the attractiveness of the University and the visibility of the Mitchell College of Business?

Answer:

Offer students who choose MCOB's Real Estate Concentration the opportunity to obtain a professional real estate license, learn critical skills from some of the area's top performing industry professionals, develop an extensive professional network, and earn significant money working as a real estate professional, all while attending the University of South Alabama.

Background

USA's Real Estate Concentration (REC) has not flourished to date; in fact, it failed the first time it was offered (MCOB administrators terminated the REC after the 2013-2014 academic year; it was reinstated in the 2016-2017 academic year). Several reasons may explain this poor performance, but perhaps most telling is a notable lack of a planned, coordinated effort to promote the REC. Unless steps are taken soon to increase awareness of the REC and to persuade students to pursue it, most likely, the REC will fail again.

Why is this important and why should USA and MCOB leaders care? Real estate is a critically important component of the nation's economy. In fact, the importance of real estate as a sector of the U.S. economy motivated the Global Industry Classification System to add Real Estate as an 11th industry sector beginning August 31, 2016.[1] Real estate construction totaled over $1.15 trillion in 2018, accounting for 6.2% of gross domestic product.[2] Nationwide, the real estate industry employed over 2.73 million people in 2018, an increase of 11% over the previous five years.[3]

As the industry has grown, so have real estate values, growing exponentially in America over the last quarter of a century. Consider that equity investment in publicly-traded real estate investment trusts has grown from $9 billion in the mid-1990's to more than $1 trillion today,[4] and recently, the National Association of Real Estate Investment Trusts estimated the total value of U.S. commercial real estate holdings at $15 trillion.[5] Real estate's significance is certainly not limited to only large investors. On the contrary, the total value of residential real estate in the U.S. now approaches $32 trillion.[6]

Yet while both as an asset class and as an active industry real estate continues to play an increasingly key role in the U.S. economy, industry participants are doing a poor job of recruiting the next generation of real estate professionals. According to the National Association of Realtors®, the median age of U.S. real estate practitioners is 53 (NAR's 1.3 million members comprise 47.6% of the real estate industry workforce).[7] Understandably, this is quite troubling for many of the area's real estate companies.

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[1] Information available at https://www.reit.com/investing/investor-resources/gics-classification-real-estate
[2] Information available at https://www.thebalance.com/how-does-real-estate-affect-the-u-s-economy-3306018
[3] Information available at https://e.economicmodeling.com
[4] Information available at https://www.reit.com/data-research/research/nareit-research/estimating-size-commercial-real-estate-market-us
[5] Ibid.
[6] Information available at https://www.housingwire.com/articles/42176-value-of-us-housing-market-climbs-to-record-318-trillion
[7] Information available at https://www.Realtor.org

The brokers I spoke with are all acutely aware that efforts need to be made to recruit the next generation of real estate agents. However, I found no consensus among them as to the best way to do so. They all have marketing campaigns designed to attract new industry participants, but none of them have a plan to target high school seniors or college students.

The Idea

Most students enter college without a pre-determined course of study or any real, quantifiable career aspiration. Many use their time in college to narrow their choices, ruling out some things altogether while exploring others more deeply. Even so, for a good number of students, graduation will arrive without a clear path forward. For some, the opportunity to learn about the field of real estate, work with customers and other agents, and earn considerable money while in college may help some of our graduates more clearly define their post-graduate plans. Moreover, offering such an opportunity for potential students will give our recruiters a powerful tool to use to attract future students to the University, the Mitchell College, and the REC.

The idea is to form, own, and operate a real estate company whose agents will be REC students (Jaguar Realty). Discussion is needed regarding structure and ownership (for-profit or non-profit, University- or independently-owned, etc.).

- Recruit a small number of brokers/managers from several of the region's top real estate firms to serve as Jaguar Realty's Executive Committee (EC).
    - The EC will establish a method for rotating the Qualifying Broker[8] (QB) responsibilities amongst the participating firms and will make such appointments accordingly.
    - The EC will set and manage company and office policies, agent responsibilities and duties, advertising and marketing participation requirements, and training and mentorship programs.

[8] Under Alabama Real Estate License Law, a real estate brokerage company must have a licensed broker who serves in the capacity of Qualifying Broker (QB). The QB is responsible for the actions of all its licensees.

- The EC will establish and coordinate an agent-shadowing program in which Jaguar Realty students would team with professional agents in the practice of real estate.
- The EC will establish the rules for and manage participation by other firms desirous of joining in the training and mentoring programs.

- Each student will obtain an Alabama real estate salesperson license and place it on active status with Jaguar Realty.
  - To obtain an Alabama real estate salesperson license one must:
    - Be a U.S. citizen or lawful permanent resident;
    - Be at least 19 years old;
    - Show proof of bona fide residency in any state in the U.S.;
    - Show proof of high school graduation or a GED;
    - Not have been convicted of a felony or a crime involving moral turpitude;
    - Not have had a real estate application or license rejected or revoked in any state within the past two years;
    - Successfully complete 60 classroom hours of pre-license education to qualify for the real estate salesperson's exam.
  - REC students can complete their pre-license education by passing the following Alabama Real Estate Commission approved pre-license courses currently offered in the Mitchell College of Business:
    - FIN 344 (Real Estate Principles – 45 classroom hours);
    - FIN 346 (Alabama Real Estate License Law – 15 classroom hours);
    - Neither course has a prerequisite and students may take both courses concurrently. Additionally, no changes to course curriculums are necessary.
    - REC students will complete the necessary pre-license coursework by the completion of their sophomore year spring semester (the College allows sophomores to take 300-level courses). Students will

then use their summer to take the licensing examination, preparing them to join Jaguar Realty at the beginning of their junior year.

- Other than the requirements for licensure, there are no other barriers to entry into the real estate profession. However, while not altogether prohibitive, the approximate $2,500 necessary to enter the business may prove challenging for students:
    - Licensure:
        - $73.00 salesperson license exam fee;
        - $150.00 initial salesperson license fee.
    - Realtor® association memberships:
        - $125 local association application fee;
        - $150 local association dues annually;
        - $100 state association application fee;
        - $206 state association dues annually;
        - $185 national association dues annually.
    - Multiple listing service membership:
        - $25 application fee;
        - $432 membership fee annually.
    - Insurance costs:
        - $625 errors and omissions insurance annually (approximate);
        - $425 general liability insurance annually (approximate).
- Alabama real estate license law requires that each licensed company have a physical location. It is suggested that Jaguar Realty be housed within the USA Technology & Research Park.

The Value Proposition - Students

To induce students to pursue the REC, they must be convinced their decisions will have value and will ultimately be rewarded. Therefore, it is important they understand the true worth of the value proposition:

- Once a REC student has completed FIN 344 and FIN 346, Jaguar Realty will provide students with a scholarship that funds up to $2,500 of the upfront industry entry costs.
- REC students do not have to be repay the scholarship funds. REC students will be on an initial 60%-40% commission split with Jaguar Realty; upon producing total gross earned commissions to Jaguar Realty of $6,500,[9] the students' commission split will be increased to 75% with Jaguar Realty retaining the balance. The commission splits retained by Jaguar Realty will be used for operational expenses and to replenish the scholarship funds pool.
- REC students will rotate through the various training and mentoring programs of the companies comprising the EC. In much the same way as nursing or medical students learn from different teachers and situations by rotating through the different practicums in their curriculum, REC students will learn from different brokers, managers, trainers, and agents.
- REC students will work in a number of different office environments. As such, they will be exposed to a number of different leadership and management styles.
- By working on real property transactions, REC students will gain valuable knowledge about how the real estate business actually works, how to interact with customers, agents, lenders, appraisers, title companies, home inspectors, and many others, and what it takes to be a successful real estate professional.
- By working with customers and other agents, REC students will have the opportunity to build a broad-based, regional professional network.
- In Alabama, a real estate broker's license can be obtained after holding a salesperson's license for two years. By obtaining a salesperson's license early in their college careers, REC students will be positioned to qualify and sit for the

[9] Under this scheme, once a Jaguar Realty agent grosses $6,500 in total commissions, Jaguar Realty will have received back its $2,500 upfront investment in the agent.

broker's exam either while in school or soon after graduation. With a broker's license, our REC students can then open their own businesses if they like.

- Many of our students work and use student loans to pay for school. Giving them the opportunity to earn real money will be more than meaningful. For some, it could well be the impetus needed to choose USA and the Mitchell College's REC. For example, consider the REC student who sells 5 houses at an average of $125,000 each while in school. Applying the commission splits described above, and assuming listing and selling companies are not the same, the student will earn approximately $12,000.

The Value Proposition – MCOB & USA

- MCOB competes against other business schools throughout the region as all schools work to recruit new students. Programs, curriculums, research and internship opportunities, and study abroad possibilities all add to the attractiveness of a business school. One of the keys to successful student recruiting could well be differentiation. By promoting Jaguar Realty, MCOB recruiters will offer potential students a unique professional opportunity that is not offered by any other business school in Alabama, Mississippi, Georgia, Florida, or Louisiana. Jaguar Realty will help make the Mitchell College stand above the crowd. Jaguar Realty will do so by expending both effort and revenue in support of a coordinated marketing and advertising strategy designed to reflect positively on Jaguar Realty, the Mitchell College, and the University.

- Jaguar Realty will be a highly visible entity in the public eye as well, as the successes of all student agents will be amplified by each of the area real estate brokerage firms participating in the program. Their successes will add to the overall positive message of the Mitchell College.

- The Center for Real Estate and Economic Development works with the Mobile Area and Baldwin County Associations of Real Estate, the lead real estate trade groups in the region. By engaging their leadership in the Jaguar Realty program, the Center will continually work to increase MCOB's exposure among an important segment of the area's economy, reaffirming its preeminence as an academic leader.

UNIVERSITY OF SOUTH ALABAMA

BOARD OF TRUSTEES

BUDGET AND FINANCE COMMITTEE

UNIVERSITY OF SOUTH ALABAMA
BOARD OF TRUSTEES

Budget and Finance Committee

June 5, 2019
2:39 p.m.

A meeting of the Budget and Finance Committee of the University of South Alabama Board of Trustees was duly convened by Mr. Tom Corcoran, Chair, on Wednesday, June 5, 2019, at 2:39 p.m. in the Board Room of the Frederick P. Whiddon Administration Building.

Members Present:	Tom Corcoran, Ron Graham, Arlene Mitchell, Lenus Perkins and Jim Yance.
Member Absent:	Steve Stokes.
Other Trustees:	Alexis Atkins, Chandra Brown Stewart, Scott Charlton, Ron Jenkins, Jimmy Shumock, Margie Tuckson and Mike Windom.
Administration and Others:	Robert Berry, Lynne Chronister, Joel Erdmann, Monica Ezell, Paul Frazier, Mike Haskins, David Johnson, Nick Lawkis, John Marymont, Susan McCready (Faculty Senate), Mike Mitchell, Rod Rocconi, Rick Schaffer, John Smith, Margaret Sullivan, Jean Tucker, Sahilee Waitman (SGA), Tony Waldrop and Scott Weldon.

The meeting came to order and the attendance roll was called. Mr. Corcoran called for consideration of the minutes of the meeting held on March 15, 2019. On motion by Mr. Yance, seconded by Capt. Jenkins, the Committee voted unanimously to adopt the minutes.

Mr. Corcoran called on Mr. Weldon to address the quarterly financial statements for the six months ended March 31, 2019, **ITEM 18**. Mr. Weldon reported an increase in net position of approximately $1.6 million as compared to that of approximately $4.5 million at the close of March 2018. He asserted that fiscal year 2019 compared favorably to fiscal year 2018 given consideration of the primary reasons for the variance, such as the downturn in the market value of University investments that resulted in an approximate $8 million negative impact to the financial statements, as well as the three percent salary supplement totaling approximately $9 million that was approved in fiscal year 2018, but paid and recognized the first quarter of fiscal year 2019.

Mr. Corcoran asked Mr. Weldon for details on a new payment plan for students, **ITEM 19**. Mr. Weldon shared details on a pilot plan launched for the summer term whereby students could pay for tuition, fees, room and board in installments over the semester. He said more than 500 students had registered and full implementation was planned for the 2019 fall semester. He introduced Executive Director of the Office of Student Financial Services Mr. Rick Schaffer, crediting him with development and execution of the plan.

Mr. Corcoran called for presentation of **ITEM 20**, a resolution to approve the procurement of air charter transit services for the Department of Intercollegiate Athletics through a negotiation process consistent with state law (to view approved resolutions, policies and other authorizations, refer to the minutes of the Board of Trustees meeting held on June 6, 2019). Citing flight industry changes and concerns as to the reliability and safety of charter flight services obtained previously through the

competitive bid process to transport USA Athletics teams, Mr. Weldon advised of provisions in Alabama law allowing universities to negotiate charter flight services for athletics travel. He anticipated minimal cost impact. On motion by Ms. Atkins, seconded by Mr. Yance, the Committee voted unanimously to recommend approval of the resolution by the Board of Trustees.

Mr. Corcoran called on Ms. Tucker to present **ITEM 21**, a resolution affirming the University President; Executive Vice President; Provost and Senior Vice President for Academic Affairs; Vice President for Finance and Administration; Vice President for Medical Affairs; University Treasurer; and Chief Financial Officer of USA Health/Assistant Vice President for Medical Affairs as contract officers authorized to enter into legal contracts and agreements on behalf of the University and Board of Trustees. The resolution further affirms the authorization of the President to delegate signature authority to other University officials. Ms. Tucker specified the individuals who would be authorized as contract officers, noted the update of position titles, and discussed the contract approval process. On motion by Mr. Yance, seconded by Ms. Mitchell, the Committee voted unanimously to recommend approval of the resolution by the Board of Trustees.

There being no further business, the meeting was adjourned at 2:49 p.m.

Respectfully submitted:

_____
E. Thomas Corcoran, Chair

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

Basic Financial Statements

Nine Months Ended June 30, 2019 and 2018

Unaudited

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

Quarterly Financial Statements

Nine Months Ended June 30, 2019 and 2018

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Unaudited Quarterly Financial Statements
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- Statements of Revenues, Expenses and Changes in Net Position 8
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UNIVERSITY OF SOUTH ALABAMA
(A Component Unit of the State of 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 has been prepared by University management and should be read in conjunction with the financial statements and notes thereto, which follow.

Financial Highlights

At June 30, 2019 and 2018, the University had total assets and deferred outflows of $1,354,492,000 and $1,261,435,000, respectively; total liabilities and deferred inflows of $1,293,437,000 and $1,220,669,000, respectively; and net position of $61,055,000 and $40,766,000, respectively. Net position increased $25,293,000 for the nine months ended June 30, 2019 compared to an increase of $4,634,000 for the nine months ended June 30, 2018. An overview of each statement is presented herein along with financial analysis of the transactions impacting each statement.

Condensed financial statements for the University at and for the nine months ended June 30, 2019 and 2018 follow (in thousands):

Condensed Schedules of Net Position

	2019	2018
Assets:		
Current	$ 222,670	$ 229,023
Capital and other noncurrent assets	1,044,645	965,329
Deferred outflows	87,177	67,083
	1,354,492	1,261,435
Liabilities:		
Current	158,712	172,126
Noncurrent	1,046,258	1,000,485
Deferred inflows	88,467	48,058
	1,293,437	1,220,669
Net position:		
Net investment in capital assets	335,378	324,444
Restricted, nonexpendable	60,052	58,564
Restricted, expendable	70,584	65,709
Unrestricted	(404,959)	(407,951)
	$ 61,055	$ 40,766

Condensed Schedules of Revenues, Expenses and Changes in Net Position

	2019	2018
Operating revenues:		
Tuition and fees, net	$ 115,215	$ 111,543
Patient service revenues, net	366,020	299,705
Federal, state and private grants and contracts	23,486	22,442
Other	56,210	60,969
	560,931	494,659
Operating expenses:		
Salaries and benefits	385,261	359,061
Supplies and other services	205,482	191,850
Other	56,462	46,735
	647,205	597,646
Operating loss	(86,274)	(102,987)
Nonoperating revenues (expenses):		
State appropriations	87,464	81,424
Net investment income (loss)	944	8,679
Other, net	13,381	11,646
Net nonoperating revenues	101,789	101,749
Income (loss) before capital contributions and grants and additions to endowment	15,515	(1,238)
Capital contributions and grants and additions to endowment	9,778	5,872
Increase in net position	25,293	4,634
Beginning net position, before cumulative effect of change in accounting principle	35,762	265,819
Cumulative effect of change in accounting principle	—	(229,687)
Beginning net position, as adjusted	35,762	36,132
Ending net position	$ 61,055	$ 40,766

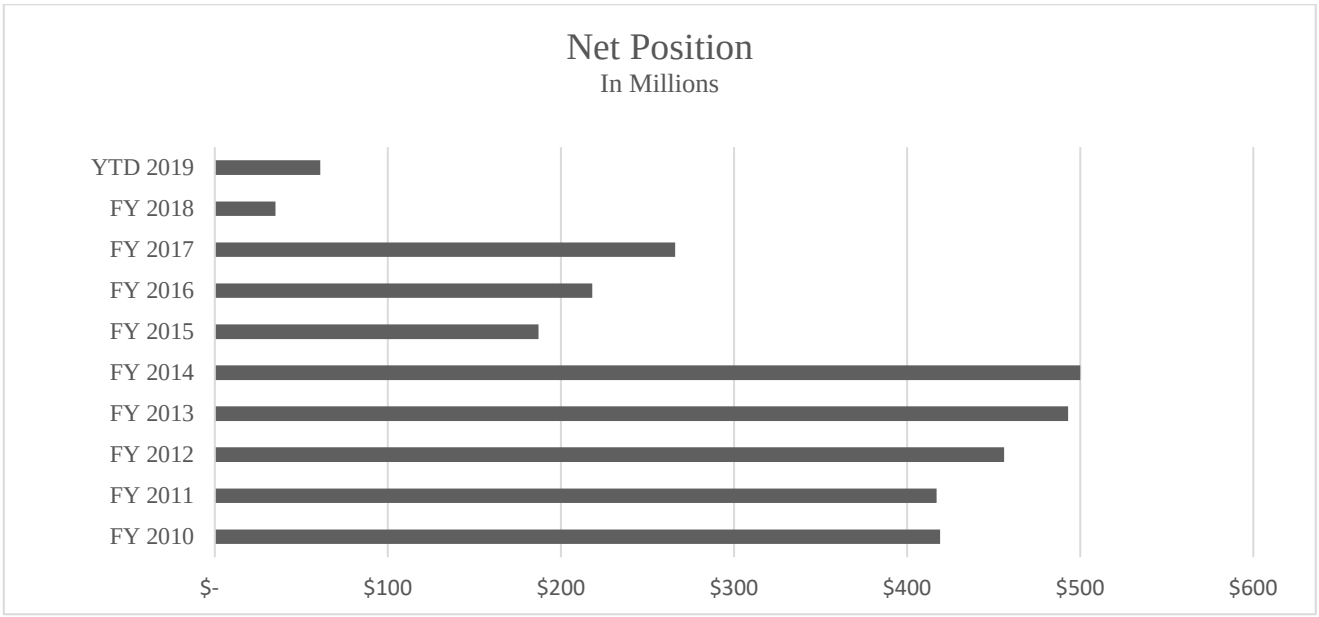
Analysis of Financial Position and Results of Operations

Statements of Net Position

The statements of net position present the assets, deferred outflows, liabilities, deferred inflows and net position of the University as of the end of the current reporting period. Net position is displayed in three parts: total 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 external donors. Unrestricted net position is generally designated by management for specific purposes, and is available for use by the University to meet current expenses for any purpose. 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 earned and expenses are recognized when incurred, 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, investments, net patient receivables and accounts receivable. Noncurrent assets consist primarily of restricted cash and cash equivalents, restricted investments and net capital assets.

Net position represents the residual interest in the University's assets after liabilities are deducted. Net position of the University as of the end of the current reporting period is as follows:



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. In accordance with the policies of the University, the earnings from these funds may be expended, but the corpus may not be expended and must remain intact with the University in perpetuity. 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.

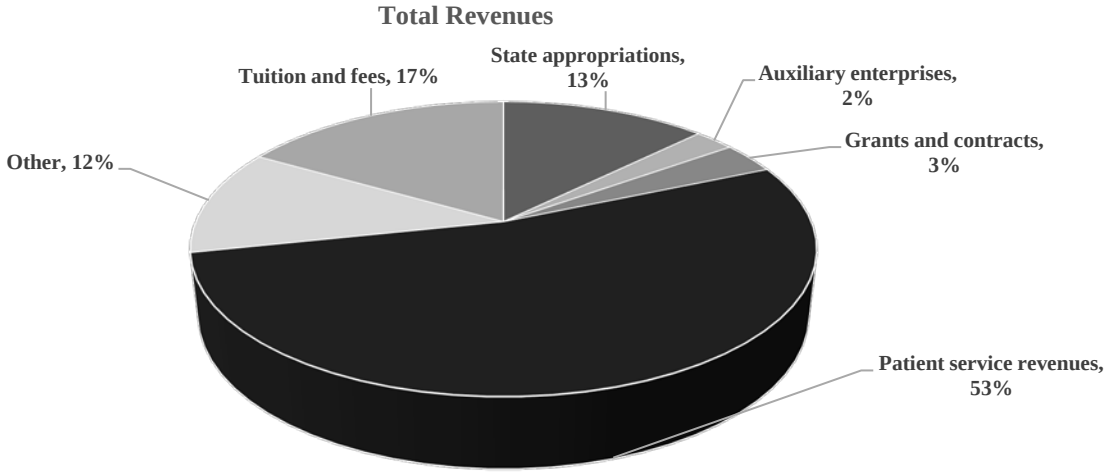
During the fiscal year ending September 30, 2018, the University adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.* This statement updated the reporting guidance for governmental institutions that provide other postemployment benefits by requiring the recognition of the University's proportionate share of the net OPEB liability, based on an actuarial valuation, and the OPEB expense in the financial statements. The adoption of the provisions of GASB No. 75 resulted in a restatement of beginning unrestricted net position at October 1, 2017 by decreasing unrestricted net position $229,687,000 (see note 12 for further discussion).

Statements of Revenues, Expenses and Changes in Net Position

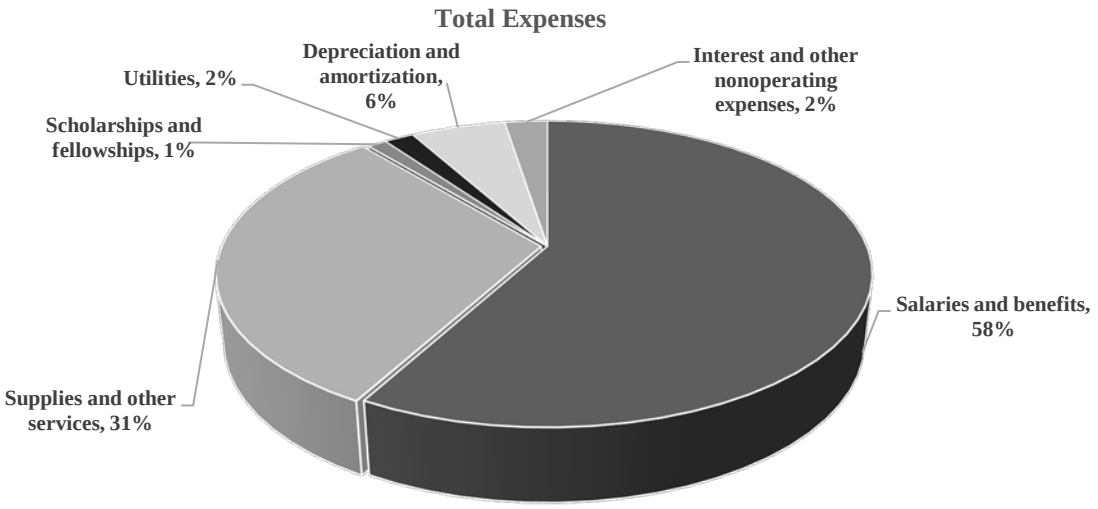
Changes in total University net position are based on the activity presented in the statements of revenues, expenses and changes in net position. The purpose of the statements is to present the changes in net position resulting from operating and nonoperating revenues earned by the University, and operating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

Generally, operating revenues have the characteristics of exchange transactions and are received or accrued for providing goods and services to the various customers and constituencies of the University. Operating expenses are those expenses paid or incurred 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 have the characteristics of nonexchange transactions and are generally earned when no goods or services are provided. State appropriations are required by GASB Statement No. 34 to be classified as nonoperating revenues.

Approximately 53% of total revenues of the University are patient service revenues. The remainder consists primarily of tuition and fees, state appropriations, grants and contracts and auxiliary enterprise revenues. The following illustration presents the major sources of total University revenues (operating, nonoperating and other) for the current period:



University expenses are presented using natural expense classifications. Salaries and benefits and supplies and other services represent the majority of the University's total expenses. The following illustration presents the University's total expenses, using natural classifications for the current period:



Capital Assets and Debt Administration

During the current period, significant construction projects that remain in progress include the Hancock Whitney Stadium, Simulation Lab Building, MacQueen Alumni Center, Jon Lieber Baseball Clubhouse, University Commons Clinic and major upgrades of infrastructure on the University's main campus.

In February 2019, the University issued new revenue bonds with a face value of $66,190,000. The proceeds, along with internal contributions from the University, are financing the football stadium and intramural fields.

The University's bond credit rating is A1 (Stable) as rated by Moody's Investors Service and A+ (Stable) as rated by Standard and Poor's Global Ratings. Neither rating changed during 2019 or 2018. Moody's Investors Service and Standard and Poor's Global Ratings affirmed their ratings in conjunction with their assessment of the Series 2019 Bond issuances.

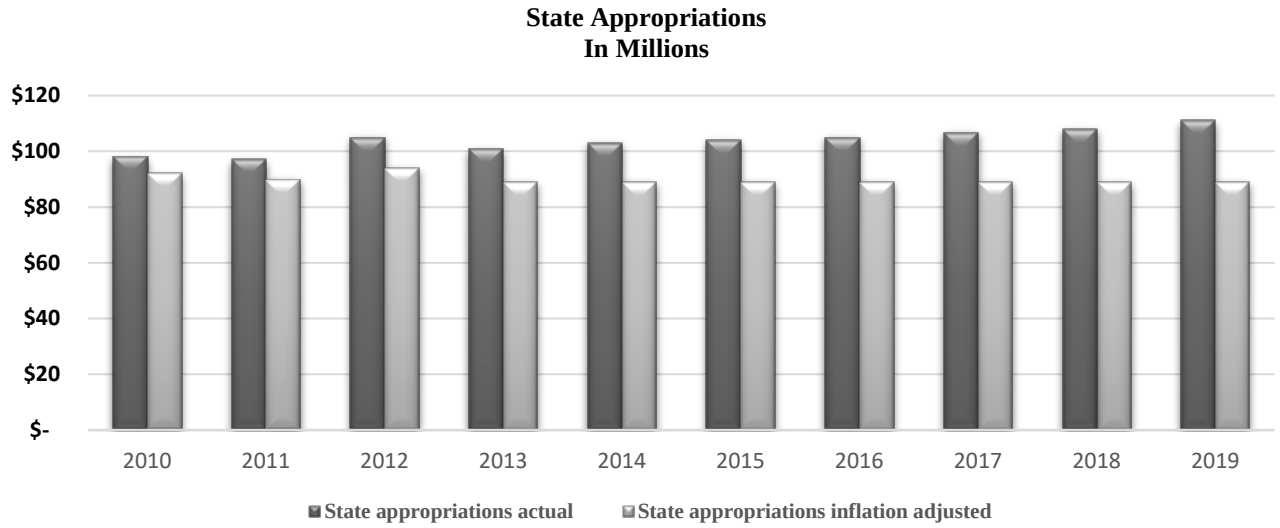
Economic Outlook

Tuition and fee rates have increased over the past ten years and, until the previous two years, student enrollment has generally increased. The University did experience a decline in enrollment of approximately 5% from Fall 2016 to Fall 2017 and an additional decline of 6% between Fall 2017 and Fall 2018, with both declines primarily resulting from a decrease in international student enrollment. Further decline in enrollment is possible in 2019. Tuition rate increases of approximately 5% were approved and became effective for academic year 2018-2019.

State appropriations in the amounts of approximately $108,268,000 and $107,332,000 were authorized and received for the fiscal years ended September 30, 2018 and 2017, respectively.

A state appropriation in the amount of $111,074,000, representing an increase of approximately 2.5%, has been authorized for the fiscal year ending September 30, 2019. While no announcement has been made or is anticipated, the University is aware that reductions in the 2019 appropriation are possible.

The ten-year trend of state appropriations (actual and inflation-adjusted) for the University is as follows:



In addition to state appropriations, the University is subject to declines in general economic and political conditions in the United States and, specifically, the State of Alabama. Weakening of the economy, as well as changes in federal and state funding policies, could potentially have a 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 2019 beyond those unknown variables having a global effect on virtually all types of business operations.

University of South Alabama

Statements of Net Position

June 30, 2019 and 2018

(In thousands)

	2019	2018
Assets		
Current assets		
Cash and cash equivalents	$ 54,905	$ 74,583
Investments	15,927	21,017
Net patient receivables	70,517	39,478
Accounts receivable	69,046	82,624
Notes receivable, net	2,296	1,305
Prepaid expenses, inventories and other	9,979	10,016
Total current assets	222,670	229,023
Noncurrent assets		
Restricted cash and cash equivalents	65,321	12,777
Restricted investments	192,049	193,977
Investments	27,649	19,305
Accounts receivable	6,402	4,965
Notes receivable, net	6,157	6,327
Other noncurrent assets	21,530	14,958
Capital assets, net	725,537	713,020
Total noncurrent assets	1,044,645	965,329
Deferred outflows	87,177	67,083
Total assets and deferred outflows	1,354,492	1,261,435
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	47,142	51,368
Unrecognized revenues	82,607	89,233
Deposits	2,400	2,133
Current portion of other long-term liabilities	3,310	3,310
Current portion of long-term debt	23,253	26,082
Total current liabilities	158,712	172,126
Noncurrent liabilities		
Long-term debt, less current portion	427,106	375,063
Net pension liability	296,654	336,477
Net OPEB liability	266,678	238,060
Other long-term liabilities, less current portion	55,820	50,885
Total noncurrent liabilities	1,046,258	1,000,485
Deferred inflows	88,467	48,058
Total liabilities and deferred inflows	1,293,437	1,220,669
Net position		
Net investment in capital assets	335,378	324,444
Restricted, nonexpendable		
Scholarships	29,514	28,961
Other	30,538	29,603
Restricted, expendable		
Scholarships	18,875	16,471
Other	51,709	49,238
Unrestricted	(404,959)	(407,951)
Total net positon	$ 61,055	$ 40,766

See accompanying notes to basic financial statements.

University of South Alabama

Statements of Revenues, Expenses and Changes in Net Position

Nine Months Ended June 30, 2019 and 2018

(In thousands)

	2019	2018
Revenues		
Operating revenues		
Tuition and fees (net of scholarship allowances)	$ 115,215	$ 111,543
Patient service revenues (net of provision for bad debts)	366,020	299,705
Federal grants and contracts	12,614	10,980
State grants and contracts	5,822	4,852
Private grants and contracts	5,050	6,610
Auxiliary enterprises (net of scholarship allowances)	17,000	21,084
Other operating revenues	39,210	39,885
Total operating revenues	560,931	494,659
Expenses		
Operating expenses		
Salaries and benefits	385,261	359,061
Supplies and other services	205,482	191,850
Scholarships and fellowships	7,533	6,670
Utilities	11,683	11,209
Depreciation and amortization	37,246	28,856
Total operating expenses	647,205	597,646
Operating loss	(86,274)	(102,987)
Nonoperating revenues (expenses)		
State appropriations	87,464	81,424
Net investment income (loss)	944	8,679
Interest on indebtedness	(9,149)	(9,193)
Other nonoperating revenues	30,214	31,836
Other nonoperating expenses	(7,684)	(10,997)
Net nonoperating revenues	101,789	101,749
Income (loss) before capital contributions and additions to endowment	15,515	(1,238)
Capital contributions and grants	3,588	599
Additions to endowment	6,190	5,273
Increase in net position	25,293	4,634
Net position		
Beginning of period, before cumulative effect of change in accounting principle	35,762	265,819
Cumulative effect of change in accounting principle (note 1)	-	(229,687)
Beginning balance, as adjusted	35,762	36,132
End of period	$ 61,055	$ 40,766

See accompanying notes to basic financial statements.

University of South Alabama

Statements of Cash Flows

Nine Months Ended June 30, 2019 and 2018

(in thousands)

	2019	2018
Cash flows from operating activities:		
Receipts related to tuition and fees	$ 83,201	$ 83,920
Receipts from and on behalf of patients and third-party payers	333,749	309,515
Receipts from grants and contracts	24,470	22,985
Receipts related to auxiliary enterprises	11,222	14,973
Payments to suppliers and vendors	(222,553)	(190,282)
Payments to employees and related benefits	(386,027)	(369,913)
Payments for scholarships and fellowships	(6,705)	(6,298)
Other operating receipts	47,799	34,656
Net cash used in operating activities	(114,844)	(100,444)
Cash flows from noncapital financing activities:		
State appropriations	87,464	81,424
Endowment gifts	6,190	5,273
Agency funds received	1,454	973
Agency funds disbursed	(645)	(271)
Student loan program receipts	82,519	82,814
Student loan program disbursements	(82,400)	(83,455)
Other nonoperating revenues	25,707	30,589
Other nonoperating expenses	(6,881)	(11,167)
Net cash provided by noncapital financing activities	113,408	106,180
Cash flows from capital and related financing activities:		
Capital gifts and grants	3,588	599
Purchases of capital assets	(40,892)	(45,107)
Proceeds from issuance of capital debt	71,078	-
Principal payments on capital debt	(15,083)	(13,312)
Interest payments on capital debt	(13,087)	(13,321)
Net cash provided by (used in) capital and related financing activities	5,604	(71,141)
Cash flows from investing activities:		
Interest and dividends and realized gains (losses) on investments	6,478	9,566
Proceeds from sales of investments	78,501	26,408
Purchases of investments	(58,846)	(15,018)
Net cash provided by investing activities	26,133	20,956
	30,301	(44,449)
Cash and cash equivalents (unrestricted and restricted):		
Beginning of period	89,925	131,809
End of period	$ 120,226	$ 87,360

University of South Alabama

Statements of Cash Flows

Nine Months Ended June 30, 2019 and 2018

(in thousands)

	2019	2018
Reconciliation of operating loss to net cash used in operating activities:		
Operating loss	$ (86,274)	$ (102,987)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation and amortization expense	37,246	28,856
Changes in operating assets and liabilities, net:		
Student receivables	(49,068)	(51,067)
Net patient service receivables	(26,676)	10,260
Grants and contracts receivables	920	2,656
Other receivables	(2,751)	(18,422)
Prepaid expenses, inventories and other	(926)	15,069
Accounts payable and accrued liabilities	(11,566)	(13,213)
Unrecognized revenue	24,251	28,404
Net cash used in operating activities	$ (114,844)	$ (100,444)

See accompanying notes to basic financial statements.

UNIVERSITY OF SOUTH ALABAMA
(A Component Unit of the State of Alabama)
Notes to Required Supplementary Schedules
June 30, 2019

(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*, GASB Statement No. 61, *The Financial Reporting Entity: Omnibus,* and GASB Statement No. 80, *Blending Requirements for Certain Component Units,* 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 entities discussed below as component units.

GASB Statement No. 61 amends GASB Statements No. 14 and No. 39, and provides criteria for determining whether certain organizations 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 USA Research and Technology Corporation (the Corporation) and the University of South Alabama Health Care Authority (HCA) as discretely presented component units in its annual financial statements. For quarterly reporting purposes, discretely presented component unit financial statements are not presented in the basic financial statements of the University.

The University is also affiliated with the South Alabama Medical Science Foundation (SAMSF), Gulf Coast TotalCare (Gulf Coast) and University of South Alabama Foundation for Research and Commercialization (FRAC). These entities are considered component units of the University under the provisions of GASB Statements No. 14, 39 and 61, but the University does not consider these entities significant enough to warrant inclusion in the University's reporting entity.

GASB Statement No. 61 and GASB Statement No. 80 require 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 and No. 80. Based on these criteria, the University reports the Professional Liability Trust Fund (PLTF), General Liability Trust Fund (GLTF), USA HealthCare Management, LLC (HCM), USA Health Physician Billing Services, LLC, USA Health Hospital Billing Services, LLC and USA Health Anesthesia Billing Services, LLC as blended component units. For quarterly reporting purposes, only HCM is presented as a blended component unit in the basic financial statements of the University. All significant transactions among the University and its blended component unit have been eliminated in consolidation.

Professional Liability and General Liability Trust Funds

The medical malpractice liability of the University is maintained and managed in its separate Professional Liability Trust Fund in which the University, HCM, SAMSF and HCA are the only participants. In accordance with the bylaws of the PLTF, the president of the University is responsible for appointing members of the PLTF policy committee. Additionally, the general liability of the University, HCM, SAMSF, the Corporation and HCA is maintained and managed in its General Liability Trust Fund for which the University, as defined by GASB Statement No. 14, is responsible. 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. HCM was organized for the purpose of managing and operating on behalf of, and as agent for, substantially all of the health care clinical enterprise of the University. The University is the sole member of HCM.

University of South Alabama Health Care Authority

In May 2017, the University's Board of Trustees approved the formation of the University of South Alabama Health Care Authority. The HCA is a public corporation created under and pursuant to the provisions of the State of Alabama University Authority Act of 2016 and employs physicians and staff of certain physician practice groups as determined appropriate by the University. Operations commenced on August 1, 2017. Since inception, HCA's operations have been partially funded by the University. Total support during the period August 1, 2017 (since inception) through September 30, 2018 amounted to $8,953,000 and support for the period ended June 30, 2019 amounted to $6,625,000. Due to the significance of the relationship between the University and HCA, the HCA is considered a component unit of the University.

University of South Alabama Foundation

The University of South Alabama 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.

USA Research and Technology Corporation

USA Research and Technology 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 significance 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 GASB.

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, *Basic Financial Statements – and Management's Discussion and Analysis for State and Local Governments*, as amended by GASB Statement No. 35, *Basic Financial Statements and Management's Discussion and Analysis for Public Colleges and Universities*. 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.

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, certificates of deposit, and any short-term investments that take on the character of cash. These investments have maturities of less than three months at the time of purchase and include repurchase agreements and money market accounts.

Investments and Investment Income

The University reports the fair value of investments using the three-level hierarchy established under GASB Statement No. 72, *Fair Value Measurement and Application*. The fair value of alternative investments (low-volatility multi-strategy funds of funds) and certain private equity partnerships do not have readily ascertainable market values and the University values these investments in accordance with valuations provided by the general partners or fund managers of the underlying partnerships or companies, typically based on net asset value (NAV) of the partnership or commingled vehicle. Because some of these investments are not readily marketable, the estimated fair value is subject to uncertainty and, therefore, may differ from the fair value that would have been used had a ready market for the investment existed. Investments received by gift are recorded at fair value at the date of receipt. Changes in the fair value of investments are reported in net investment income (loss).

Derivatives

The University has adopted the provisions of GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*. GASB Statement No. 53 establishes a framework for accounting and financial

reporting related to derivative instruments, requiring the fair value of derivatives to be recognized in the basic financial statements. At June 30, 2019, the University had two hedging derivative instruments, interest rate swaps, in effect. In accordance with hedge accounting, the changes in fair values of the interest rate swaps are reported as changes in deferred inflows and outflows of resources and the fair values of the interest rate swaps are recognized in other long-term liabilities and deferred inflows and outflows of resources on the statements of net position since the interest rate swaps were deemed effective.

Deferred Outflows and Inflows of Resources

Deferred outflows of resources consist of employer contributions to the Teacher's Retirement System of Alabama and the Public Education Employees Health Insurance Plan subsequent to the plans' measurement dates, changes in proportion and differences between employer contributions and proportionate share of contributions related to the OPEB plan, changes in actuarial and other assumptions related to the pension plan and the loss on the defeasement of certain bond amounts.

Deferred inflows of resources consist of the proportionate share of the differences between expected and actual experience related to the pension plan, net difference between projected and actual earnings on pension and OPEB plan investments, changes of assumptions in OPEB plan, changes in proportion and differences between employer contributions and proportionate share of contributions in pension plan, fair values of interest rate swaps and gain on the refunding of certain bond amounts.

Bond Premiums, Discounts and Debt Extinguishment Costs

Bond premiums, discounts, and debt extinguishment costs associated with the issuance of certain bond series are capitalized and amortized over the life of the respective bond series on a straight-line basis in accordance with generally accepted accounting principles.

Accounts Receivable

Patient receivables primarily result from hospital and ambulatory patient service revenues. 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 and patient receivables are recorded net of estimated uncollectible amounts.

Inventories

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

Capital Assets

Capital assets are recorded at cost, if purchased, or, if donated, at acquisition value at the date of donation. Depreciation is provided over the estimated useful life of each class of depreciable assets 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 position.

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 constructed assets are capitalized as a component of the cost of acquiring those assets. The amount of interest capitalized for the periods ended June 30, 2019 and 2018 was $1,272,000 and $873,000, respectively.

Unrecognized Revenues

Student tuition, fees, and dormitory rentals are initially recorded as unrecognized revenues and then recognized over the applicable portion of each school term.

Cost Sharing Multiple-Employer Pension Plan

Employees of the University are covered by a cost sharing multiple-employer defined benefit pension plan (the Plan) administered by the Teachers' Retirement System of Alabama (TRS). The TRS financial statements are prepared using the economic resources measurement focus and accrual basis of accounting. Contributions are recognized as revenues when earned, pursuant to plan requirements. Benefits and refunds are recognized as expenses when due and payable in accordance with the terms of the Plan. Expenses are recognized when the corresponding liability is incurred, regardless of when the payment is made. Investments are reported at fair value. Financial statements are prepared in accordance with requirements of the GASB. Under these requirements, the Plan is considered a component unit of the State of Alabama and is included in the State's Comprehensive Annual Financial Report.

Postemployment Benefits Other Than Pensions (OPEB)

Employees of the University are covered by a cost sharing multiple-employer other post employment benefit plan administered by the Alabama Retired Education Employees Health Care Trust (Trust). The Trust's financial statements are prepared using the economic resources measurement focus and accrual basis of accounting. This includes for purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Trust and additions to/deductions from the Trust's fiduciary net position. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions are recognized when due pursuant to plan requirements. Benefits are recognized when due and payable in accordance with the terms of the plan. In accordance with GASB, the Trust is considered a component unit of the State of Alabama and is included in the State's Comprehensive Annual Financial Report.

Classification of Net Position

The University's net position is classified as follows:

Net investment in capital assets reflects 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 for which donors or other outside sources have stipulated, as a condition of the gift instrument, that 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, patient service revenues, 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 position 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 position is 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 position. Scholarship discounts and allowances are the difference between the stated charge for goods and services provided by the University and the amount 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 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, of the endowment assets. The law also allows the University to appropriate for expenditure or accumulate to an endowment fund such amounts as the University determines to be prudent for the purposes for which the endowment fund was established. The University's endowment

spending policy provides that 4.5% of the five-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 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 position.

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; patient service revenues, net of provision for bad debts; most federal, state and local grants and contracts; and sales and services of auxiliary enterprises, net of scholarship allowances.

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

Gifts and Pledges

Pledges of financial support from organizations and individuals representing a conditional 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.

Patient Service Revenues

Patient service revenues are 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.

Compensated Absences

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

Recently Adopted Accounting Pronouncements

In fiscal year 2018, the University adopted the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions,* which updated the reporting guidance for governmental institutions that provide other postemployment benefits by requiring the recognition of the University's proportionate share of the net OPEB liability, based on an actuarial valuation, and the OPEB expense in the basic financial statements. The statement also enhanced financial statement note disclosures. The adoption of the provisions of GASB No. 75 resulted in a restatement of beginning unrestricted net position at October 1, 2017 by decreasing unrestricted net position $229,687,000 (see note 12 for further discussion). The University also restated the statement of net position as of June 30, 2018 to record the net OPEB liability of $238,060,000 and related deferred outflows of $8,373,000.

(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 these designations, 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, 2018 and 2017, the net public deposits subject to collateral requirements for all institutions participating in the pool totaled approximately $11.4 billion and $10.8 billion, respectively. The University's cash and cash equivalents, including restricted cash and cash equivalents, totaled $120,226,000 and $87,360,000 at June 30, 2019 and 2018, respectively.

At June 30, 2019, restricted cash and cash equivalents consist of $56,527,000 related to unspent proceeds from the issuance of University bonds for capital purchases as outlined in the bond indenture, $1,058,000 related to monies held in endowment accounts, $6,870,000 related to collateral requirements of the interest rate swaps and $866,000 related to contributions restricted for the construction of the football stadium.

At June 30, 2018, restricted cash and cash equivalents consist of $207,000 related to monies held in endowment accounts and $12,570,000 related to unspent proceeds from the issuance of University bonds for capital purchases as outlined in the bond indenture.

(4) Investments

The investments of the University are invested pursuant to the University of South Alabama "Non-endowment Cash Pool Investment Policies," 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 non-endowment cash pool investment policy is to provide guidelines by which commingled 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.

Investments of the University, by type, at fair value, are as follows at June 30, 2019 and 2018 (in thousands):

	2019	2018
U.S. Treasury securities	$ 5,722	$ —
U.S. federal agency notes	75,262	70,770
Commingled equity funds	55,512	77,687
Commingled fixed income funds	26,819	38,034
Marketable equity securities	33,061	11,914
Marketable debt securities	3,647	—
Real estate	225	295
Private equity	3,491	1,879
Managed income alternative investments (low-volatility multi-strategy funds of funds)	31,886	33,720
	$ 235,625	$ 234,299

At June 30, 2019, restricted investments consist of $38,944,000 related to collateral requirements of the interest rate swaps and $153,105,000 related to endowment funds.

At June 30, 2018, restricted investments consist of $42,109,000 related to collateral requirements of the interest rate swaps and $151,868,000 related to endowment funds.

At June 30, 2019 and 2018, $18,056,000 and $18,508,000, respectively, of cumulative appreciation in fair value of investments of donor-restricted endowments was recognized and is included in restricted expendable net position in the accompanying statements of net position.

(i) Credit Risk and Concentration of Credit Risk

Non-Endowment Cash Pool Investment Policy

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.

Endowment Fund Investment Policy

The University Investment Policies limit investment in fixed income securities to securities with a minimum "BAA" rating, at the time of purchase, by both Moody's and Standard and Poor's. Money Market Funds selected shall contain securities whose credit rating at the absolute minimum would be rated investment grade by Standard and Poor's, and/or Moody's. Investment in fixed income securities within the fixed income portfolio shall be restricted to only investment grade bonds rated "BAA" or higher. Any investment in below investment grade bonds shall be considered an equity or fixed income alternative investment.

Additionally, the University Investment Policies require that not more than 5% of the Endowment Fund assets of the University be allocated to an individual investment manager and no more than 25% of the Endowment Fund assets be allocated to a "Fund of Funds" or multi-manager fund.

(ii) 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.

(iii) Mortgage-Backed Securities

The University, from time to time, invests in mortgage backed securities such as the Federal Home Loan Mortgage Corporation (FHLMC), the Federal National Mortgage Association (FNMA), and other government sponsored enterprises of the United States government. The University invests in these securities to increase the yield and return on its investment portfolio given the available alternative investment opportunities.

(iv) Fair Value Measurement

Fair value measurements represent the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurements date. The University of South Alabama measures and records its investments using fair value measurement guidelines established by GASB Statement No. 72. These guidelines prioritize the inputs of valuation techniques used to measure fair value, as follows:

- Level 1: Quoted prices for identical investments in active markets
- Level 2: Observable inputs other than quoted market prices; and,
- Level 3: Unobservable inputs

The level in the fair value hierarchy that determines the classification of an asset or liability depends on the lowest level input that is significant to the fair value measurement. Observable inputs are derived from quoted market prices for assets or liabilities traded on an active market where there is sufficient activity to determine a readily determinable market price. Investments that are not traded on an active exchange and do not have a quoted market price are classified as unobservable inputs. The University of South Alabama's assets that have unobservable inputs consist of the investment in real estate, with fair value based on an independent third party appraisal performed by qualified appraisers specializing in real estate investments, and of investments in private capital, with fair value determined by the investment managers and primarily utilizes management assumptions and best estimates after considering internal and external factors. Other assets included in the University's investment portfolio with unobservable inputs are the shares or units in certain partnerships or other commingled funds that do not have readily determinable fair values. For these funds, fair value is estimated using the net asset value reported by the investment managers as a practical expedient to fair value. Such investments have not been categorized within the fair value hierarchy.

(5) Noncurrent Liabilities

A summary of the University's noncurrent liability activity for the period ended June 30, 2019 follows (in thousands):

	Beginning balance	Additions	Reductions	Ending balance	Less amounts due within one year	Noncurrent liabilities
Long-term debt:						
Bonds payable	$ 370,201	$ 71,813	$ (11,581)	$ 430,433	$ 17,290	$ 413,143
Notes payable	5,160	—	(647)	4,513	873	3,640
Capital lease obligations	18,270	783	(3,640)	15,413	5,090	10,323
Total long-term debt	393,631	72,596	(15,868)	450,359	23,253	427,106
Other noncurrent liabilities:						
Net pension liability	296,654	—	—	296,654	—	296,654
Net OPEB liability	256,178	10,500	—	266,678	—	266,678
Other long-term liabilities	53,047	13,496	(7,413)	59,130	3,310	55,820
Total other noncurrent liabilities	605,879	23,996	(7,413)	622,462	3,310	619,152
Total noncurrent liabilities	$ 999,510	$ 96,592	$ (23,281)	$ 1,072,821	$ 26,563	$ 1,046,258

A summary of the University's noncurrent liability activity for the period ended June 30, 2018 follows (in thousands):

	Beginning balance	Additions	Reductions	Ending balance	Less amounts due within one year	Noncurrent liabilities
Long-term debt:						
Bonds payable	$ 389,424	$ 320	$ (10,258)	$ 379,486	$ 20,895	$ 358,591
Notes payable	5,542	—	(171)	5,371	1,033	4,338
Capital lease obligations	17,332	1,925	(2,969)	16,288	4,154	12,134
Total long-term debt	412,298	2,245	(13,398)	401,145	26,082	375,063
Other noncurrent liabilities:						
Net pension liability	336,477	—	—	336,477	—	336,477
Net OPEB liability	—	238,060	—	238,060	—	238,060
Other long-term liabilities	65,849	78	(11,732)	54,195	3,310	50,885
Total other noncurrent liabilities	402,326	238,138	(11,732)	628,732	3,310	625,422
Total noncurrent liabilities	$ 814,624	$ 240,383	$ (25,130)	$ 1,029,877	$ 29,392	$ 1,000,485

Other long-term liabilities primarily consist of liabilities related to compensated absences and the fair value of derivatives. Amounts due within one year are included in current portion of other long-term liabilities and accounts payable and accrued liabilities.

During 2017, the University entered into a note payable for a period of ten years payable monthly at $19,000 This agreement commenced in November 2016 to finance improvements of the HVAC system. The amount outstanding on the note at June 30, 2019 and 2018 is $1,661,000 and $1,888,000, respectively.

In June 2016, the University entered into a variable interest rate revolving line of credit with Compass Bank to, among other reasons, fund certain capital improvements to various health care facilities. The total amount available under the line of credit was $30,000,000 and interest on the outstanding amounts accrued at the rate of 65% of the London InterBank Offered Rate (LIBOR) plus 77 basis points. The amount outstanding at June 30, 2018 was $50,000, and was reported as current portion of long-term debt in the statement of net position. The line of credit matured June 10, 2018.

In March 2015, the University entered into a variable interest rate revolving line of credit with Compass Bank to, among other reasons, fund the acquisition of certain real property. The total amount available under the line of credit was $5,000,000 and interest on the outstanding amounts accrued at the rate of the LIBOR plus 1.00%. In July 2018, the University converted the line of credit into a term loan for a period of five years, with monthly payments of $63,000 and interest accruing at the fixed rate of 3.85% per annum. The amount outstanding at June 30, 2019 and 2018 is $2,852,000 and $3,433,000, respectively, and is reported as long-term debt (and current portion thereof) in the statements of net position.

(6) Bonds Payable

Bonds payable consisted of the following at June 30, 2019 and 2018 (in thousands):

	2019	2018
Capital Appreciation Series 1999 Bonds, 4.70% to 5.25%, paid in full in November 2018	$ —	$ 7,390
University Facilities Revenue and Capital Improvement Bonds, Series 2008, 3.00% to 5.00%, paid in full in August 2018	—	2,850
University Facilities Revenue and Capital Improvement Bonds, Series 2010, 3.81%, payable through August 2030	20,482	21,820
University Facilities Revenue Capital Improvement Bonds, Series 2012-A, 2.92%, payable through August 2032	18,842	19,950
University Facilities Revenue Capital Improvement Bonds, Series 2013-A, 2.83%, payable through August 2033	25,589	26,944
University Facilities Revenue Capital Improvement Bonds, Series 2013-B, 2.83%, payable through August 2033	6,397	6,736
University Facilities Revenue Capital Improvement Bonds, Series 2013-C, 2.78%, payable through August 2028	7,112	7,722
University Facilities Revenue Refunding Bonds, Series 2014-A, variable rate payable at 68% of one-month LIBOR plus 0.73%, 2.36% at June 30, 2018, payable through March 2024	38,365	39,030
University Facilities Revenue Capital Improvement Bonds, Series 2015, 2.47%, payable through August 2030	4,500	4,875
University Facilities Revenue Refunding Bonds, Series 2016, 3.00% to 5.00%, payable through November 2037	83,020	85,605
University Facilities Revenue Refunding Bonds, Series 2016-B, variable rate payable at 68% of one-month LIBOR plus 0.72%, 2.35% at June 30, 2019, payable through December 2036, pursuant to the right of the holder to cause all principal to be due after December 1, 2021	20,000	20,000
University Facilities Revenue Refunding Bonds, Series 2016-C, variable rate payable at 68% of one-month LIBOR plus 0.77%, 2.40% at June 30, 2019, payable through December 2036, pursuant to the right of the holder to cause all principal to be due after December 1, 2023	35,000	35,000

	2019	2018
University Facilities Revenue Refunding Bonds, Series 2016-D, variable rate payable at 68% of one-month LIBOR plus 0.83%, 2.46% at June 30, 2019, payable through December 2036, pursuant to the right of the holder to cause all principal to be due after December 1, 2026	$ 45,000	$ 45,000
University Facilities Revenue Bonds, Series 2017, 2.00% to 5.00%, payable through October 2037	36,230	37,410
University Facilities Revenue Bonds, Series 2019-A, 5.00%, payable through April 1, 2049	47,750	—
Taxable University Facilities Revenue Bonds, Series 2019-B, 3.09% to 4.10%, payable through April 1, 2033	18,440	—
	406,727	360,332
Plus unamortized premium	25,465	21,026
Less unaccreted discount	—	(5)
Less unamortized debt extinguishment costs	(1,759)	(1,867)
	$ 430,433	$ 379,486

Substantially all student tuition and fee and auxiliary revenues secure University bonds. Additionally, security for all bonds includes USA Health Children's and Women's Hospital revenues in an amount not exceeding $10,000,000. Capital Appreciation Series 1999 Bonds were paid in full in November 2018. Series 2008 Bonds were paid in full in August 2018. The Series 2010 Bonds began maturing in August 2011 and are redeemable beginning in February 2020. The Series 2012-A Bonds began maturing in August 2013. The Series 2012-A Bonds are redeemable beginning in August 2021 and the Series 2012-B Bonds were paid in full in February 2018. The Series 2013-A, 2013-B and 2013-C Bonds began maturing in August 2014 and are redeemable beginning in June 2023. The Series 2014-A Bonds began maturing in March 2015 and are redeemable by the University at any time. The Series 2015 Bonds began maturing in August 2015 and are redeemable beginning in June 2020. The Series 2016 Bonds began maturing in November 2018 and are redeemable beginning in November 2026. The Series 2016-B, C and D Bonds will begin maturing in December 2024 and became redeemable as of December 2017. The Series 2017 Bonds began maturing in October 2017 and are redeemable beginning in October 2027. The Series 2019-A and B Bonds will begin maturing in April 2033 and April 2021, respectively, and are redeemable beginning in April 2029.

In September 2016, the University issued its University Facilities Revenue Refunding Bonds, Series 2016, with a face value of $85,605,000. The proceeds from the Series 2016 Bonds were used to partially defease the Series 2008 Bonds. The funds were deposited into escrow trust funds to provide for the subsequent repayment of the Series 2008 Bonds when they were called in December 2018. Neither the assets of the escrow trust account nor the defeased indebtedness were included in the accompanying statements of net position. The loss on the defeasement of the Series 2008 Bonds of $7,859,000 was recorded as a deferred outflow and is being amortized over the remaining life of the Series 2016 Bonds.

In December 2016, the University issued its University Facilities Revenue Refunding Bonds, Series 2016-B, C and D, with a face value totaling $100,000,000. The proceeds refunded the remaining outstanding Series 2006 Bonds. The gain on the refunding of the Series 2006 Bonds of $4,539,000 was recorded as a deferred inflow of resources and is being amortized over the remaining life of the Series 2016-B, C & D Bonds.

In June 2017, the University issued its University Facilities Revenue Bonds, Series 2017, with a face value of $38,105,000. The proceeds from the Series 2017 Bonds financed a new residence hall on the campus of the University and are supporting ongoing infrastructure improvement projects.

In February 2019, the University issued its University Facilities Revenue Bonds, Series 2019-A and Taxable University Facilities Revenue Bonds, Series 2019-B with a face value of $47,750,000 and $18,440,000, respectively. The proceeds from the Series 2019-A and B Bonds are financing the football stadium and intramural fields.

Approximately $5,337,000 and $12,570,000 of proceeds from the issuance of the Series 2017 Bonds remained unspent at June 30, 2019 and 2018, respectively, and is included in restricted cash and cash equivalents on the statements of net position. Approximately $51,190,000 of proceeds from the issuance of the Series 2019-A and B Bonds remained unspent at June 30, 2019 and is included in restricted cash and cash equivalents on the statement of net position. All bond funds are restricted for capital purposes as outlined in the bond indentures.

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

Debt Service on Long-Term Obligations

Total debt service (which includes bonds and notes payable) by fiscal period June 30 is as follows (in thousands):

	Debt service on notes and bonds		
	Principal	**Interest**	**Total**
2020	$ 17,041	$ 11,897	$ 28,938
2021	19,024	12,295	31,319
2022	19,848	11,811	31,659
2023	20,710	11,308	32,018
2024	20,897	10,793	31,690
2025-2029	99,675	45,537	145,212
2030-2034	107,356	29,143	136,499
2035-2039	76,260	12,907	89,167
2040-2044	14,560	6,223	20,783
2045-2049	15,869	2,336	18,205
Subtotal	411,240	$ 154,250	$ 565,490
Plus (less):			
Unamortized bond premium	25,465		
Unamortized debt extinguishment costs	(1,759)		
Total	$ 434,946		

(7) Capital Lease Obligations

The University has entered into various capital leases as a method of financing medical equipment, computer software and hardware, a heat recovery system, transportation vehicles and other office equipment.

Future minimum capital lease payments at June 30, 2019, are as follows (in thousands):

Period ending June 30:		
2020	$	5,515
2021		5,253
2022		4,595
2023		733
2024		122
2025		9
		16,227
Less amounts representing interest		(814)
Net minimum lease payments	$	15,413

These amounts are included in long-term debt (and current portion thereof) in the accompanying statements of net position.

(8) Derivative Transactions – Interest Rate Swaps

The University is a party to two derivatives with Wells Fargo Bank, the counterparty. In December 2013, 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 Series 2014-A Bonds.

In September 2016, Wells Fargo exercised its option with respect to the synthetic advance refunding of the Series 2006 Bonds to enter into an interest rate swap agreement with the University with an effective date of September 1, 2016. The resulting derivative is a “receive-variable, pay-fixed” interest rate swap. As part of the overall plan of the synthetic refunding of the Series 2006 Bonds, the University redeemed those bonds in December 2016 with proceeds from the Series 2016-B, C and D Bonds (see note 6).

Objective of the transactions. As noted, both interest rate swaps were the result of the original January 2008 synthetic advance refunding of the Series 2004 and Series 2006 Bonds. The objective of these transactions was to realize debt service savings currently from future debt refunding and create an economic benefit to the University.

The 2014 swap will terminate in March 2024, when the Series 2014-A Bonds mature. The notional amount of the swap will at all times match the outstanding principal amount of the bonds. 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 LIBOR plus 0.25%. Conversely, the Series 2014-A Bonds bear interest on a monthly basis at 68% of the one-month LIBOR rate plus 0.73%.

The 2016 swap will terminate in December 2036, when the Series 2016-B, C and D Bonds mature. The notional amount of the swap will at all times match the outstanding principal amount of the bonds. Under the swap, the University pays the counterparty a fixed semi-annual payment based on an annual rate of 5% and receives on a monthly basis a variable payment of 68% of the one-month LIBOR plus 0.25%. Conversely, the Series 2016-B, C and D Bonds bear a weighted average interest on a monthly basis at 68% of the one-month LIBOR rate plus 0.79%.

Fair value. The 2014 interest rate swap had a negative fair value of approximately $(9,138,000) at its inception. This borrowing arising from the 2014 interest rate swap, net of any amortization, is reported as other long-term liabilities on the statements of net position. The change in the fair value of the swap is reported as a deferred inflow and contra liability (other long-term liabilities) on the statements of net position since the interest rate swap is a hedging derivative instrument.

The 2016 interest rate swap had a negative fair value of approximately $(48,530,000) at its inception. This borrowing arising from the 2016 interest rate swap, net of any amortization, is reported as other long-term liabilities in the statements of net position. The change in the fair value of the swap is reported as a deferred inflow and contra liability (other long-term liabilities) on the statements of net position since the interest rate swap is a hedging derivative instrument.

The fair values of the interest rate swaps were 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.

Risks Associated with these Transactions

Interest rate risk. As the LIBOR rate decreases, the net payments on the swaps increase. This, however, is mitigated by the fact that a decline in the LIBOR rate will also result in a decrease of the University's interest payments on the Series 2014-A and Series 2016-B, C and D Bonds. The University's exposure is limited to 0.48% and 0.54% of the notional amounts, the difference in the payment from the counterparty and the interest payment on the Series 2014-A and Series 2016-B, C and D Bonds.

Credit risk. As of June 30, 2019 and 2018, the University was not exposed to credit risk on the interest rate swaps because they had a negative fair value. However, if interest rates change and the fair value of the derivatives become positive, the University would have a gross exposure to credit risk in the amount of the derivative's fair value. The counterparty was rated Aa2 by Moody's Investor Services as of September 30, 2018 and 2017. The counterparty was rated A+ and AA- by Standard & Poor's Ratings Services as of September 30, 2018 and 2017, respectively.

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

(9) Patient Service Revenues

USA Health, a division of the University, which includes two hospitals, a cancer treatment center and a physicians group, has 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 USA Health's 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, USA Health is 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. USA Health is generally paid for certain retroactively determined items at tentative rates, with final settlement determined after submission of annual cost reports by USA Health and audits by the Medicare fiscal intermediary.

USA Health University Hospital's Medicare cost reports have been audited by the Medicare fiscal intermediary through September 30, 2014.

USA Health Children's & Women's Hospital's Medicare cost reports have been audited by the Medicare fiscal intermediary through September 30, 2016.

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, USA Health is paid at a tentative rate with final settlement determined after submission of annual cost reports by USA Health and audits thereof by Blue Cross.

USA Health University Hospital's and USA Health Children's & Women's Hospital's Blue Cross cost reports have been audited by Blue Cross through March 31, 2017. The settlement process changed in April 2017 and future settlements will be based on outpatients for the periods prior to April 2017. Blue Cross Cost findings are no longer required and it is not anticipated that settlements will occur for September 2017 and future periods.

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.

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

Other – USA Health has entered into payment agreements with certain commercial insurance carriers, health maintenance organizations, and preferred provider organizations. The basis for payments to USA Health

under these agreements include discounts from established charges and prospectively determined daily and case rates.

(10) Defined Benefit Cost Sharing Pension Plan

Employees of the University are covered by a cost sharing multiple-employer defined benefit pension plan administered by the TRS.

Plan Description

The TRS was established in September 1939, under the provisions of Act 419 of the Legislature of 1939 for the purpose of providing retirement allowances and other specified benefits for qualified persons employed by State-supported educational institutions. The responsibility for the general administration and operation of the TRS is vested in its Board of Control. The TRS Board of Control consists of 15 trustees. The Plan is administered by the Retirement Systems of Alabama (RSA). Title 16-Chapter 25 of the code of Alabama grants the authority to establish and amend the benefit terms to the TRS Board of Control. The Plan issues a publicly available financial report that can be obtained at www.rsa-al.gov.

Benefits Provided

State law establishes retirement benefits as well as death and disability benefits and any ad hoc increase in postretirement benefits for the TRS. Benefits for TRS members vest after ten years of creditable service. Tier 1 TRS members who retire after age sixty with ten years or more of creditable service or with twenty-five years of services (regardless of age) are entitled to an annual retirement benefit, payable monthly for life. Service and disability retirement benefits are based on a guaranteed minimum or formula method, with the member receiving payment under the method that yields the higher monthly benefit. Under the formula method, members of the TRS are allowed 2.0125% of their average final compensation (highest three of the last ten years) for each year of service.

Act 377 of the Legislature of 2012 established a new tier of benefits (Tier 2) for members hired on or after January 1, 2013. Tier 2 TRS members are eligible for retirement after age sixty-two with ten years or more of creditable service and are entitled to an annual retirement benefit, payable monthly for life. Service and disability retirement benefits are based on a guaranteed minimum or formula method, with the member receiving payment under the method that yields the highest monthly benefit. Under the formula method, Tier 2 members of the TRS are allowed 1.65% of their average final compensation (highest five of the last ten years) for each year of service. Members are eligible for disability retirement if they have ten years of credible service, are currently in-service, and determined by the RSA Medical Board to be permanently incapacitated form further performance of duty. Preretirement death benefits are calculated and paid to the beneficiary based on the member's age, service credit, employment status, and eligibility for retirement.

Contributions

Covered members of the TRS contributed 5% of earnable compensation to the TRS as required by statute until September 30, 2011. From October 1, 2011, to September 30, 2012, covered members of the TRS were required by statute to contribute 7.25% of earnable compensation. Effective October 1, 2012, covered Tier 1 members of the TRS are required by statute to contribute 7.50% of earnable compensation. Certified law enforcement, correctional officers, and firefighters of the TRS contributed 6% of earnable compensation as required by statute until September 30, 2011. From October 1, 2011, to September 30, 2012, certified law

enforcement, correctional officers, and firefighters of the TRS were required by statute to contribute 8.25% of earnable compensation. Effective October 1, 2012, certified law enforcement, correctional officers, and firefighters of the TRS are required by statute to contribute 8.50% of earnable compensation.

Tier 2 covered members of the TRS contribute 6% of earnable compensation to the TRS as required by statute. Tier 2 certified law enforcement, correctional officers, and firefighters of the TRS are required by statute to contribute 7% of earnable compensation.

Participating employers' contractually required contribution rates were 12.24% and 12.01% of annual pay for Tier 1 members as of September 30, 2018 and 2017, respectively, and 11.01% and 10.82% of annual pay for Tier 2 members, respectively. These required contribution rates are a percent of annual payroll, actuarially determined as an amount that, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, with an additional amount to finance any unfunded accrued liability. Total employer contributions to the pension plan from the University were $22,951,000 and $23,664,000 for the fiscal years ended September 30, 2018 and 2017, respectively.

Pension Liabilities, Pension Expenses, Deferred Outflows and Deferred Inflows of Resources Related to Pensions

At June 30, 2019 and 2018, the University reported a liability of $296,654,000 and $336,477,000, respectively, for its proportionate share of the collective net pension liability. The collective net pension liability was most recently measured as of September 30, 2017 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of September 30, 2016. The University's proportion of the collective net pension liability was based on the employer's shares of contributions to the pension plan relative to the total employer contributions of all participating TRS employers. At the measurement date of September 30, 2017, the University's proportion of contributions to the pension plan was 3.018313%, which was a 0.089735 percentage point decrease from its proportion measured as of September 30, 2016.

For the fiscal years ended September 30, 2018 and 2017, the University recognized pension expense of approximately $16,792,000 and $27,051,000, respectively, which is included in salaries and benefits on the statements of revenues, expenses, and changes in net position.

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued RSA Comprehensive Annual Report for the fiscal year ended September 30, 2017 as well as prior year reports. The supporting actuarial information is included in the GASB Statement No. 67 Report for the TRS prepared as of September 30, 2017. The auditors' report dated April 4, 2018 on the total pension liability, total deferred outflows of resources, total deferred inflows of resources, and total pension expense for the sum of all participating entities as of September 30, 2017 along with supporting schedules is also available. The additional financial and actuarial information is available at www.rsa-al.gov.

(11) Other Employee Benefits

Other Pension Plans

Certain employees of the University also participate in a defined contribution pension plan. The defined contribution pension plan covers certain academic and administrative employees, and participation by eligible employees is optional. The plan is administered by the University and the plan assets are held in annuity contracts and custodial accounts. The annuity contracts are with, and the custodial account assets are invested through investment options offered by, Teachers Insurance and Annuity Association – College Retirement Equities Fund (TIAA-CREF) and Variable Annuity Life Insurance Company (VALIC). Under this plan, contributions by eligible employees are matched equally by the University up to a maximum of 3% of current annual pay. The University contributed $551,000 and $643,000 for fiscal years 2018 and 2017, respectively, representing 241 and 270 employees, respectively, participating in this Plan.

All employees of HCM working at least half time are eligible to participate in a defined contribution pension plan. The plan is administered by HCM and the plan assets are held in annuity contracts and custodial accounts. The annuity contracts are with, and the custodial account assets are invested through investment options offered by, TIAA-CREF and VALIC. Under this plan, contributions by eligible employees are matched equally by HCM up to a maximum of 5% of current annual pay. HCM contributed $4,703,000 and $4,468,000 in fiscal years 2018 and 2017, respectively, representing 1,369 and 1,345 employees, respectively, participating in this plan. University employees as of September 30, 2010, who later transfer to HCM, are immediately vested in the plan. All other employees do not vest until they have held employment with HCM for thirty-six months; at which time they become 100% vested in the plan.

Employees of the HCA participate in a combined deferred compensation plan/money purchase pension plan arrangement. The arrangement covers all eligible employees, and participation by eligible employees is optional. Under this plan, administered by the HCA, contributions by eligible nonphysician employees are matched equally by the HCA up to a maximum of 5% of current annual pay. Contributions by eligible physician employees up to the 457(b) deferred compensation plan limit are matched at a 25% rate by the HCA. Physician employees of the HCA also have the option to participate in a second money purchase pension plan. This plan is funded entirely by pre-tax deductions from the participating physicians' salaries.

Compensated Absences

Regular University employees accumulate vacation and sick leave and hospital and clinical employees accumulate paid time off (PTO). These are subject to maximum limitations, at varying rates depending upon their employee classification and length of service. Upon separation of employment, employees who were hired before January 1, 2012 are paid all unused accrued vacation at their regular rate of pay up to a maximum of two times their annual accumulation rate. Employees hired after January 1, 2012 are not eligible for payment of unused accrued vacation or PTO hours upon separation of employment. The accompanying statements of net position include accruals for vacation pay and paid time off of approximately $11,872,000 and $12,810,000 at June 30, 2019 and 2018, respectively, which are included in other long-term liabilities. No accrual is recognized for sick leave benefits since no terminal cash benefit is available to employees for accumulated sick leave.

(12) Other Post-Employment Benefit Plans

Retirees of the University are covered by the Public Education Employees Health Insurance Plan (PEEHIP), which is a cost sharing multiple-employer defined benefit OPEB plan administered by the TRS.

Plan Description

The Alabama Retiree Health Care Funding Act of 2007 authorized and directed the Public Education Employees Health Insurance Board (Board) to create an irrevocable trust to fund postemployment healthcare benefits to retirees participating in PEEHIP. Active and retiree health insurance benefits are paid through the PEEHIP. The PEEHIP was established in 1983 pursuant to the provisions of the Code of Alabama 1975, Title 16, Chapter 25A to provide a uniform plan of health insurance for active and retired employees of state and local educational institutions and to fund benefits related to the plan. The responsibility for the general administration and operation of the PEEHIP is vested in its Board, which consists of 15 trustees. Title 16-Chapter 25 of the code of Alabama grants the authority to establish and amend the benefit terms to the PEEHIP Board. Effective for the year ended September 30, 2018, GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions,* required the reporting of the net OPEB liability and the OPEB expense in the financial statements as well as enhanced financial statement note disclosures.

Benefits Provided

PEEHIP offers a basic hospital medical plan to active members and non-Medicare eligible retirees or active employees and non-Medicare eligible retirees who do not have Medicare eligible dependents can enroll in a health maintenance organization (HMO). In addition to or in lieu of the basic hospital medical plan or HMO, the PEEHIP offers four optional plans: Hospital Indemnity, Cancer, Dental, and Vision. Also, PEEHIP members (only active and non-Medicare eligible) may elect the Supplemental Plan as their hospital medical coverage instead of the PEEHIP Hospital Medical Plan. This Supplemental Plan provides secondary benefits to the member's primary plan provided by another employer.

Effective January 1, 2017, Medicare eligible members and Medicare eligible dependents who are covered on a retiree contract were enrolled in the United Healthcare Group Medicare Advantage plan for PEEHIP retirees. The Medicare Advantage Prescription Drug (MAPD) plan is fully insured by United Healthcare and members are able to have all of their Medicare Part A, Part B, and Part D in one convenient plan.

Contributions

For employees who retired after December 31, 2011, the employer contribution to the health insurance premium set forth by the Board for each retiree class is reduced by 4% for each year of service less than 25 and increased by 2% for each year over 25, subject to adjustment by the Board for changes in Medicare premium costs required to be paid by a retiree. For employees who retired after December 31, 2011, who are not covered by Medicare, regardless of years of service, the employer contribution to the health insurance premium set forth by the Board for each retiree class is reduced by a percentage equal to 1% multiplied by the difference between the Medicare entitlement age and the age of the employee at the time of retirement as determined by the Board. This reduction in the employer contribution ceases upon notification to the Board of the attainment of Medicare coverage.

Total employer contributions to the OPEB plan from the University were $7,728,000 for the fiscal year ended September 30, 2018.

OPEB Liabilities, OPEB Expenses, Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2019 and 2018, the University reported a liability of $266,678,000 and $238,060,000, respectively, for its proportionate share of the net OPEB liability. The net OPEB liability was most recently measured as of September 30, 2017 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of September 30, 2016. The University's proportion of the net OPEB liability was based on a projection of the University's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating employers, actuarially determined. At the measurement date of September 30, 2017, the University's proportion of contributions to the OPEB plan was 3.449076%, which was a 0.485263% percentage point increase from its proportion measured as of September 30, 2016.

For the fiscal year ended September 30, 2018, the University recognized OPEB expense of approximately $21,731,000, which is included in salaries and benefits on the statement of revenues, expenses and changes in net position.

OPEB Plan Fiduciary Net Position

Detailed information about the OPEB plan's fiduciary net position is available in the Alabama Retired Education Employees' Health Care Trust's financial statements for the fiscal year ended September 30, 2017. The supporting actuarial information is included in the GASB Statement No. 74 Report for PEEHIP prepared as of September 30, 2017. Additional financial and actuarial information is available at www.rsa-al.gov.

(13) Risk Management

The University, HCM, SAMSF and HCA participate in the PLTF and the University, HCM, SAMSF, the Corporation and HCA participate in the GLTF. Both funds are administered by an independent trustee. These trust funds are revocable and use contributions by the University and HCA, together with earnings thereon, to pay liabilities arising from the performance of its employees, trustees and other individuals acting on behalf of the University and HCA. Any risk related to the payment claims is the responsibility of the PLTF and GLTF. If the trust funds are ever terminated, appropriate provision for payment of related claims will be made and any remaining balance may be distributed to the participating entities 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, HCM and HCA each participate in a separate self-insured health plan, administered by unaffiliated entities. Contributions by the University and its employees, together with earnings thereon, pay liabilities arising from healthcare claims. It is the opinion of University administration that plan assets are sufficient to meet future plan obligations.

(14) Other Related Parties and Related-Party Transactions

SAMSF is a not-for-profit corporation that exists for the purpose of promoting education and research at the University. At September 30, 2018, SAMSF had total assets of $12,704,000, net assets of $10,828,000, and total revenues of $1,735,000. At September 30, 2017, SAMSF had total assets of $13,112,000, net assets of $11,121,000, and total revenues of $2,403,000. SAMSF reimburses the University for certain administrative expenses and other related support services.

(15) Commitments and Contingencies

Grants and Contracts

At September 30, 2018 and 2017, the University had been awarded approximately $18,442,000 and $20,465,000, respectively, 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, are not reflected in the accompanying basic financial statements as the eligibility requirements of the award have not been met. Advances are included in unrecognized revenue, and 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 potential adjustment from such audits will not be material.

Letters of Credit

In connection with USA Health's participation in the State of Alabama Medicaid Program, the University has established a $55,382 irrevocable standby letter of credit with Wells Fargo. The Alabama Medicaid Agency is the beneficiary of this letter of credit. No funds were advanced under this letter during the periods ended June 30, 2019 and 2018.

In connection with RCO participation in the Alabama Medicaid Agency's Health Home Regional Care Organization Program, HCM established a $1,689,000 irrevocable standby letter of credit with Hancock Bank. The Alabama Medicaid Agency was the beneficiary of this letter of credit. HCM was released from the letter of credit subsequent to June 30, 2018.

Federal Program Review

In November 2014, the University was the subject of a program review conducted by the U. S. Department of Education. The program review assessed the University's administration of Title IV, Higher Education Act programs for the 2013-2014 fiscal year and the first two months of the 2015 fiscal year. On October 10, 2017, the University received the final program review determination letter. Management appealed the factual and legal contentions in, and the calculation of the monetary liabilities and interest asserted in and associated with two findings. Management believes there will be no liability to the University beyond the amount currently accrued in the basic financial statements. The other findings were resolved to the US Department of Education's satisfaction.

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 statements of revenues, expenses, and changes in net position of the University.

Rent Supplement Agreements

The University has entered into two irrevocable rent supplement agreements with a financial institution. The 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 June 30, 2019 and 2018, no amounts were payable pursuant to these agreements.

(16) Recently Issued Accounting Pronouncements

In November 2016, the GASB issued Statement No. 83, *Certain Asset Retirement Obligations*. This statement is effective for the current reporting period. Statement 83 establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for ARO's. The GASB issued Statement No. 84, *Fiduciary Activities*, in January 2017. This statement will be effective for the University beginning with the fiscal year ending September 30, 2020. Statement 84 addresses the criteria for identifying fiduciary activities of all state and local governments. In June 2017, the GASB issued Statement No. 87, *Leases,* which will be effective for the University beginning with the fiscal year ending September 30, 2021. This statement establishes a single model for lease accounting whereby certain leases that were previously classified as operating leases will now be reported on the statement of net position. Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements,* was issued in March 2018 to enhance note disclosure for debt agreements. This statement is effective for the current reporting period. In June 2018, the GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period,* which will be effective beginning with the fiscal year ending September 30, 2021. This statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. GASB Statement No. 90, *Majority Equity Interests,* was issued in August 2018. Effective for the University beginning with the fiscal year ending September 30, 2020, this statement specifies that a majority equity interest in a legally separate organization should be reported as an investment using the equity method, with certain exceptions, if a government holding of the equity interest meets the definition of an investment. In May 2019, the GASB issued Statement No. 91, *Conduit Debt Obligations,* which will be effective beginning with the fiscal year ending September 30, 2022. The objective of this statement is to clarify the definition of conduit debt obligations, establish that that conduit debt is not a liability of the issuer, establish standards for reporting additional commitments and voluntary commitments extended by issuers and improve note disclosures.

The effect of the implementation of GASB Statement Nos. 84, 87, 89, 90 and 91 on the University has not yet been determined.

UNIVERSITY OF SOUTH ALABAMA
(A Component Unit of the State of Alabama)
Notes to Required Supplementary Schedules
June 30, 2019

GASB Statement No. 88 enhances financial statement note disclosures by requiring summarized information on amounts of unused lines of credit, assets pledged as collateral for debt, terms related to significant events of default or termination events with finance-related consequences and acceleration clauses. Direct borrowings and direct placements of debt should be separated from other debt in notes to financial statements.

GASB Statement No. 83, does not have an impact on the University's financial statements.

RESOLUTION

CHANGES TO USA MAIN CAMPUS STREET NAMES

WHEREAS, the University of South Alabama is scheduled to open the much-anticipated Hancock Whitney Stadium for the 2020 football season, and

WHEREAS, street names surrounding and leading to the stadium, and elsewhere on campus, should minimize confusion and allow for clear ingress and egress, and

WHEREAS, the existing Stadium Boulevard runs from Old Shell Road to the traffic circle and does not connect to Hancock Whitney Stadium, and

WHEREAS, Cleverdon Parkway is named after Ernest G. Cleverdon, who played a critical role in the University's founding and served as the Board of Trustees' Chair *pro tempore* from 1963-1982, and currently runs from Old Shell Road to the site of Hancock Whitney Stadium, and

WHEREAS, Cleverdon was joined on the Board by Aubrey D. Green, who followed as Chair *pro tempore* and who has a road named after him that runs along the north edge of campus and is connected to Health Services Drive, and

WHEREAS, Health Services Drive is no longer appropriate as a street name because it does not connect to University health services, and

WHEREAS, the USA National Alumni Association headquarters is relocating with the construction of the new MacQueen Alumni Center and is no longer adjacent to the street currently named Alumni Circle,

THEREFORE, BE IT RESOLVED, pending notification of emergency services and logistical considerations, the University of South Alabama Board of Trustees authorizes:

- the existing Cleverdon Parkway shall be renamed Stadium Drive, and
- the existing Health Services Drive shall be renamed Ernest Cleverdon Drive, which will intersect with Aubrey Green Drive, and
- the existing Stadium Boulevard shall be renamed Jaguar Boulevard, and
- the existing Jaguar Drive shall be renamed Student Services Drive, and
- John Counts Drive, which is adjacent to the stadium site, shall extend to the new road that runs past the intramural fields and to Old Shell Road, and
- Alumni Circle shall be renamed Student Center Circle, and
- the existing Campus Drive shall be renamed Alumni Drive.

UNIVERSITY OF SOUTH ALABAMA

MEMORANDUM

Finance and Administration

DATE: September 4, 2019

TO: President Tony G. Waldrop

FROM: G. Scott Weldon

SUBJECT: Resolution to Change the Names of Several USA Main Campus Streets

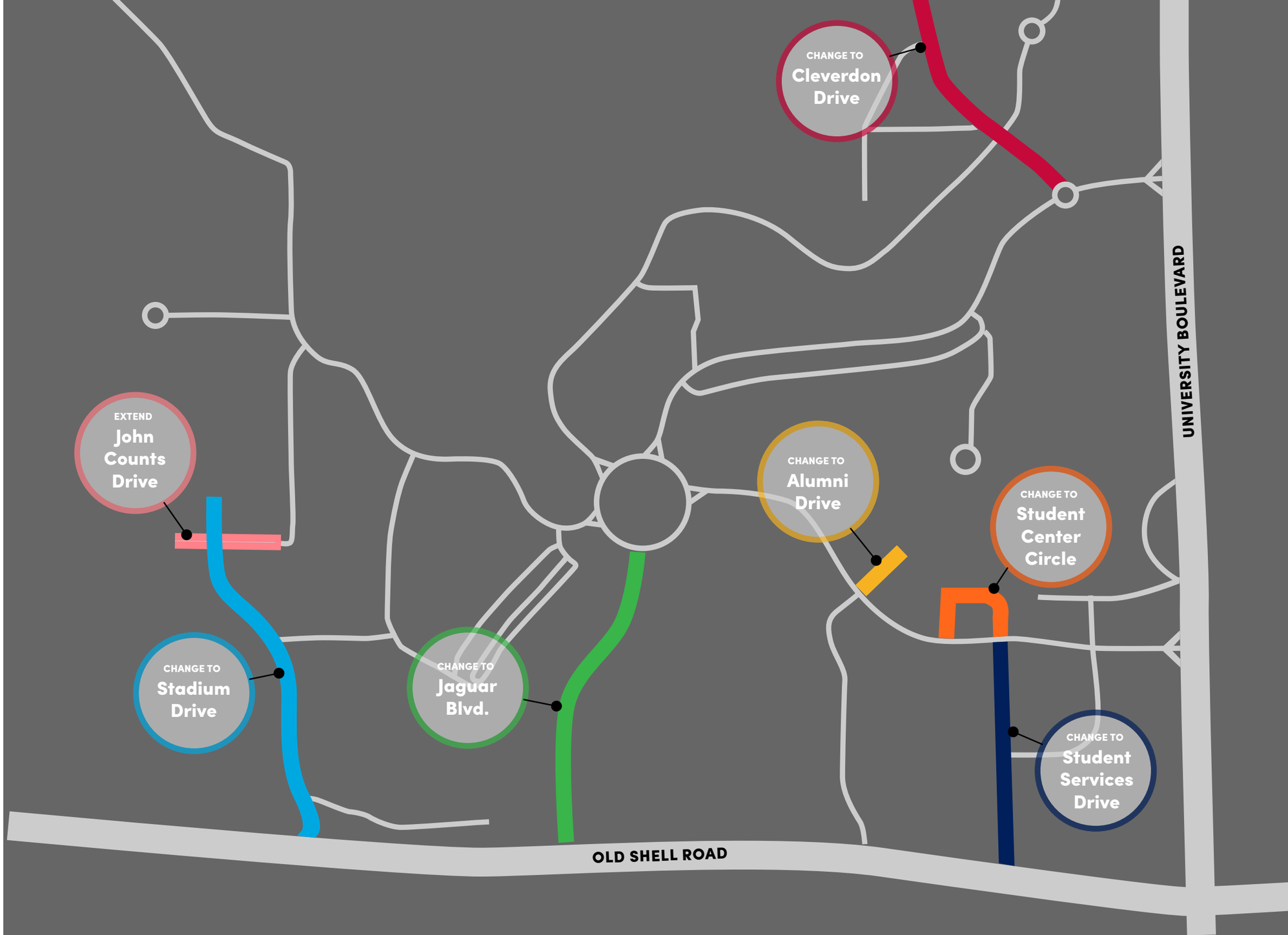
Attached is a resolution for consideration by the Board of Trustees concerning several changes to main campus street names pending notification of emergency services and logistical considerations. The suggested name changes are:

- The existing Cleverdon Parkway shall be renamed Stadium Drive.
- The existing Health Services Drive shall be renamed Ernest Cleverdon Drive, which will intersect with Aubrey Green Drive.
- The existing Stadium Boulevard shall be renamed Jaguar Boulevard.
- The existing Jaguar Drive shall be renamed Student Services Drive.
- John Counts Drive, which is adjacent to the stadium site, shall extend to the new road that runs past the intramural fields and to Old Shell Road.
- Alumni Circle shall be renamed Student Center Circle.
- The existing Campus Drive shall be renamed Alumni Drive.

The attached resolution acknowledges these changes. With your approval, this item will be presented to the Budget and Finance Committee and the Board of Trustees for final approval. Further, I recommend the adoption of the resolution by the Board of Trustees.

Attachment

PROPOSED STREET NAME CHANGES



RESOLUTION

AMENDMENT AND RESTATEMENT OF THE UNIVERSITY OF SOUTH ALABAMA 403(b) PLAN

WHEREAS, the University of South Alabama in 1964 authorized the participation of all employees in the Teachers' Insurance and Annuity Association (TIAA) pursuant to an elective salary reduction arrangement under Section 403(b) of the Internal Revenue Code, and

WHEREAS, the University of South Alabama 403(b) Plan (the Plan) was in 2008 set forth in written format on a 403(b) plan template supplied by TIAA, which until recently was also supported by TIAA, and

WHEREAS, TIAA applied to the Internal Revenue Service for approval of a volume submitter 403(b) plan document which will replace the template used by the Plan, which approval was granted in 2017, and

WHEREAS, University management has decided it is in the best interest of the University to restate the Plan on the TIAA volume submitter 403(b) plan document, and

WHEREAS, certain amendments to the Plan are being recommended by University management which will enhance the Plan's provisions with respect to the participants in the Plan and also increase administrative convenience by aligning the Plan's provisions with the provisions of the USA HealthCare Management, LLC 403(b) Defined Contribution Retirement Plan to the extent possible without increasing the University's costs with respect to the Plan,

THEREFORE, BE IT RESOLVED, the University of South Alabama Board of Trustees authorizes the amendment and restatement of the University of South Alabama 403(b) Plan as set forth in the attached volume submitter 403(b) plan document, to be effective October 1, 2019.

UNIVERSITY OF SOUTH ALABAMA

MEMORANDUM

Finance and Administration

DATE: August 22, 2019

TO: President Tony G. Waldrop

FROM: G. Scott Weldon

SUBJECT: Resolution for Amendment and Restatement of University of South Alabama 403(b) Plan

TIAA has stopped providing support for the template plan documents of the University of South Alabama 403(b) Plan (the Plan) and has received approval from the Internal Revenue Service to instead use a volume submitter 403(b) plan. The University is required to make this change to ensure continued qualification of the Plan and will also use this opportunity to make changes to the Plan's provisions which will be enhancements for the participants and to align the Plan with the USA HealthCare Management, LLC 403(b) Defined Contribution Plan to increase administrative convenience without increasing the University's costs with respect to the Plan. The attached resolution approves the amendment and restatement of the Plan and to make these changes effective October 1, 2019.

Attachment

ADOPTION AGREEMENT #001
NON-ERISA GOVERNMENTAL 403(b) VOLUME SUBMITTER PLAN

The undersigned Eligible Employer, by executing this Adoption Agreement, elects to establish a 403(b) plan ("Plan") under the TIAA Non-ERISA Governmental 403(b) Volume Submitter Plan (basic plan document #25). This Adoption Agreement, the basic plan document, any incorporated Investment Arrangement Documentation, and any attached appendices, constitute the Employer's plan document. *All "Election" references within this Adoption Agreement are Adoption Agreement Elections. All "Section" references are basic plan document references. Numbers in parenthesis which follow headings are references to basic plan document sections.* Where an Adoption Agreement election calls for the Employer to supply text, the Employer may lengthen any space or line, or create additional tiers. When Employer-supplied text uses terms substantially similar to existing printed options, all clarifications and caveats applicable to the printed options apply to the Employer-supplied text unless the context requires otherwise. The Employer makes the following elections granted under the corresponding provisions of the basic plan document.

ARTICLE 1
DEFINITIONS

1. EMPLOYER; PLAN; PLAN ADMINISTRATOR **(1.29; 1.52; 1.53)**. *(A Plan amendment is not needed solely to change the information in (a) or (d) below.)*

(a) **Employer Information**

Name of Adopting Employer: University of South Alabama

Address: USA Technology and Research Park, 650 Clinic Drive, Bldg. III, Suite 2200

City Mobile State Alabama Zip 36688

Telephone: 251-460-6133

EIN: 63-0477348

(b) **Plan Information**

Plan name: University of South Alabama 403(b) Plan

(c) **Type of entity** *(Choose (1) or (2))*:

(1) **[X] Public School.** See 1.57.

(2) **[ ] Other Governmental employer exempt under Code §501(c)(3).**

(d) **Plan Administrator Information** (If no Plan Administrator is named, the Employer is the Plan Administrator)

Name: _____

Address: _____

City _____ State _____ Zip _____

Telephone: _____

2. PERMITTED INVESTMENTS **(1.42)**. The Plan permits Custodial Accounts invested in mutual funds under Code §403(b)(7) and Annuity Contracts under Code §403(b)(1).

3. ERISA STATUS. This Plan is a governmental plan exempt from ERISA.

4. PLAN YEAR **(1.54)**. Plan Year means the 12 consecutive month period (except for a short Plan Year) ending every:

[*Note: Complete any applicable blanks under Election 4 with a specific date, e.g., June 30 OR the last day of February OR the first Tuesday in January. In the case of a Short Plan Year, include the year, e.g., May 1, 2016.*]

Plan Year *(Choose (a), (b) or (c).)*:

(a) **[ ] December 31.**

(b) **[X] Fiscal Plan Year:** ending: September 30th .

(c) **[ ] Other:** _____ *(e.g., a 52/53 week year ending on the date nearest the last Friday in December)*.

Short Plan Year *(Choose (d) if applicable.)*:

(d) **[ ]** Short Plan Year: commencing: _____ and ending: _____.

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5. EFFECTIVE DATE **(1.23)**. The Employer's adoption of the Plan is a:

(a) **[ ] New Plan.**

(b) **[X] Restated Plan.**

Initial Effective Date of Plan *(enter date)*

(c) January 1, 1964 (hereinafter called the "Effective Date" unless 5(d) is entered below)

Restatement Effective Date *(If this is an amendment and restatement, enter effective date of the restatement.)*

(d) **[X]** October 1, 2019 *(enter month day, year; may enter a restatement date that is the first day of the current Plan Year)* (hereinafter called the "Effective Date")

[*Note*: *See Section 1.60 for the definition of Restated Plan. If this Plan is a Restatement under Rev. Proc. 2013-22, in order to have retroactive reliance, the Restatement Effective Date generally should be the later of January 1, 2010 or the Initial Effective Date. The Restatement Effective Date can be as early as January 1, 2009 but there is no retroactive reliance prior to January 1, 2010. If specific Plan provisions, as reflected in this Adoption Agreement and the basic plan document, do not have the Effective Date stated in this Election 5, indicate as such in the election where called for or in Appendix A.*]

Additional Effective Dates *(Choose if applicable)*

(e) **[ ] Restatement of surviving and merging plans.** The Plan restates two (or more) plans *(Complete 5(c) and (d) above for this (surviving) Plan. Complete (1) below for the merging plan. Choose (2) if applicable.)*:

(1) **Merging plan.** The _____ Plan was or will be merged into this surviving Plan as of: _____. The merging plan's original Effective Date was: _____.

(2) **[ ] Additional merging plans.** The following additional plans were or will be merged into this surviving Plan *(Optional to complete a. and b. if applicable. May attach an addendum to add additional plans.)*:

	Name of merging plan	Merger date	Original Effective Date
a.			
b.			

(f) **[ ] Special Effective Date for Elective Deferral provisions:** _____

[*Note: If Elective Deferral provision is not effective as of the Initial Effective Date or the Restatement Effective Date, enter the date as of which the Elective Deferral provision is effective. The Special Effective Date may not precede the date on which the Employer adopted the Plan.*]

6. CONTRIBUTION TYPES **(1.12)**. The Employer and/or Participants, in accordance with the Plan terms, make the following contributions to the Plan *(Choose one or more of (a) through (f))*:

(a) **[ ] Mandatory Employee Contributions.** See Section 3.04(A)(3) and Election 18.

(b) **[X] Pre-Tax Elective Deferrals.** See Section 3.02 and Elections 19 - 21.

(1) **[X] Roth Deferrals.** See Section 3.02(F) and Elections 19 - 21. [*Note: The Employer may not limit Elective Deferrals to Roth Deferrals only.*]

(c) **[X] Matching.** See Sections 1.36, 1.47, and 3.03 and Elections 22, 23, 27, 28 and 32.

(d) **[ ] Nonelective.** See Sections 1.48 and 3.04 and Elections 25 through 28.

(e) **[ ] Employee (after-tax).** See Section 3.09 and Election 32.

(f) **[ ] None (frozen plan).** The Plan is/was frozen effective as of: _____. See Sections 3.01(F) and 9.04.

[*Note: Elections 18 through 26 and Election 32 do not apply to any Plan Year in which the Plan is frozen*.]

7. EXCLUDED EMPLOYEES **(1.35)**. The following Employees are not Eligible Employees (either as to the overall Plan or the designated contribution type) *(Choose (a), (b) or (c). See also Election 18(e).)*:

(a) **[ ] No Excluded Employees.** All Employees are Eligible Employees as to all Contribution Types.

(b) **[ ] Exclusions - same for all Contribution Types.** The following Employees are Excluded Employees for all Contribution Types *(Choose one or more of (e) through (h) and/or (l). Choose column (1) for each exclusion elected at (e) through (h).)*:

(c) **[X] Exclusions.** The following Employees are Excluded Employees (either as to all Contribution Types or to the designated Contribution Type) *(Choose one or more of (d) through (l))*:

[*Note: For this Election 7, unless described otherwise in Election 7(l), Elective Deferrals includes Pre-Tax Deferrals and Roth Deferrals; Matching includes all Matching Contributions; Nonelective includes all Nonelective Contributions; Employee/Mandatory includes Mandatory Employee Contributions and Employee (after-tax) Contributions.*]

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			(1) All Contributions		(2) Elective Deferrals	(3) Matching	(4) Nonelective	(5) Employee/ Mandatory
(d)	[ ]	**No exclusions.** No exclusions as to the designated Contribution Type.	N/A (See Election 7(a))		[ ]	[ ]	[ ]	[ ]
(e)	[ ]	**Non-Resident Aliens.** See Section 1.35(B).	[ ]	OR	[ ]	[ ]	[ ]	[ ]
(f)	[X]	**Employees who normally work less than 20 hours per week.** See Section 1.35(E). (e.g., if any such excluded Employee actually completes a Year of Service).	[ ]	OR	[ ]	[X]	[ ]	[ ]
(g)	[X]	**Student Employees.** See Section 1.35(C) (i.e., students enrolled in the entity sponsoring this Plan).	[X]	OR	[ ]	[ ]	[ ]	[ ]
(h)	[ ]	**Other Employer plan.** Employees who are eligible to participate in another plan of the Employer which is a *(Choose one or more of a. through c.)*: a. [ ] 401(k) plan b. [ ] 403(b) plan c. [ ] governmental 457(b) plan	[ ]	OR	[ ]	[ ]	[ ]	[ ]
(i)	[X]	**Collective Bargaining (union) Employees.** See Section 1.35(A).	N/A		N/A	[X]	[ ]	[ ]
(j)	[ ]	**Per Diem Employees.**	N/A		N/A	[ ]	[ ]	[ ]
(k)	[X]	**Describe exclusion:** Excluded Employees who are not Executive/Administrative/Managerial, Professor, Associate Professor, Head Coach, Assistant Professor, or Instructor; Employees hired on or after October 1, 2009; Employees who were eligible to participate in the Plan as of September 30, 2009, but who did not elect to participate on or before that date; and Employees who, as of October 1 of any year (the "Testing Date"), had gross earnings during the twelve months immediately preceding the Testing Date exceeding the amount prescribed by Internal Revenue Code Section 414(q), as adjusted	N/A		N/A	[X]	[ ]	[ ]
(l)	[ ]	**Describe exclusion:** _____ *(e.g., exclude hourly paid employees).*						

[*Note: The Employer may not complete Election 7(l) in a manner which would violate the universal availability rule of Treas. Reg. §1.403(b)-5(b), after taking into consideration the entity rules of Treas. Reg. §1.403(b)-5(b)(3) and the transition rules of Treas. Reg. §1.403(b)-10(d). Accordingly, Election 7(l) may only be used to provide an exclusion for Elective Deferrals if the excluded Employees are eligible to make elective deferrals under another 403(b), 401(k) or governmental 457(b) plan of the Employer.*]

[*Note: Any exclusion under Election 7(l), except for Employees who normally work less than 20 hours per week, may not be based on age or Service. See Election 14 for eligibility conditions based on age or Service.*]

8. COMPENSATION **(1.11)**. The following Compensation (as adjusted under Elections 9 and 10) applies in allocating Employer Contributions (or the designated contribution type) *(Choose one or more of (a) through (e). Choose (f) if applicable.)*:

[*Note: Unless described otherwise in Election 8(e), Elective Deferrals includes Pre-Tax Deferrals and Roth Deferrals; Matching includes all Matching Contributions; Nonelective includes all Nonelective Contributions; Employee/Mandatory includes Mandatory Employee Contributions and Employee (after-tax) Contributions. In applying any Plan definition which references Section 1.11 Compensation, where the Employer in this Election 8 elects more than one Compensation definition for allocation purposes, the Plan Administrator will use W-2 wages for such other Plan definitions if the Employer has elected W-2 wages for any Contribution Type or Participant group under Election 8. If the Employer has not elected W-2 wages, the Plan Administrator for such other Plan definitions will use 415 Compensation.*]

			(1) All Contributions		(2) Elective Deferrals	(3) Matching	(4) Nonelective	(5) Employee/ Mandatory
(a)	[X]	**W-2 wages increased by Elective Deferrals.**	[X]	OR	[ ]	[ ]	[ ]	[ ]
(b)	[ ]	**Code §3401 federal income tax withholding wages increased by Elective Deferrals.**	[ ]	OR	[ ]	[ ]	[ ]	[ ]

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(c)	[ ]	**415 Compensation.**	[ ]	**OR**	[ ]	[ ]	[ ]	[ ]
(d)	[ ]	**Describe Compensation by Contribution Type or by Participant Group:** _____	[ ]	**OR**	[ ]	[ ]	[ ]	[ ]

(e) [ ] **Describe Compensation by Contribution Type or by Participant Group:** _____.

[*Note: Under Election 8(d) or 8(e), the Employer may: (i) elect Compensation from the elections available under Elections 8(a), (b), (c) or (d), or a combination thereof as to a Participant group (e.g., W-2 Wages for Matching Contributions for Campus A Employees and 415 Compensation in all other cases); and/or (ii) define the Contribution Type column headings in a manner which differs from the "all-inclusive" description in the Note immediately preceding Election 8(a).*]

(f)	[ ]	**Allocate based on specified 12-month period.** The allocation of all Contribution Types (or specified Contribution Types) will be made based on Compensation within a specified 12-month period ending within the Plan Year as follows: _____.	[ ]	**OR**	[ ]	[ ]	[ ]	[ ]

9. PRE-ENTRY/POST-SEVERANCE COMPENSATION **(1.11(H)/(I))**. Compensation under Election 8:

[*Note: For this Election 9, unless described otherwise in Elections 9(c), 9(d), 9(m) or 9(n), Elective Deferrals includes Pre-Tax Deferrals and Roth Deferrals; Matching includes all Matching Contributions; Nonelective includes all Nonelective Contributions; Employee/Mandatory includes Mandatory Employee Contributions and Employee (after-tax) Contributions.*]

Pre-Entry Compensation *(Choose one or more of (a), (b) or (c). Choose Contribution Type as applicable.)*:			**(1) All Contributions**		**(2) Elective Deferrals**	**(3) Matching**	**(4) Nonelective**	**(5) Employee/ Mandatory**
(a)	[ ]	**Plan Year.** Compensation for the entire Plan Year which includes the Participant's Entry Date. [*Note: If the Employer under Election 8(f) elects to allocate some or all Contribution Types based on a specified 12-month period, Election 9(a) applies to that 12-month period in lieu of the Plan Year.*]	[ ]	**OR**	[ ]	[ ]	[ ]	[ ]
(b)	[X]	**Participating Compensation.** Only Participating Compensation. See Section 1.11(H)(1).	[X]	**OR**	[ ]	[ ]	[ ]	[ ]
(c)	[ ]	**Describe Pre-Entry Compensation** _____	[ ]	**OR**	[ ]	[ ]	[ ]	[ ]

[*Note: Under a Participating Compensation election, in applying any Adoption Agreement elected contribution limit or formula, the Plan Administrator will count only the Participant's Participating Compensation. See Section 1.11(H)(1) as to plan disaggregation.*]

(d) [ ] **Describe Pre-Entry Compensation by Contribution Type or by Participant group:** _____.

[*Note: Under Election 9(c) or 9(d), the Employer may: (i) elect Compensation from the elections available under Pre-Entry Compensation or a combination thereof as to a Participant group (e.g., Participating Compensation for all Contribution Types as to Campus A Employees, Plan Year Compensation for all Contribution Types to Campus B Employees) and/or (ii) define the Contribution Type column headings in a manner which differs from the "all-inclusive" description in the Note immediately preceding Pre-Entry Compensation.*]

Post-Severance Compensation. The following adjustments apply to Post-Severance Compensation paid within any applicable time period as may be required *(Choose (e), (f), or (g).)*:

[*Note: Under the basic plan document, if the Employer does not elect any adjustments, Post-Severance Compensation includes regular pay, leave cash-outs, and deferred compensation, and excludes disability continuation payments and does not count Deemed Includible Compensation.*]

(e) [ ] **None.** The Plan includes post-severance regular pay, leave cash-outs, and deferred compensation, and excludes post-severance disability continuation payments, and Deemed Includible Compensation as to any Contribution Type except as required under the basic plan document *(skip to Election 10)*.

(f) [ ] **Same for all Contribution Types.** The following adjustments to Post-Severance Compensation apply to all Contribution Types *(Choose one or more of (i) through (n). Choose column (1) for each option elected at (i) through (m).)*:

(g) [X] **Adjustments - different conditions apply.** The following adjustments to Post-Severance Compensation apply to the designated Contribution Types *(Choose one or more of (h) through (n). Choose Contribution Type as applicable.)*:

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Post-Severance Compensation:			(1) All Contributions		(2) Elective Deferrals	(3) Matching	(4) Nonelective	(5) Employee/ Mandatory
(h)	[ ]	**None.** The Plan takes into account Post-Severance Compensation as to the designated Contribution Types as specified under the basic plan document.	**N/A** (See Election 9(e))		[ ]	[ ]	[ ]	[ ]
(i)	[ ]	**Exclude All.** Exclude all Post-Severance Compensation. [*Note: 415 testing Compensation (versus allocation Compensation) must include Post-Severance Compensation composed of regular pay. See Section 4.05(D).*]	[ ]	**OR**	[ ]	[ ]	[ ]	[ ]
(j)	[ ]	**Regular Pay.** Exclude Post-Severance Compensation composed of regular pay. See Section 1.11(I)(1)(a). [*Note: 415 testing Compensation (versus allocation Compensation) must include Post-Severance Compensation composed of regular pay. See Section 4.05(D).*]	[ ]	**OR**	[ ]	[ ]	[ ]	[ ]
(k)	[X]	**Leave cash-out.** Exclude Post-Severance Compensation composed of leave cash-out. See Section 1.11(I)(1)(b).	[ ]	**OR**	[ ]	[X]	[ ]	[ ]
(l)	[X]	**Deferred Compensation.** Exclude Post-Severance Compensation composed of deferred compensation. See Section 1.11(I)(1)(c).	[ ]	**OR**	[ ]	[X]	[ ]	[ ]
(m)	[ ]	**Describe Post-Severance Compensation by Contribution Type or by Participant group:** _____	[ ]	**OR**	[ ]	[ ]	[ ]	[ ]

(n) [ ] **Describe Post-Severance Compensation by Contribution Type or by Participant group:**
_____.

[*Note: Under Election 9(m) or 9(n), the Employer may: (i) elect Compensation from the elections available under Post-Severance Compensation or a combination thereof as to a Participant group (e.g., Include regular pay Post-Severance Compensation for all Contribution Types as to Campus A Employees, no Post-Severance Compensation for all Contribution Types to Campus B Employees) and/or (ii) define the Contribution Type column headings in a manner which differs from the "all-inclusive" description in the Note immediately preceding Pre-Entry Compensation.*]

10. EXCLUDED COMPENSATION **(1.11(G))**. Apply the following additional exclusions or other adjustments to Compensation Elections under 8 and 9 *(Choose (a), (b) or (c).)*:

(a) [ ] **No exclusions.** Compensation as to all Contribution Types means Compensation as elected in Elections 8 and 9 *(skip to Election 11)*.

(b) [ ] **Exclusions - same for all Contribution Types.** The following exclusions apply to all Contribution Types *(Choose one or more of (f) through (n). Choose column (1) for each option elected at (f) through (m).)*:

(c) [X] **Exclusions - different conditions apply.** The following exclusions apply for the designated Contribution Types *(Choose one or more of (d) through (n) below. Choose Contribution Type as applicable.)*:

[*Note: For this Election 10, unless described otherwise in Election 10(n), Elective Deferrals includes Pre-Tax Deferrals and Roth Deferrals; Matching includes all Matching Contributions; Nonelective includes all Nonelective Contributions; Employee/Mandatory includes Mandatory Employee Contributions and Employee (after-tax) Contributions.*]

Compensation Exclusions			(1) All Contributions		(2) Elective Deferrals	(3) Matching	(4) Nonelective	(5) Employee/ Mandatory
(d)	[ ]	**No exclusions.** No exclusion as to the designated Contribution Type(s).	**N/A** (See Election 10(a))		[ ]	[ ]	[ ]	[ ]
(e)	[ ]	**Elective Deferrals.** See Section 1.24. (e.g., exclusions under Code §§ 401(k), 125, 132(f)(4), 403(b), 414(h)(2) pickup, & 457).	**N/A**		**N/A**	[ ]	[ ]	[ ]
(f)	[ ]	**Fringe benefits.** As described in Treas. Reg. §1.414(s)-1(c)(3) (e.g., reimbursements or other expense allowances, fringe benefits, moving expenses, deferred compensation and welfare benefits).	[ ]	**OR**	[ ]	[ ]	[ ]	[ ]

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(g)	**[ ]**	**Compensation exceeding $_____.**	**[ ]**	**OR**	**[ ]**	**[ ]**	**[ ]**	**[ ]**
(h)	**[X]**	**Bonus.**	**[ ]**	**OR**	**[ ]**	**[X]**	**[ ]**	**[ ]**
(i)	**[ ]**	**Commission.**	**[ ]**	**OR**	**[ ]**	**[ ]**	**[ ]**	**[ ]**
(j)	**[X]**	**Overtime.**	**[ ]**	**OR**	**[ ]**	**[X]**	**[ ]**	**[ ]**
(k)	**[ ]**	**Leave of Absence Pay.**	**[ ]**	**OR**	**[ ]**	**[ ]**	**[ ]**	**[ ]**
(l)	**[ ]**	**Related Employers.** See Section 1.29(B). *(If there are Related Employers, choose one or both of a. and b.)*:						
a.	**[ ]**	**Non-Participating.** Compensation paid to Employees by a Related Employer that is not a Participating Employer.	**[ ]**	**OR**	**[ ]**	**[ ]**	**[ ]**	**[ ]**
b.	**[ ]**	**Participating.** As to the Employees of any Participating Employer, Compensation paid by any other Participating Employer to its Employees. See Election 26(f).	**[ ]**	**OR**	**[ ]**	**[ ]**	**[ ]**	**[ ]**
(m)	**[X]**	**Describe Compensation adjustment(s):** summer pay, additional faculty pay, and grant incentives	**[ ]**	**OR**	**[ ]**	**[X]**	**[ ]**	**[ ]**

(n) **[ ]** **Describe Compensation adjustment(s):** _____.

[*Note: Under Election 10(m) or 10(n), the Employer may: (i) describe Compensation from the elections available under Elections 10(d) through (l), or a combination thereof as to a Participant group (e.g., No exclusions as to Campus A Employees and exclude bonus as to Campus B Employees); (ii) define the Contribution Type column headings in a manner which differs from the "all-inclusive" description in the Note immediately following Election 10(c) (e.g., Elective Deferrals means §125 cafeteria deferrals only OR Exclude bonus as to Nonelective Contributions); and/or (iii) describe another exclusion (e.g., Exclude shift differential or summer school pay). Any adjustment must be definitely determinable.*]

11. HOURS OF SERVICE **(1.40)**. The Plan credits Hours of Service for the following purposes (and to the Employees) as follows *(Hours of Service for Eligibility as defined below also applies to the application of the exclusion for Employees who normally work less than 20 hours per week (Election 7(f)).) (Choose one or more of (a) through (e)):*

			(1) All Purposes		(2) Eligibility	(3) Vesting	(4) Allocation Conditions
(a)	**[X]**	**Actual (hourly) Method.**	**[X]**	**OR**	**[ ]**	**[ ]**	**[ ]**
(b)	**[ ]**	**Equivalency Method:** _____ *(e.g., daily, weekly, etc.)*	**[ ]**	**OR**	**[ ]**	**[ ]**	**[ ]**
(c)	**[ ]**	**Elapsed Time Method.** See Section 1.40(D)(3).	**[ ]**	**OR**	**[ ]**	**[ ]**	**[ ]**
(d)	**[ ]**	**Actual (hourly) and Equivalency other.** Equivalency Method: _____ *(e.g., daily, weekly, etc.)* for Employees for whom records or actual Hours of Service are not maintained or available (e.g., salaried Employees), and Actual Method for all other Employees.	**[ ]**	**OR**	**[ ]**	**[ ]**	**[ ]**

(e) **[ ]** **Describe:** _____.

[*Note: Under Election 11(e), the Employer may describe Hours of Service from the elections available under Elections 11(a) through (d), or a combination thereof as to a Participant group and/or Contribution Type (e.g., For all purposes, Actual Method applies to staff and Equivalency Method applies to faculty).*]

12. ELECTIVE SERVICE CREDITING **(1.66(A))**. The Plan must credit Related Employer Service under Section 1.29(B) and also must credit certain Predecessor Employer/Predecessor Employer Service under Section 1.66(B). If the Plan is a Multiple Employer Plan, the Plan also must credit Service as provided in Section 10.07. The Plan also elects under Section 1.66(C) to credit as Service the following Predecessor Employer Service *(Choose (a) or (b).)*:

(a) **[X]** **Not applicable.** No elective Predecessor Employer Service crediting applies.

(b) **[ ]** **Predecessor Employer.** The Plan credits the specified service with the following designated Predecessor Employers as Service for the Employer for the purposes indicated *(Complete (1). Choose (2) and/or (3) if applicable)*:

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(1) **Employer/Purposes.** Credit as Service, service with the following Predecessor Employer(s) for the designated purpose(s) *(Choose one or more)*:	**(1) All Purposes**	**(2) Eligibility**	**(3) Vesting**	**(4) Allocation Conditions**
a. **[ ] Employer:** _____	**[ ]**	**[ ]**	**[ ]**	**[ ]**
b. **[ ] Employer:** _____	**[ ]**	**[ ]**	**[ ]**	**[ ]**
c. **[ ] Employer:** _____	**[ ]**	**[ ]**	**[ ]**	**[ ]**
d. **[ ] Type of Predecessor.** Credit service with any Predecessor Employer which is *(Choose one or more of i. – v.)*:	**[ ]**	**[ ]**	**[ ]**	**[ ]**

i. **[ ] An Educational Organization.**

ii. **[ ] An Educational Organization providing post-secondary education.**

iii. **[ ] An Eligible Employer.**

iv. **[ ] A nonprofit research institution.**

v. **[ ] Other:** _____
(specify organization type)

(2) **[ ] Time period.** Subject to any exceptions noted under Election 12(b)(3), the Plan credits as Service under Election 12(b)(1), all service regardless of when rendered unless a. and/or b. is elected below *(Choose a. and/or b. if applicable)*:

a. **[ ] Service after.** All service, which is or was rendered after: _____ *(specify date)*.

b. **[ ] Service before.** All service, which is or was rendered before: _____ *(specify date)*.

(3) **[ ] Describe elective Predecessor Employer Service crediting:**

_____

[*Note: Under Election 12(b)(3), the Employer may describe service crediting from the elections available under Elections 12(b)(1) or (2), or a combination thereof as to a Participant group and/or Contribution Type (e.g., For all purposes credit all service with X, but credit service with Y only on/after 1/1/05 OR Credit all service for all purposes with entities the Employer acquires after 12/31/04 OR Service crediting for X Campus applies only for purposes of Nonelective Contributions and not for Matching Contributions).*]

ARTICLE 2
ELIGIBILITY REQUIREMENTS

13. ELIGIBILITY/ELECTIVE DEFERRALS (Universal Availability) **(2.01(A))**. An Employee (other than an Excluded Employee) generally becomes a Participant in the Elective Deferral portion of the Plan as soon as administratively feasible on or after the Employee's first day of employment with the Employer, as more fully described in Section 2.01(A). [*Note: Elections 14 - 17 do not apply to Elective Deferrals unless Election 14(i) is elected.*]

14. ELIGIBILITY NONELECTIVE/MATCHING/EMPLOYEE CONTRIBUTIONS **(2.01(B))**. To become a Participant in all applicable contributions under the Plan, an Employee must satisfy the following eligibility condition(s). All applicable contributions of the Plan include the Matching, Nonelective and Employee Contributions. *(Choose (a)(1) or choose one or more of (a) through (i) as applicable. Choose (j), (k) and/or (l) if applicable.)*:

[*Note: For this Election 14, unless described otherwise in Election 14(i), or the context otherwise requires, Matching includes all Matching Contributions; Nonelective includes all Nonelective Contributions; Employee/Mandatory includes Mandatory Employee Contributions and Employee (after-tax) Contributions unless otherwise elected at 14(k).*]

			(1) All Applicable Contributions		**(2) Matching**	**(3) Nonelective**	**(4) Employee/ Mandatory**
(a)	**[ ]**	**None.** Entry on Employment Commencement Date or if later, upon the next following Entry Date	**[ ]**	**OR**	**[ ]**	**[ ]**	**[ ]**
(b)	**[X]**	**Age:** 18	**[X]**	**OR**	**[ ]**	**[ ]**	**[ ]**
(c)	**[ ]**	**One Year of Service.**	**[ ]**	**OR**	**[ ]**	**[ ]**	**[ ]**
(d)	**[ ]**	**Two Years of Service** (without an intervening Break in Service.)	**[ ]**	**OR**	**[ ]**	**[ ]**	**[ ]**
(e)	**[ ]**	_____ **Years of Service** (without an intervening Break in Service.)	**[ ]**	**OR**	**[ ]**	**[ ]**	**[ ]**
(f)	**[ ]**	_____ **months** Service need not be continuous (mere passage of time).	**[ ]**	**OR**	**[ ]**	**[ ]**	**[ ]**

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(g) **[ ]** _____ **month period** from the Eligible Employee's employment commencement date and during which at least _____ **Hours of Service** are completed in each month. The months during which the Employee completes the specified Hours of Service *(Choose one of (1) or (2).)*: **[ ]** **OR** **[ ]** **[ ]** **[ ]**

(1) **[ ]** **Consecutive.** Must be consecutive.

(2) **[ ]** **Not consecutive.** Need not be consecutive.

(h) **[X]** **Describe eligibility conditions:** 3 Years of Service for Assistant Professors and 6 Years of Service for Instructors **[ ]** **OR** **[X]** **[ ]** **[ ]**

(i) **[ ]** **Describe eligibility conditions:** _____.

[*Note: The Employer may use Election 14(h) or 14(i) to describe different eligibility conditions (e.g., for all contributions, no eligibility requirements for faculty Employees and One Year of Service as to administrative staff Employees; or 6 months as to Mandatory Employee Contributions and One Year of Service as to other Nonelective Contributions)*.]

(j) **[ ]** **Special eligibility Effective Date** *(Choose (1) and/or (2) if applicable.)*

(1) **[ ]** **Waiver of eligibility conditions for certain Employees.** The eligibility conditions and entry dates apply solely to an Eligible Employee employed or reemployed by the Employer after _____ *(specify date)*. If the Eligible Employee was employed or reemployed by the Employer by the specified date, the Employee will become a Participant on the latest of: (i) the Effective Date; (ii) the restated Effective Date; (iii) the Employee's Employment Commencement Date or Re-Employment Commencement Date; or (iv) the date the Employee attains age _____ *(not exceeding age 21)*.

[*Note: If the Employer does not wish to impose an age condition under clause (iv) as part of the requirements for the eligibility conditions waiver, leave the age blank.*]

(2) **[ ]** **Describe special eligibility Effective Date(s):** _____.

[*Note: Under Election 14(j)(2), the Employer may describe special eligibility Effective Dates as to a Participant group and/or Contribution Type.*]

(k) **[ ]** **Mandatory Contribution - eligibility conditions.** If different conditions apply to Mandatory and Employee (after-tax) Contributions, to become a Participant with respect to Mandatory Contributions, an Employee must satisfy the following eligibility condition(s). *(Choose (1) or (2) if applicable*):

(1) **[ ]** **No conditions.**

(2) **[ ]** **Conditions apply.** To become a Participant with respect to Mandatory Contributions, an Employee must satisfy the following eligibility condition(s): *(Choose one or more*):

a. **[ ]** **Age** _____

b. **[ ]** _____ **Year(s) of Service** *(may not exceed 2 Years of Service);*

c. **[ ]** _____ **months** *(may not exceed 24 months)*. Service need not be continuous (mere passage of time).

d. **[ ]** **Describe eligibility conditions:** _____

(l) **[ ]** **Employer maintains another plan.** The Employer maintains another plan providing for elective deferrals that satisfies the universal availability requirements under Code §403(b)(12). Instead of satisfying the universal availability requirements in this plan, the eligibility conditions for the following contribution source will also apply for Elective Deferral purposes. *(Choose one)*

(1) **[ ]** **Matching**

(2) **[ ]** **Nonelective**

(3) **[ ]** **Employee/Mandatory**

15. YEAR OF SERVICE - ELIGIBILITY **(2.02(A))**. *(Complete (b). Choose (a) if other than 1,000 Hours of Service. Choose (c) if applicable)*: [*Note: If the Employer under Election 14 elects a one or two Year(s) of Service condition or elects to apply a Year of Service for eligibility under any other Adoption Agreement election, the Employer should complete Election 15. The Employer should not complete Election 15 if it elects the Elapsed Time Method for eligibility.*]

(a) **[ ]** **Year of Service.** An Employee must complete _____ Hour(s) of Service during the relevant Eligibility Computation Period to receive credit for one Year of Service under Article 2: [*Note: If left blank, the requirement is 1,000 Hours of Service.*]

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(b) **Subsequent Eligibility Computation Periods.** After the Initial Eligibility Computation Period described in Section 2.02(C), the Plan measures Subsequent Eligibility Computation Periods as *(Choose (1) or (2))*:

(1) **[X] Plan Year.** The Plan Year, beginning with the Plan Year which includes the first anniversary of the Employee's Employment Commencement Date.

(2) **[ ] Anniversary Year.** The Anniversary Year, beginning with the Employee's second Anniversary Year.

[*Note: To maximize delayed entry under a two Years of Service condition for Nonelective Contributions or Matching Contributions, the Employer should elect to remain on the Anniversary Year for such contributions.*]

(c) **[ ] Describe:** _____.
(e.g., Anniversary Year as to faculty and Plan Year as to other employees OR 500 Hours of Service for Matching Contributions and 1,000 Hours of Service for Nonelective Contributions.)

16. ENTRY DATE **(2.02(D))**. The Entry Date means the Effective Date and *(Choose one or more of (a) through (f); select (g) if applicable)*:

[*Note: For this Election 16, unless described otherwise in Election 16(f), Matching includes all Matching Contributions; Nonelective includes all Nonelective Contributions; Employee/Mandatory includes Mandatory Employee Contributions and Employee (after-tax) Contributions unless otherwise elected at 16(g).*]

			(1) All Applicable Contributions		(2) Matching	(3) Nonelective	(4) Employee/ Mandatory
(a)	**[ ]**	**Semi-annual.** The first day of the first month and of the seventh month of the Plan Year.	**[ ]**	**OR**	**[ ]**	**[ ]**	**[ ]**
(b)	**[ ]**	**First day of Plan Year.**	**[ ]**	**OR**	**[ ]**	**[ ]**	**[ ]**
(c)	**[ ]**	**First day of each Plan Year quarter.**	**[ ]**	**OR**	**[ ]**	**[ ]**	**[ ]**
(d)	**[ ]**	**The first day of each month.**	**[ ]**	**OR**	**[ ]**	**[ ]**	**[ ]**
(e)	**[X]**	**Immediate.** Upon Employment Commencement Date or if later, upon satisfaction of eligibility conditions.	**[X]**	**OR**	**[ ]**	**[ ]**	**[ ]**

(f) **[ ] Describe:** _____.
(e.g., Immediate as to faculty Employees and semi-annual as to administrative staff Employees.)

Mandatory Contribution - entry date *(Choose if applicable)*:

(g) **[ ] Mandatory Contribution - entry date.** If a different entry date applies to Mandatory and Employee (after-tax) Contributions, the Entry Date for Mandatory Contributions means *(Choose one*):

(1) **[ ] Semi-annual.** The first day of the first month and of the seventh month of the Plan Year.

(2) **[ ] First day of Plan Year.**

(3) **[ ] The first day of each month.**

(4) **[ ] Immediate.** Upon Employment Commencement Date or if later, upon satisfaction of eligibility conditions.

(5) **[ ] Describe:** _____
(e.g., Immediate as to faculty Employees and semi-annual as to administrative staff Employees.)

17. PROSPECTIVE/RETROACTIVE ENTRY DATE **(2.02(D))**. An Eligible Employee after satisfying the eligibility conditions in Election 14 will become a Participant for all applicable contributions on the Entry Date immediately following or coincident with the date the Employee completes the eligibility conditions (if employed on that date) unless otherwise elected below *(Choose one if applicable)*:

(a) **[ ] Immediately following** the date the Employee completes the eligibility conditions.

(b) **[ ] Immediately preceding or coincident with** the date the Employee completes the eligibility conditions.

(c) **[ ] Immediately preceding** the date the Employee completes the eligibility conditions.

(d) **[ ] Nearest** the date the Employee completes the eligibility conditions.

(e) **[ ] Describe:** _____.
(e.g., nearest as to faculty Employees and immediately following as to administrative staff Employees)

ARTICLE 3
PLAN CONTRIBUTIONS

AMOUNT AND TYPE(S) **(3.01)**. The amount and type(s) of contributions for a Plan Year or other specified period are those described in Election 6 above and in the Article 3 elections below.

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18. MANDATORY EMPLOYEE CONTRIBUTIONS **(3.04(A)(3))**. The Mandatory Employee Contributions under Election 6(a) are subject to the following additional elections. The Plan will hold and administer Mandatory Employee Contributions as pretax Nonelective Contributions.

Amount of Mandatory Employee Contribution. The Employer shall withhold the following Mandatory Employee Contributions from Participant Compensation and contribute them. *(Choose (a), (b) or (c).)*:

(a) **[ ] Uniform %.** _____% of each Participant's Compensation, per Plan Year.

(b) **[ ] Fixed dollar amount.** $_____, per Plan Year.

(c) **[ ] Describe:** _____ *(e.g., The greater of $500 or 3% of each Participant's Compensation, per Plan Year. The time period is the Plan Year unless otherwise elected at (f)(1) below.)*

[*Note: The Employer under Election 18(c) may specify any definitely determinable Mandatory Employee Contribution formula not described under Elections 18(a) or (b) and/or the Employer may describe different Mandatory Employee Contributions as applicable to different Participant groups.*]

Type of Mandatory Employee Contribution. The Mandatory Employee Contribution is being made in accordance with the following (*Choose one*):

(d) **[ ] Condition of employment.** The Mandatory Employee Contribution is a condition of employment.

(e) **[ ] Irrevocable Election.** An Eligible Employee may make, on or before first being eligible to participate under any plan of the Employer, an irrevocable election to contribute to the Plan the Mandatory Employee Contribution. (*Choose one)*:

(1) **[ ] Participation Condition.** No Eligible Employee will become a Participant in the Plan unless the Employee makes such an irrevocable election. This condition will not apply to Elective Deferrals to the extent it would violate the universal availability rule of Treas. Reg. §1.403(b)-5.

(2) **[ ] Employer Contribution Condition.** No Eligible Employee will be eligible to receive an allocation of Employer Contributions in the Plan unless the Employee makes such an irrevocable election.

Additional Provisions *(Choose if applicable)*

(f) **[ ] Provisions** *(Choose one or more of (1) or (2) as applicable.)*:

(1) **[ ] Time period.** Instead of the Plan Year, the time period will be per _____ *(e.g., month, Hour of Service, per Participant per month).*

(2) **[ ] Describe additional conditions related to Mandatory Employee Contributions**

_____

(e.g., contributions are elective up to age 30 or for 10 years and mandatory thereafter).

(g) **[ ] Employer Contribution.** For each Plan Year, the Employer will make the following Nonelective Contribution to each Participant who makes a Mandatory Employee Contribution:

(1) **[ ] Percentage of Compensation.** An amount equal to _____% of such Employee's Compensation.

(2) **[ ] Other formula** *(Specify an amount equal to a percentage of the Mandatory Employee Contributions)*:

_____.

[*Note: The Employer Contribution formula must be definitely determinable (e.g., a fixed Contribution equal to 50% of Mandatory Employee Contributions).*]

19. AUTOMATIC DEFERRAL **(ACA/EACA) (3.02(B))**. The Automatic Deferral provisions of Section 3.02(B) *(Choose (a) or (b). Also see Election 20 regarding Automatic Escalation of Salary Reduction Agreements.)*:

[*Note: The Employer should confirm that Automatic Deferral provisions are permissible under applicable law.*]

(a) **[X] Do not apply.** The Plan is not an ACA or EACA *(skip to Election 20).*

(b) **[ ] Apply.** The Automatic Deferral Effective Date is the effective date of automatic deferrals or, as appropriate, any subsequent amendment thereto. *(Complete (1), (2) and (3). Complete (4) and (5) if an EACA. Choose (6) if applicable.)*:

(1) **Type of Automatic Deferral Arrangement.** The Plan is an *(Choose a. or b.)*:

a. **[ ] ACA.** The Plan is an Automatic Contribution Arrangement (ACA) under Section 3.02(B)(1).

b. **[ ] EACA.** The Plan is an Eligible Automatic Contribution Arrangement (EACA) under Section 3.02(B)(2).

(2) **Participants affected.** The Automatic Deferral applies to *(Choose a., b., c. or d. Choose e. if applicable.)*:

a. **[ ] All Participants.** All Participants, regardless of any prior Salary Reduction Agreement, unless and until they make a Contrary Election after the Automatic Deferral Effective Date.

b. **[ ] Election of at least Automatic Deferral Percentage.** All Participants, except those who have in effect a Salary Reduction Agreement on the Automatic Deferral Effective Date provided that the Elective Deferral amount under the Agreement is at least equal to the Automatic Deferral Percentage.

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c. **[ ] No existing Salary Reduction Agreement.** All Participants, except those who have in effect a Salary Reduction Agreement on the Automatic Deferral Effective Date regardless of the Elective Deferral amount under the Agreement.

d. **[ ] New Participants.** Each Employee whose Entry Date is on or following the Automatic Deferral Effective Date.

e. **[ ] Describe affected Participants:** _____.

[*Note: The Employer in Election 19(b)(2)e. may further describe affected Participants, e.g., non-Collective Bargaining Employees OR Campus A Employees. All Employees eligible to defer must be Covered Employees to apply the 6-month correction period without excise tax under Code §4979*.]

(3) **Automatic Deferral Percentage/Scheduled increases.** *(Choose a., b., c. or d.)*:

a. **[ ] Fixed percentage.** The Employer, as to each Participant affected, will withhold as the Automatic Deferral Percentage, _____% from the Participant's Compensation each payroll period unless the Participant makes a Contrary Election. The Automatic Deferral Percentage will or will not increase in Plan Years following the Plan Year containing the Automatic Deferral Effective Date (or, if later, the Plan Year or partial Plan Year in which the Automatic Deferral first applies to a Participant) as follows *(Choose e., f. or g.)*:

b. **[ ] Increasing schedule.** The Automatic Deferral Percentage will be:

Plan Year of application to a Participant	Automatic Deferral Percentage
1	3%
2	3%
3	4%
4	5%
5 and thereafter	6%

c. **[ ] Other increasing schedule.** The Automatic Deferral Percentage will be:

Plan Year of application to a Participant	Automatic Deferral Percentage
_____	____%
_____	____%
_____	____%
_____	____%
_____	____%

d. **[ ] Describe Automatic Deferral percentage:** _____.

If (3)a. or (3)d. selected, choose one of the following:

e. **[ ] No scheduled increase.** The Automatic Deferral Percentage applies in all Plan Years.

f. **[ ] Automatic increase.** The Automatic Deferral Percentage will increase by _____% per year up to a maximum of _____% of Compensation.

g. **[ ] Describe increase:** _____.

Change Date. If Election 19(b)(3)b., c., f. or g. is selected, Elective Deferrals will increase on the following day each Plan Year:

h. **[ ] First day of the Plan Year.**

i. **[ ] Other:** _____ *(must be a specified or definitely determinable date that occurs at least annually)*

First Year of Increase. The automatic increase under Election 19(b)(3)c., f. or g. will apply to a Participant beginning with the first Change Date after the Participant first has automatic deferrals withheld, unless otherwise elected below *(leave blank if not applicable)*:

j. **[ ] The increase will apply as of the second Change Date thereafter.**

k. **[ ] Describe first year increase:** _____ (*e.g., the increase will apply on the Change Date occurring on or after the Participant has been automatically enrolled for 3 months*).

(4) **EACA permissible withdrawal.** The permissible withdrawal provisions of Section 3.02(B)(2)(d) *(Choose a., b. or c.)*:

a. **[ ] Do not apply.**

b. **[ ] 90 day withdrawal.** Apply within 90 days of the first Automatic Deferral.

c. **[ ] 30-90 day withdrawal.** Apply, within _____ days of the first Automatic Deferral *(may not be less than 30 nor more than 90 days).*

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(5) **Contrary Election/Covered Employee.** Any Participant who makes a Contrary Election *(Choose a. or b.; leave blank if an ACA)*:

a. **[ ] Covered Employee.** Is a covered employee and continues to be covered by the EACA provisions. [*Note: Under this Election, the Participant's Contrary Election will remain in effect, but the Participant must receive the EACA annual notice.*]

b. **[ ] Not a Covered Employee.** Is not a Covered Employee and will not continue to be covered by the EACA provisions. [*Note: Under this Election, the Participant no longer must receive the EACA annual notice.*]

(6) **[ ] Describe Automatic Deferral:** _____.

[*Note: Under Election 19(b)(6), the Employer may describe Automatic Deferral provisions from the elections available under Election 19 and/or a combination thereof as to a Participant group (e.g., Automatic Deferrals do not apply to Campus A Employees. All Campus B Employee/Participants are subject to an Automatic Deferral Amount equal to 3% of Compensation effective as of January 1, 2017).*]

20. AUTOMATIC ESCALATION **(3.02(G))**. The Automatic Escalation provisions of Section 3.02(G). *(Choose (a) or (b). See Election 19 regarding Automatic Deferrals. Automatic Escalation applies to Participants who have a Salary Reduction Agreement in effect.)*:

(a) **[X] Do not apply.**

(b) **[ ] Apply.** *(Complete (1), (2), (3), and if appropriate (4).)*:

(1) **Participants affected.** The Automatic Escalation applies to *(Choose a., b. or c.)*:

a. **[ ] All Deferring Participants.** All Participants who have a Salary Reduction Agreement in effect to defer at least _____% of Compensation.

b. **[ ] New Deferral Elections.** All Participants who file a Salary Reduction Agreement after the effective date of this Election, or, as appropriate, any amendment thereto, to defer at least _____% of Compensation.

c. **[ ] Describe affected Participants:** _____.

[*Note: The Employer in Election 20(b)(1)c. may further describe affected Participants, e.g., non-Collective Bargaining Employees OR Campus A Employees. The group of Participants must be definitely determinable and if an EACA under Election 19, must be uniform.*]

(2) **Automatic Increases.** *(Choose a. or b.)*:

a. **[ ] Automatic increase.** The Participant's Elective Deferrals will increase by _____% per year up to a maximum of _____% of Compensation unless the Participant has filed a Contrary Election after the effective date of this Election or, as appropriate, any amendment thereto.

b. **[ ] Describe increase:** _____.

[*Note: The Employer in Election 20(b)(2)b. may define different increases for different groups of Participants or may otherwise limit Automatic Escalation. Any such provisions must be definitely determinable.*]

(3) **Change Date.** The Elective Deferrals will increase on the following day each Plan Year:

a. **[ ] First day of the Plan Year.**

b. **[ ] Other:** _____ *(must be a specified or definitely determinable date that occurs at least annually)*

(4) **First Year of Increase.** The Automatic Escalation provision will apply to a Participant beginning with the first Change Date after the Participant files a Salary Reduction Agreement (or, if sooner, the effective date of this Election, or, as appropriate, any amendment thereto), unless otherwise elected below:

a. **[ ] The escalation provision will apply as of the second Change Date thereafter.**

b. **[ ] Describe first year increase:** _____. (*e.g., the increase will apply on the Change Date occurring on or after the Participant has been automatically enrolled for 3 months*).

21. CATCH-UP DEFERRALS **(3.02(D)/(E))**. A Participant otherwise eligible to do so *(Choose (a) or (b))*:

(a) **[X] Permitted.** May make the following Catch-Up Deferrals to the Plan. *(Choose one or both of (1) and (2))*:

(1) **[X] Age 50 Catch-Up.**

(2) **[X] Qualified Organization (defined in Section 3.02(D)(2)) Catch-Up.**

(b) **[ ] Not Permitted.** May not make any Catch-Up Deferrals to the Plan.

22. MATCHING CONTRIBUTIONS **(3.03(A))**. The Employer Matching Contributions under Election 6(c) are subject to the following additional elections regarding type (discretionary/fixed), rate/amount, limitations and time period (collectively, such elections are "the matching formula") and the allocation of Matching Contributions is subject to Section 3.06 except as otherwise provided. *(Choose one or more of (a) through (h); then, for the elected match, complete (1), (2) and/or (3) as applicable. If the Employer completes (2) or (3), also complete (4), (5) or (6))*:

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	(1) Match Rate/Amt [$/% of Elective Deferrals]	(2) Limit on Deferrals Matched [$/% of Compensation]	(3) Limit on Match Amount [$/% of Compensation]	(4) Apply limit(s) per Plan Year ["true-up"]	(5) Apply limit(s) per payroll period [no "true-up"]	(6) Apply limit(s) per designated time period [no "true-up"]
(a) [ ] **Discretionary** - see Section 1.47(B) *(The Employer may, but is not required to complete (a)(1)-(6). See the "Note" following Election 22.)*	_____	_____	_____	[ ]	[ ]	[ ] _____
(b) [X] **Fixed** - uniform rate/amount	100 %	3 %	_____	[X]	[ ]	[ ] _____
(c) [ ] **Fixed** - tiered		_____	_____	[ ]	[ ]	[ ] _____
(d) [ ] **Fixed** - Years of Service		_____	_____	[ ]	[ ]	[ ] _____
(e) [ ] **Fixed** - Based on age at end of period		_____	_____	[ ]	[ ]	[ ] _____
(f) [ ] **Fixed** - Job location or classification (must be objectively determinable)		_____	_____	[ ]	[ ]	[ ] _____

(c) **[ ] Fixed** - tiered

	Elective Deferral %	Matching Rate
(e.g., up to 3)	_____%	_____%
(e.g., more than 3 up to 5)	_____%	_____%
	_____%	_____%
	_____%	_____%

(d) **[ ] Fixed** - Years of Service

	Years of Service	Matching Rate
(e.g., up to 2)	_____	_____%
(e.g., more than 2 up to 5)	_____	_____%
	_____	_____%
	_____	_____%

"Years of Service" under this Election 22(d) means *(Choose a. or b.)*:

a. **[ ] Eligibility.** Years of Service for eligibility in Election 15.

b. **[ ] Vesting.** Years of Service for vesting in Elections 37 and 38.

(e) **[ ] Fixed** - Based on age at end of period

Age	Matching Rate
_____	_____%
_____	_____%
_____	_____%
_____	_____%

(f) **[ ] Fixed** - Job location or classification (must be objectively determinable)

Location or Class	Matching Rate
_____	_____%
_____	_____%
_____	_____%
_____	_____%

(g) **[ ] Fixed Percent of Compensation.** _____% of Compensation provided the Participant's Elective Deferrals equal or exceed _____% of the Participant's Compensation.

(h) **[ ] Describe:** _____.
(e.g., A discretionary match applies to staff members. A fixed match equal to 50% of Elective Deferrals not exceeding 6% of Plan Year Compensation applies to professors.)

[*Note: A Participant's Elective Deferral percentage is equal to the Participant's Elective Deferrals (or such other amounts specified in this Adoption Agreement) being matched divided by the Participant's Compensation. The matching rate/amount is the specified rate/amount of match for the corresponding Elective Deferral amount/percentage. The Employer under Election 22(a) in its discretion may determine the amount of a Discretionary Matching Contribution and the matching contribution formula or formulas. Alternatively, the Employer in Election 22(a) may specify the Discretionary Matching Contribution formula.*]

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Additional Provisions *(Choose if applicable)*

Contributions that are matched. Matching Contributions are made only with respect to Elective Deferrals (includes Pre-Tax and Roth Elective Deferrals) unless otherwise elected below. *(Choose if applicable):*

(i) **[X]** Matching contributions will only be made with respect to the following *(Choose one or more)*:

(1) **[X]** Pre-Tax Elective Deferrals.

(2) **[ ]** Roth Elective Deferrals.

(3) **[ ]** Employee (after-tax) Contributions.

(4) **[ ]** Elective Deferrals made to the following plan: _____ *(enter name of plan*).

(5) **[ ]** Describe: _____.

Participating Employers. The Matching Contributions will be allocated to all Participants regardless of which Employer directly employs them and regardless of whether their direct Employer made Matching Contributions for the Plan Year unless otherwise elected below or specified in a participation agreement. *(Choose if applicable)*:

(j) **[ ]** The Plan Administrator will allocate the Matching Contributions made by the Signatory Employer and by any Participating Employer only to the Participants directly employed by the contributing Employer.

23. MATCHING CATCH-UP DEFERRALS **(3.03(B))**. If a Participant makes an Age 50 Catch-Up or a Qualified Organization Catch-Up (15-year catch-up), the Employer *(Choose (a), (b) or (c) as appropriate, selecting the relevant Catch-Up Deferrals)*:

			Age 50 Catch-Ups	**Qualified Organization Catch-Ups**
(a)	**[X]**	**Match.** Will match the Catch-Up Deferrals.	**[X]**	**[X]**
(b)	**[ ]**	**No Match.** Will not match the Catch-Up Deferrals.	**[ ]**	**[ ]**

(c) **[ ]** **Describe.** _____.
(e.g., Will apply the discretionary matching contribution to Catch-Up Deferrals but will not apply the fixed matching contribution to catch-up deferrals)

24. [Reserved]

25. NONELECTIVE CONTRIBUTIONS (TYPE/AMOUNT): **(3.04(A))**. The Employer Nonelective Contributions under Election 6(d) are subject to the following additional elections as to type and amount. All Nonelective Contributions, other than those described in (e), are limited to Participants who have Compensation (and may be further limited as described elsewhere in the Plan or this Adoption Agreement. *(Choose one or more of (a) through (d) as applicable.)*:

(a) **[ ]** **Discretionary.** An amount the Employer in its sole discretion may determine.

(b) **[ ]** **Fixed.** *(Choose one or more of (1) through (8). Reference to Participants are limited to Participants eligible to receive an allocation of Nonelective Contributions.)*:

(1) **[ ]** **Uniform %.** _____% of each Participant's Compensation, per _____ *(e.g., Plan Year, month).*

(2) **[ ]** **Fixed dollar amount.** $_____, per _____ *(e.g., Plan Year, month, Hour of Service, per Participant per month).*

(3) **[ ]** **Age-Graded.** The following percentage of each Participant's Compensation based on the Participant's age on the last day of the Plan Year.

Age	**Contribution Percentage**
_____	_____%
_____	_____%
_____	_____%
_____	_____%

(4) **[ ]** **Service-Graded.** The following percentage of each Participant's Compensation based on the Participant's Years of Service.

Years of Service		**Contribution Percentage**
(e.g., up to 2)	_____	_____%
(e.g., more than 2 up to 5)	_____	_____%
	_____	_____%
	_____	_____%

"Years of Service" under this Election 25(b)(4) means *(Choose i. or ii.)*:

i. **[ ]** **Eligibility.** Years of Service for eligibility in Election 15.

ii. **[ ]** **Vesting.** Years of Service for vesting in Elections 37 and 38.

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(5) **[ ] Job Classification or Business Location.** The following percentage of each Participant's Compensation based on the Participant's job classification (must be objectively determinable) or business location.

Job Classification or Business Location	Contribution Percentage
_____	_____%
_____	_____%
_____	_____%
_____	_____%

(6) **[ ]** FICA Replacement Contributions:
This Plan requires the following minimum level of contributions:

a. **[ ]** The Institution shall make an annual contribution to each Participant's account equal to _____% of such Participant's Compensation.

[*Note: The minimum amount of contributions here must total at least 7.5% of the Participant's Compensation up to the current Taxable Wage Base ($127,200 for 2017, and as adjusted for cost of living increases for each year thereafter.)*]

(7) **[ ] Unused accumulated leave conversion.** The Employer will contribute an amount equal to an Employee's current hourly rate of pay multiplied by the Participant's number of unused accumulated leave (as selected below). Only unpaid accumulated leave for which the Employee has no right to receive in cash may be included.

Conversion. The following types of unused accumulated leave may be converted under the Plan (*choose one or all that apply*):

a. **[ ]** Sick leave

b. **[ ]** Vacation leave

c. **[ ]** Personal leave

Eligible Employees. Only the following Participants shall receive the Employer contribution for unused accumulated leave (*choose d. and/or e.; leave blank if no limitations; provided, however, that this Plan may not be used to only provide benefits for terminated Employees*):

d. **[ ] Former Employees.** All Employees terminating service with the Employer during the Plan Year and who have satisfied the eligibility requirements based on the terms of the Employer's accumulated benefits plans checked below (*choose all that apply; leave blank if no exclusions*):

i. **[ ]** The Former Employee must be at least age _____ (e.g., 55)

ii. **[ ]** The value of the unused accumulated leave must be at least $_____ (e.g., $2,000)

iii. **[ ]** A contribution will only be made if the total hours is over _____ (e.g., 10) hours

iv. **[ ]** A contribution will not be made for hours in excess of _____ (e.g., 40) hours

e. **[ ] Active Employees.** Employees who have not terminated service during the Plan Year and who meet the following requirements (*select all that apply; leave blank if no exclusions*):

i. **[ ]** The Employee must be at least age _____ (e.g., 55)

ii. **[ ]** The value of the unused accumulated leave must be at least $_____ (e.g., $2,000)

iii. **[ ]** A contribution will only be made if the total hours are over _____ (e.g., 10) hours

iv. **[ ]** A contribution will not be made for hours in excess of _____ (e.g., 40) hours

(8) **[ ] Describe:** _____.
(e.g., The greater of $500 or 3% of each Participant's Compensation, per Plan Year. Specify time period, e.g., per Plan Year quarter. If not specified, the time period is the Plan Year.)

[*Note: The Employer under Election 25(b)(8) may specify any Fixed Nonelective Contribution formula not described under Elections 25(b)(1) through (7) (e.g., For each Plan Year, 2% of total compensation), and/or the Employer may describe different Fixed Nonelective Contributions as applicable to different Participant groups (e.g., A Fixed Nonelective Contribution equal to 5% of Plan Year Compensation applies to Campus A Participants and a Fixed Nonelective Contribution equal to $500 per Participant each Plan Year applies to Campus B Participants).*]

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(c) **[ ] Contribution for Deemed Disability Compensation (1.11(K)).** Include Deemed Disability Compensation. The Employer will make Nonelective Contributions for the disabled Participants defined below, based on their Deemed Disability Compensation for the following period _____. *(Specify a fixed or determinable period. Choose (1) or (2))*:

(1) **[ ] NHCEs only.** Apply only to disabled NHCEs.

(2) **[ ] All Participants.** Apply to all disabled Participants.

The contribution for such Participants shall be:

(3) **[ ] Amount set forth in (a), (b) and (d).** The disabled Participants shall share in the contributions set forth in (a), (b) and (d).

(4) **[ ] Describe:** _____ (must be definitely determinable (e.g., amount set forth in long-term disability policy).

(d) **[ ] Describe:** _____.

[*Note: Under Election 25(d), the Employer may describe the amount and type of Nonelective Contributions from the elections available under Election 25 and/or a combination thereof as to a Participant group (e.g., A Discretionary Nonelective Contribution applies to Campus A Employees. A Fixed Nonelective Contribution equal to 5% of Plan Year Compensation applies to Campus B Employees).*]

Additional Provisions *(Choose if applicable)*

(e) **[ ] Former Employees.** The Employer will make Nonelective Contributions on behalf of former Employees in accordance with the following elections *(Choose (1), (2) or (3))*:

(1) **[ ] Discretionary.** The Employer may contribute an amount the Employer in its sole discretion may determine with regard to one or more former Employees, to be allocated and administered as described more fully in Section 3.04(D).

(2) **[ ] Percent of Deemed Includible Compensation.** The Employer will contribute _____ % of each Participant's Includible Compensation each Plan Year commencing with the Plan Year in which the Participant has Separated from Service and then for the next _____ calendar years (not to exceed 5 calendar years) following the Plan Year in which the Participant Separated from Service.

(3) **[ ] Describe:** _____.

[*Note: The Employer under Election 25(e)(3) may specify any definitely determinable contribution or allocation formula. No former Employee will be eligible to receive such an allocation for a calendar year beginning more than 5 years after the Employee Separated from Service.*]

Eligible Former Employees. Such contributions will be made with respect to the following Participants *(Choose (4) or (5))*:

(4) **[ ] All Former Employees.**

(5) **[ ] The following Former Employees** *(Choose one or more of a. through e.)*:

a. **[ ] Union Employees.** Collectively bargained employees who participate in the following unions: _____.

b. **[ ] Non-Union Employees.** Employees whose employment is not governed by a collective bargaining agreement between the Employer and employee representatives.

c. **[ ] School superintendent.**

d. **[ ] School principals.**

e. **[ ] Describe inclusion:** _____. (e.g., include administration Employees). [*Note: Must be definitely determinable.*]

26. NONELECTIVE CONTRIBUTION ALLOCATION **(3.04(B))**. The Plan Administrator, subject to Section 3.06, will allocate to each Participant any Nonelective Contribution under the following contribution allocation formula *(Choose one or more of (a) through (f) as applicable.)*:

(a) **[ ] Pro rata.** As a uniform percentage of Participant Compensation.

(b) **[ ] Permitted disparity (Integrated).** In accordance with the permitted disparity allocation provisions of Section 3.04(B)(2), under which the "Excess Compensation" means Compensation in excess of the integration level provided below *(Choose (1) or (2))*:

(1) **[ ] Percentage amount.** _____% *(not exceeding 100%)* of the Taxable Wage Base in effect on the first day of the Plan Year, rounded to the next highest $_____ *(not exceeding the Taxable Wage Base).*

(2) **[ ] Dollar amount.** The following amount: $_____ *(not exceeding the Taxable Wage Base in effect on the first day of the Plan Year).*

[*Note: Under the permitted disparity allocation method, the Employer contribution is allocated based on a percentage of Compensation (the base percentage) plus a percentage (up to the maximum disparity percentage) of Compensation in excess of the amount elected in (1) or (2) above.*]

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(c) **[ ] Incorporation of contribution formula.** The Plan Administrator will allocate any Fixed Nonelective Contribution under Election 25(b) or Mandatory Employee Contributions under Election 18 in accordance with the contribution formula the Employer adopts under that Election.

(d) **[ ] Classifications of Participants.** In accordance with the classifications allocation provisions of Section 3.04(B)(3). *(Complete (1) and (2).)*:

(1) **Description of the classifications.** The classifications are *(Choose a. or b.)*:

a. **[ ] Each in own classification.** Each Participant constitutes a separate classification.

b. **[ ] Describe the classifications:** _____.

[*Note: Any classifications under Election 26(d) must be clearly defined in a manner that will not violate the definite predetermined allocation requirement of Treas. Reg. §1.401-1(b)(1)(ii) and can only be changed through a Plan amendment. The Employer must advise the Plan Administrator or Vendor in writing as to the allocation rate applicable to each Participant under Election 26(d)(1)a. or applicable to each classification under Elections 26(d)(1)b. for the allocation Plan Year.*]

(2) **Allocation method within each classification.** Allocate the Nonelective Contribution within each classification as follows *(Choose a., b. or c.)*:

a. **[ ] Pro rata.** As a uniform percentage of Compensation of each Participant within the classification.

b. **[ ] Flat dollar.** The same dollar amount to each Participant within the classification.

c. **[ ] Describe:** _____.
(e.g., Allocate pro rata to group A and flat dollar to group B.)

Participating Employers. The Nonelective Contributions will be allocated to all Participants regardless of which Employer directly employs them and regardless of whether their direct Employer made Nonelective Contributions for the Plan Year unless otherwise elected below or specified in a participation agreement. *(Choose if applicable)*:

(e) **[ ]** The Plan Administrator will allocate the Nonelective Contributions made by the Signatory Employer and by any Participating Employer only to the Participants directly employed by the contributing Employer.

[*Note: If the Employer elects 26(e), the Employer should also elect 10(l)(b), to disregard the Compensation paid by "Y" Participating Employer in determining the allocation of the "X" Participating Employer contribution to a Participant (and vice versa) who receives Compensation from both X and Y.*]

(f) **[ ] Describe:** _____
(e.g., Pro rata as to Campus A Participants and Permitted Disparity (two-tiered at 100% of the SSTWB) as to Campus B Participants.)

27. [Reserved]

28. ALLOCATION CONDITIONS **(3.06(B)/(C))**. The Plan does not apply any allocation conditions to: (1) Elective Deferrals; (2) Mandatory Employee Contributions; (3) Employee (after-tax) Contributions; or (4) Rollover Contributions. To receive an allocation of Matching Contributions, Nonelective Contributions or Participant forfeitures, a Participant must satisfy the following allocation condition(s) *(Choose (a) or (b). Choose (c) if applicable.)*:

(a) **[X] No conditions.** No allocation conditions apply to Matching Contributions, to Nonelective Contributions or to forfeitures.

(b) **[ ] Conditions.** The following allocation conditions apply to the designated Contribution Type and/or forfeitures *(Choose one or more of (1) through (7). Choose Contribution Type as applicable.)*:

[*Note: For this Election 28, except as the Employer describes otherwise in Election 28(b)(7), Matching includes all Matching Contributions and Nonelective includes all Nonelective Contributions to which allocation conditions may apply.*]

			(1) Matching, Nonelective and Forfeitures		(2) Matching	(3) Nonelective	(4) Forfeitures
(1)	[ ]	**None.**	**N/A** (See Election 28(a))		[ ]	[ ]	[ ]
(2)	[ ]	**501 Hours of Service/terminees** (91 consecutive days if Elapsed Time). See Section 3.06(B)(1)(b).	[ ]	**OR**	[ ]	[ ]	[ ]
(3)	[ ]	**Last day of the Plan Year.**	[ ]	**OR**	[ ]	[ ]	[ ]
(4)	[ ]	**Last day of the Election 28(c) time period.**	[ ]	**OR**	[ ]	[ ]	[ ]

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(5)	**[ ]**	**1,000 Hours of Service in the Plan Year** (182 consecutive days in Plan Year if Elapsed Time).	**[ ]**	**OR**	**[ ]**	**[ ]**	**[ ]**
(6)	**[ ]**	**Hours of Service within the Election 28(c) time period,** (specify Hours of Service at contribution type but not exceeding 1,000 Hours of Service in a Plan Year).	**[ ]** ___	**OR**	**[ ]** ___	**[ ]** ___	**[ ]** ___

(7) **[ ]** **Describe conditions:** _____.
(e.g., Last day of the Plan Year as to Nonelective Contributions for Participating Employer "A" Participants. No allocation conditions for Participating Employer "B" Participants.)

(c) **[ ]** **Time period.** Under Section 3.06(C), Elections 28(b)(4), (b)(6) or (b)(7) to the specified contributions/forfeitures will be applied based on each Plan Year for all contributions/forfeitures unless otherwise elected below *(Choose one or more of (1) through (5). Choose Contribution Type as applicable.)*:

(1)	**[ ]**	**Plan Year.**	**N/A**		**[ ]**	**[ ]**	**[ ]**
(2)	**[ ]**	**Plan Year quarter.**	**[ ]**	**OR**	**[ ]**	**[ ]**	**[ ]**
(3)	**[ ]**	**Calendar month.**	**[ ]**	**OR**	**[ ]**	**[ ]**	**[ ]**
(4)	**[ ]**	**Payroll period.**	**[ ]**	**OR**	**[ ]**	**[ ]**	**[ ]**

(5) **[ ]** **Describe time period:** _____.

[*Note: If the Employer elects 28(b)(4) or (b)(6), the Employer must choose (c). If the Employer elects 28(b)(7), choose (c) if applicable.*]

29. ALLOCATION CONDITIONS - APPLICATION/WAIVER **(3.06(D)/(F))**. Under Section 3.06(D), in the event of Severance from Employment (or paid leave of absence) as described below, apply or do not apply Election 28(b) allocation conditions to the specified contributions/forfeitures as follows *(If the Employer elects 28(b), the Employer must complete Election 29. Choose (a) or (b).)*:

[*Note: For this Election 29, except as the Employer describes otherwise in Election 28(b)(7), Matching includes all Matching Contributions and Nonelective includes all Nonelective Contributions to which allocation conditions may apply.*]

(a) **[ ]** **Total waiver or application.** If a Participant incurs a Severance from Employment on account of or following death, Disability or attainment of Normal Retirement Age or Early Retirement Age *(Choose (1) or (2).)*:

(1) **[ ]** **Do not apply allocation conditions.** Do not apply elected allocation conditions to Matching Contributions, to Nonelective Contributions or to forfeitures.

(2) **[ ]** **Apply allocation conditions.** Apply elected allocation conditions to Matching Contributions, to Nonelective Contributions and to forfeitures.

(b) **[ ]** **Application/waiver as to Contribution Types events.** If a Participant incurs a Severance from Employment (or is on a paid leave of absence), apply allocation conditions *except* such conditions are waived if Severance from Employment is on account of or following death, Disability, attainment of Normal Retirement Age or Early Retirement Age, or is on a paid leave of absence, as specified, and as applied to the specified Contribution Types/forfeitures *(Choose one or more of (1) through (5). Choose Contribution Type as applicable.)*:

			(1) Matching, Nonelective and Forfeitures		**(2) Matching**	**(3) Nonelective**	**(4) Forfeitures**
(1)	**[ ]**	**Death.**	**[ ]**	**OR**	**[ ]**	**[ ]**	**[ ]**
(2)	**[ ]**	**Disability.**	**[ ]**	**OR**	**[ ]**	**[ ]**	**[ ]**
(3)	**[ ]**	**Normal Retirement Age.**	**[ ]**	**OR**	**[ ]**	**[ ]**	**[ ]**
(4)	**[ ]**	**Early Retirement Age.**	**[ ]**	**OR**	**[ ]**	**[ ]**	**[ ]**
(5)	**[ ]**	**Paid Leave of Absence.**	**[ ]**	**OR**	**[ ]**	**[ ]**	**[ ]**

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30. FORFEITURE ALLOCATION METHOD **(3.07)**. [*Note: Even if the Employer elects immediate vesting, the Employer should complete Election 30. See Section 7.07. The Plan Administrator may first apply forfeitures to pay Plan expenses.*] The Plan Administrator will allocate a Participant forfeiture attributable to all Contribution Types or attributable to all Nonelective Contributions or to all Matching Contributions as follows *(Choose one or more of (a) through (d) and choose Contribution Type as applicable.)*:

			(1) All Forfeitures		(2) Nonelective Forfeitures	(3) Matching Forfeitures
(a)	**[ ]**	**Reduce Nonelective.** Apply to Nonelective Contribution.	**[ ]**	**OR**	**[ ]**	**[ ]**
(b)	**[X]**	**Reduce Match.** Apply to Matching Contribution.	**[X]**	**OR**	**[ ]**	**[ ]**
(c)	**[ ]**	**Pro rata.** Allocate pro-rata based on Compensation.	**[ ]**	**OR**	**[ ]**	**[ ]**

(d) **[ ]** **Describe:** _____.
(e.g., Forfeitures attributable to transferred balances from Plan X are allocated only to former Plan X participants.)

31. IN-PLAN ROTH ROLLOVER CONTRIBUTION **(3.08(E))**. The following provisions apply regarding In-Plan Roth Rollover Contributions to the extent allowed by the Vendor *(Choose (a) or (b); also see Election (d)(1) in Appendix B; leave blank if Election 6(b)(1) is not selected.)*:

(a) **[X]** **Not Applicable.** The Plan does not permit In-Plan Roth Rollover Contributions.

(b) **[ ]** **Applies.** The Plan permits In-Plan Roth Rollover Contributions to the extent permitted by the Investment Arrangement Documentation and the Vendor with regard to the following amounts. *(Choose one.)*

(1) **[ ]** Only otherwise distributable amounts. This provision is effective the later of September 28, 2010, the Plan or Restatement Effective Date, or _____ (enter later effective date if applicable).

(2) **[ ]** Otherwise distributable and nondistributable amounts. This provision is effective the later of January 1, 2013, the Plan or Restatement Effective Date, or _____ (enter later effective date if applicable).

32. EMPLOYEE (AFTER-TAX) CONTRIBUTIONS **(3.09)**. The following additional elections apply to Employee Contributions under Election 6(e). *(Choose (a) if applicable.)*:

(a) **[ ]** **Additional limitations.** The Plan permits Employee Contributions subject to the following limitations, if any, in addition to those already imposed under the Plan: _____.

ARTICLE 4
LIMITATIONS AND TESTING

33. [Reserved]

ARTICLE 5
VESTING REQUIREMENTS

34. RETIREMENT AGE **(5.01)**.

NORMAL RETIREMENT AGE. A Participant attains Normal Retirement Age under the Plan and becomes fully Vested on the following date *(Choose one)*:

(a) **[X]** **Specific age.** The date the Participant attains age 59.5 .

(b) **[ ]** **Age/participation.** The later of the date the Participant attains age _____ or the _____ anniversary of the first day of the Plan Year in which the Participant commenced participation in the Plan.

(c) **[ ]** **Describe:** _____.
(*For example, the later of the date the Participant attains age 65 or the date the Participant is credited with 10 Years of Service.*)

EARLY RETIREMENT AGE. *(Choose (d), (e) or (f))*:

(d) **[ ]** **Not applicable.** The Plan does not provide for an Early Retirement Age.

(e) **[X]** **Early Retirement Age.** Early Retirement Age is the later of: (i) the date a Participant attains age 55 ; (ii) the date a Participant reaches the _____ anniversary of the first day of the Plan Year in which the Participant commenced participation in the Plan; or (iii) the date a Participant completes _____ Years of Service.

[*Note: The Employer should leave blank any of clauses (i), (ii), and (iii) which are not applicable.*]

If (e)(iii) is selected, "Years of Service" under this Election means *(Choose (1) or (2))*:

(1) **[ ]** **Eligibility.** Years of Service for eligibility in Election 15.

(2) **[ ]** **Vesting.** Years of Service for vesting in Elections 37 and 38.

(f) **[ ]** **Describe:** _____.

[*Note: Election of an Early Retirement Age does not affect the time at which a Participant may receive a Plan distribution.*]

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35. ACCELERATION ON DEATH, DISABILITY OR ATTAINMENT OF RETIREMENT AGE **(5.01 and 5.02)**. If selected below, then irrespective of any vesting schedule selected at Election 36, a Participant will be fully vested if the Participant incurs a Severance from Employment as a result of death or Disability or is employed on or after attainment of Early Retirement Age *(Choose one or more; leave blank if none apply or if the Plan provides full vesting for all Participants)*:

(a) **[ ] Death.**

(b) **[ ] Disability.**

(c) **[ ] Early Retirement Age.**

36. VESTING SCHEDULE **(5.03)**. A Participant has a 100% Vested interest at all times in Accounts attributable to Elective Deferrals, Mandatory Employee Contributions, Employee (after-tax) Contributions, Nonelective Contributions to former Employees under Section 3.04(D), and Rollover Contributions. The following vesting schedules apply to Matching Contributions and to Nonelective Contributions *(Choose (a) or (b). Choose (c) if applicable.)*:

(a) **[X] Immediate vesting.** 100% Vested at all times in all Accounts.

[*Note: The Employer should elect 36(b) if any Contribution Type is subject to a vesting schedule. If the Employer elects immediate vesting under 36(a), the Employer should not complete the balance of Election 36 or Elections 37 and 38, except as noted therein.*]

(b) **[ ] Vesting schedules:** Apply the following vesting schedules *(Choose one or more of (1) through (4))*:

		(1) All Contributions		(2) Nonelective	(3) Matching
(1)	**[ ] Immediate vesting.**	**N/A**		**[ ]**	**[ ]**
(2)	**[ ] 6-year graded.**	**[ ]**	**OR**	**[ ]**	**[ ]**
(3)	**[ ] 3-year cliff.**	**[ ]**	**OR**	**[ ]**	**[ ]**
(4)	**[ ] Modified Schedule.**	**[ ]**	**OR**	**[ ]**	**[ ]**

Years of Service	Vested %
____	___%
____	___%
____	___%
____	___%
____	___%
____	___%
____	___%
____	___%
____	___%
____ or more	100%

[*Note: The vesting schedule must be at least as rapid as a 15-year cliff (or a 20-year cliff for a group of employees limited to qualified public safety employees defined in Code §72(t)(10)(B)) or a 5 to 20 year graded vesting schedule.*]

(c) **[ ] Special vesting provisions:** _____.

[*Note: Any special vesting provision specified under Election 36(c) must be definitely determinable. The vesting schedule must be at least as rapid as a 15-year cliff (or a 20-year cliff for a group of employees limited to qualified public safety employees defined in Code §72(t)(10)(B)) or a 5 to 20 year graded vesting schedule.*]

37. YEAR OF SERVICE - VESTING **(5.05)**. *(Complete (b). Choose (a) if other than 1,000 Hours of Service.):* [*Note: If the Employer elects the Elapsed Time Method or elects immediate vesting, the Employer should not complete Election 37 and 38 unless it elects to apply a Year of Service for vesting under Election 22(d), 25(b)(4) or Election 34(e)(2).*]

(a) **[ ] Year of Service.** An Employee must complete at least _____ Hours of Service during a Vesting Computation Period to receive credit for a Year of Service under Article 5. [*Note: If left blank, the requirement is 1,000.*]

(b) **Vesting Computation Period.** The Plan measures a Year of Service based on the following 12-consecutive month period: *(Choose (1) or (2))*:

(1) **[ ] Plan Year.**

(2) **[ ] Anniversary Year.**

38. EXCLUDED YEARS OF SERVICE - VESTING **(5.05(C))**. The Plan excludes the following Years of Service for purposes of vesting *(Choose one or more of (a) through (e) if applicable)*:

(a) **[ ] Age 18.** Any Year of Service before the Year of Service during which the Participant attained the age of 18.

(b) **[ ] Prior to Plan establishment.** Any Year of Service during the period the Employer did not maintain this Plan or a predecessor plan.

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(c) **[ ] Parity Break in Service.** Any Year of Service excluded under the rule of parity. See Section 5.06(C).

(d) **[ ] Prior Plan terms.** Any Year of Service disregarded under the terms of the Plan as in effect prior to this restated Plan.

(e) **[ ] Other exclusions:** _____.

[*Note: Any exclusion specified under Election 38(e) must be definitely determinable*.]

ARTICLE 6
DISTRIBUTION OF ACCOUNT BALANCE

39. POST-SEVERANCE DISTRIBUTIONS. To the extent permitted by the Investment Arrangement Documentation, the provisions in this Election 39 apply to distributions to Participants following Severance from Employment. *(Complete (a), (b) and (c). Choose (d) and (e) if applicable.)*

(a) **Mandatory Distribution (6.01(F)/6.08(D)).** The Plan provides or does not provide for Mandatory Distribution of a Participant's Vested Account Balance following Severance from Employment, as follows *(Choose (1) or (2).)*:

(1) **[ ] No Mandatory Distribution.** The Plan will not make a Mandatory Distribution (i.e., Participant consent is required for all distributions) following Severance from Employment.

(2) **[X] Mandatory Distribution.** The Plan will make a Mandatory Distribution following Severance from Employment to the extent permitted by the Investment Arrangement Documentation and the Participant's Accumulated Benefit does not exceed the Mandatory Distribution amount.

Amount limit. The Mandatory Distribution maximum amount is equal to *(Choose a., b. or c.; Choose d. if applicable)*:

a. **[ ] $5,000.**

b. **[X] $1,000.**

c. **[ ] Specify amount:** $_____.

[*Note: This election only applies to the Mandatory Distribution maximum amount.*]

Automatic IRA rollover. With respect to Mandatory Distributions of amounts that are $1,000 or less, if a Participant makes no election, the amount will be distributed to the Participant unless otherwise elected below.

d. **[ ]** If a Participant makes no election, then the amount will be automatically rolled over to an IRA provided the amount is at least $_____. *(Specify an amount greater than $0 and less than $1,000.)*

Application of Rollovers to amount limit. In determining whether a Participant's Vested Account Balance exceeds the Mandatory Distribution dollar limit in Election 39(a)(2), the Plan *(Choose e. or f.)*:

e. **[ ] Disregards Rollover Contribution Account.**

f. **[X] Includes Rollover Contribution Account.**

(b) **Default Distribution Methods (6.03).** If the Investment Arrangement Documentation does not specify the distribution which would apply, the following distribution methods are available for a Participant, subject to any limitations in the Plan or the Investment Arrangement Documentation. *(Choose one or more of (1) through (6))*:

(1) **[X] Lump-Sum.**

(2) **[ ] Installments only if Participant subject to lifetime RMDs.** A Participant who is required to receive lifetime RMDs may receive installments payable in monthly, quarterly or annual installments equal to or exceeding the annual RMD amount.

(3) **[X] Installments.**

(4) **[X] Annuity.** Distribution of an Annuity Contract that the Vendor provides or purchases with the Participant's Vested Account Balance.

(5) **[X] Ad-Hoc distributions.**

(6) **[ ] Describe distribution method(s):** _____.

[*Note: The Employer under Election 39(b)(6) may describe Severance from Employment distribution methods from the elections available under Election 39(b) and/or a combination thereof (e.g., as to any Participant group or Accounts). An Employer's election under Election 39(b)(6) must: (i) be objectively determinable; (ii) not be subject to Employer or Plan Administrator discretion; and (iii) preserve Protected Benefits as required.*]

(c) **Limitations on Distribution Methods (6.03).** An Investment Arrangement may distribute to a Participant *(Choose (1) or (2) below)*:

(1) **[ ]** Under any distribution method available under the Investment Arrangement Documentation.

(2) **[X]** Only under those distribution methods selected in Election 39(b) which are available under the Investment Arrangement Documentation.

[*Note: Election (c)(2) will only apply to the extent the Investment Contract does not require a distribution method.*]

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(d) **[ ] Delay of Distribution (6.01(B)).** Except as otherwise provided in the Plan (such as Mandatory Distributions and RMDs), distribution to a Participant who has incurred a Severance from Employment will not commence prior to *(Choose (1) or (2))*:

(1) **[ ]** Attainment of age _____.

(2) **[ ]** Describe: _____.

[*Note: An Employer's election under Election 39(d) must: (i) be objectively determinable; (ii) not be subject to Employer or Plan Administrator discretion; and (iii) preserve Protected Benefits as required.*]

(e) **[ ] Acceleration.** Notwithstanding any later specified distribution date in this election, a Participant may elect an earlier distribution following Severance from Employment *(Choose one or both of (1) and/or (2))*:

(1) **[ ] Disability.** If Severance from Employment is on account of Disability or if the Participant incurs a Disability following Severance from Employment.

(2) **[ ] Hardship.** If the Participant incurs a hardship under Section 6.07(C) following Severance from Employment.

40. IN-SERVICE DISTRIBUTIONS/EVENTS **(6.01(D))**. To the extent permitted by the Investment Arrangement Documentation, a Participant may elect an In-Service Distribution of the designated Contribution Type Accounts based on any of the following events in accordance with Section 6.01(D) *(Choose (a) OR (b).)*:

[*Note: If the Employer elects any In-Service Distribution option, a Participant may elect to receive as many In-Service Distributions per Plan Year (with a minimum of one per Plan Year) as the Plan Administrator's In-Service Distribution form or policy may permit. If the form or policy is silent, the number of In-Service Distributions is not limited.*]

(a) **[ ] None.** The Plan does not permit any In-Service Distributions except as to any of the following (if applicable): (i) RMDs under Section 6.02 and (ii) Protected Benefits. Also see Section 6.01(D)(5) with regard to Rollover Contributions, and Employee Contributions.

(b) **[X] Permitted.** In-Service Distributions are permitted as follows from the designated Contribution Type Accounts *(Choose one or more of (1) through (8).)*:

[*Note: Unless the Employer elects otherwise in Election (b)(8) below, Elective Deferrals under Election 40(b) includes Pre-Tax and Roth Deferrals; Elections under columns (3) and (4) apply to Employer contributions held in annuity contracts; Elections under column (5) apply to Employer contributions in Custodial Accounts.*]

			(1) All Contrib.		(2) Elective Deferrals	(3) Matching Contrib.	(4) Nonelective/ Mandatory	(5) Custodial Account
(1)	**[ ]**	**None.** Except for Election 40(a) exceptions.	**N/A** (See Election 40(a))		**[ ]**	**[ ]**	**[ ]**	**[ ]**
(2)	**[X]**	**Age** *(Choose one or more of a. through e.)*						
a.	**[ ]**	**Age** _____ *(must be at least 59 1/2)*.	**[ ]**	**OR**	**[ ]**	**[ ]**	**[ ]**	**[ ]**
b.	**[ ]**	**Age** _____ *(may be less than 59 1/2)*.	**N/A**		**N/A**	**[ ]**	**[ ]**	**N/A**
c.	**[X]**	**Age 59 1/2**	**[X]**	**OR**	**[ ]**	**[ ]**	**[ ]**	**[ ]**
d.	**[ ]**	**Age and participation.** The Participant must have attained age _____ and completed _____ years of Plan participation or _____ Years of Service for purposes of vesting. *(Fill in whichever blank applies.)*	**[ ]**	**OR**	**[ ]**	**[ ]**	**[ ]**	**[ ]**
e.	**[ ]**	**Upon attaining Normal Retirement Age** *(Normal Retirement Age must be at least 59 1/2.)*	**[ ]**	**OR**	**[ ]**	**[ ]**	**[ ]**	**[ ]**
(3)	**[X]**	**Hardship**	**N/A**		**[X]**	**[X]**	**[ ]**	**N/A**
(4)	**[X]**	**Disability.**	**[X]**	**OR**	**[ ]**	**[ ]**	**[ ]**	**[ ]**
(5)	**[ ]**	_____ **months of participation.** *(specify minimum of 60 months)*	**N/A**		**N/A**	**[ ]**	**[ ]**	**N/A**
(6)	**[X]**	**Qualified Reservist Distribution.** See Section 6.01(D)(10).	**N/A**		**[X]**	**N/A**	**N/A**	**N/A**

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(7) **[X] Deemed Severance Distribution.** See Section 6.11. **[ ] OR [X] [ ] [ ] [ ]**

(8) **[X] Describe:** The safe harbor hardship provisions of Section 6.07(C) will apply to Elective Deferrals. The non-safe harbor hardship provisions of Section 6.07(A) will apply to Matching Contributions. Pre-1989 Elective Deferrals and pre-1989 earnings thereon in an Annuity Contract may be distributed at any time.

[*Note: The Employer under Election 40(b)(8) may describe In-Service Distribution provisions from the elections available under Election 40 and/or a combination thereof as to any: (i) Participant group (e.g., Division A Employee Accounts are distributable at age 59 1/2 OR Accounts of Employees hired on/before "x" date are distributable at age 59 1/2. No In-Service Distributions apply to Division B Employees OR to Employees hired after "x" date.); (ii) Contribution Type (e.g., Discretionary Nonelective Contribution Accounts are distributable on Disability. Fixed Nonelective Contribution Accounts are distributable on Disability or Hardship (non-safe harbor)); and/or (iii) merged plan account now held in the Plan (e.g., The accounts from the X plan merged into this Plan continue to be distributable in accordance with the X plan terms [supply terms] and not in accordance with the terms of this Plan). An Employer's election under Election 40(b)(8) must: (i) be objectively determinable; (ii) not be subject to Employer discretion; (iii) preserve Protected Benefits as required; and (iv) not permit an "early" distribution of any Restricted 403(b) Accounts. See Sections 6.02(E) and 9.02(C)(3).*]

41. IN-SERVICE DISTRIBUTIONS/ADDITIONAL CONDITIONS **(6.01(D))**. The following additional conditions apply to In-Service Distributions under Election 40(b) *(Choose (a), (b), (c), (d) and/or (e) if applicable.)*:

(a) **[ ] 100% vesting required for accounts that are subject to a vesting schedule.** A Participant may not receive an In-Service Distribution unless the Participant is 100% Vested in the distributing Account. This restriction applies to *(Choose one or more of (1) or (2))*:

(1) **[ ] Hardship distributions.** Distributions based on hardship.

(2) **[ ] Other In-Service.** In-Service distributions other than distributions based on hardship.

(b) **[ ] Minimum amount.** A Participant may not receive an In-Service Distribution in an amount which is less than: $_____ *(specify amount)*.

(c) **[ ] Qualified Roth distribution.** A distribution from a Participant's Roth Deferral Account may only be made if the distribution is a qualified distribution within the meaning of Code §402A(2)(d).

(d) **[ ] No hardship distribution from Roth Account.** If hardship distributions are permitted from Elective Deferrals, only Pre-Tax Elective Deferrals may be distributed.

(e) **[ ] Describe other conditions:** _____.

[*Note: An Employer's election under Election 41(e) must: (i) be objectively determinable; (ii) not be subject to Employer discretion; (iii) preserve Protected Benefits as required; and (iv) not permit an "early" distribution of any Restricted 403(b) Accounts. See Section 6.02(E).*]

42. JOINT AND SURVIVOR ANNUITY/SPOUSAL CONSENT REQUIREMENTS **(6.04)**. Subject to the terms of the Investment Arrangement Documentation, the joint and survivor annuity distribution requirements of Section 6.04 and no other spousal consent requirements apply unless otherwise elected below *(Choose (a) only if the Employer wishes to follow the Joint and survivor annuities rules to which the plan would otherwise not be subject.)*:

(a) **[ ] Joint and survivor annuity applicable.** Section 6.04 applies to all Participants *(if selected, then annuities are a form of distribution under the Plan even if 39(b)(4) is not selected)*:

One-year marriage rule. Under Section 6.04(H) *(Choose (1) or (2))*:

(1) **[ ] Applies.** The one-year marriage rule applies.

(2) **[ ] Does not apply.** The one-year marriage rule does not apply.

(b) **[ ] Spousal consent required.** Spousal consent is required for *(Choose one or both)*:

(1) **[ ] Distributions.** A married Participant's Spouse must consent to a distribution (other than Required Minimum Distributions).

(2) **[ ] Beneficiary designations.** A married Participant's Beneficiary will be the Participant's Spouse unless the Spouse consents to an alternative Beneficiary.

One-year marriage rule. Under Section 7.05(A)(3) *(Choose (3) or (4))*:

(3) **[ ] Applies.** The one-year marriage rule applies.

(4) **[ ] Does not apply.** The one-year marriage rule does not apply.

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ARTICLE 7
ADMINISTRATIVE PROVISIONS

43. PLAN LOANS **(7.06)**. The Employer makes the following elections regarding Plan Loans *(Choose (a) or (b).)*:

(a) **[ ] No Loans.** Plan loans are not permitted.

(b) **[X] Loans allowed.** Plan loans are permitted subject to limitations of the Investment Arrangement Documentation.

44. ROLLOVER CONTRIBUTIONS **(3.08, 7.04(A)(1))**. The Employer makes the following elections regarding Rollover Contributions, other than in-plan Roth rollovers *(Choose (a) or (b).):*

(a) **[ ] No Rollovers.** Rollover Contributions are not permitted into the Plan.

(b) **[X] Rollovers allowed.** The Plan Administrator may accept Rollover Contributions into the Plan subject to Investment Arrangement Documentation, and Plan terms and policies.

ARTICLE 10
MULTIPLE EMPLOYER PLAN

45. MULTIPLE EMPLOYER PLAN **(10.01/10.02/10.03)**. The Employer makes the following elections regarding the Plan's Multiple Employer Plan status and the application of Article 10 *(Choose (a) or (b).)*:

(a) **[X] Not applicable.** The Plan is not a Multiple Employer Plan and Article 10 does not apply.

(b) **[ ] Applies.** The Plan is a Multiple Employer Plan and the Article 10 Effective Date is: _____. The Employer makes the following additional elections *(Choose (1) or (2))*:

(1) **[ ] Participating Employer may modify.** See Section 10.03. A Participating Employer in the Participation Agreement may modify Adoption Agreement elections applicable to each Participating Employer (including electing to not apply Adoption Agreement elections) as follows *(Choose a. or b.; choose c. if applicable.)*:

a. **[ ] All.** May modify all elections.

b. **[ ] Specified elections.** May modify the following elections: _____ *(specify by election number)*.

c. **[ ] Restrictions.** May modify subject to the following additional restrictions: _____. *(Specify restrictions. Any restrictions must be definitely determinable and may not violate Code §413 or the regulations thereunder.)*

(2) **[ ] Participating Employer may not modify.** See Section 10.03. A Participating Employer in the Participation Agreement may not modify any Adoption Agreement elections.

[*Note: The Participation Agreement must be consistent with this Election 45(b). Any Participating Employer election in the Participation Agreement which is not permitted under this Election 45(b) is of no force or effect and the applicable election in the Adoption Agreement applies. The IRS has not reviewed the provisions of Article 10, and the Employer cannot rely on the Advisory Letter with regard to the validity of these provisions.*]

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Plan Execution

Employer: University of South Alabama

Date: [signed electronically]

Signed: [signed electronically]

[print representative name/title]

Vendor:

[vendor signature is optional]

Use of Adoption Agreement. Failure to complete properly the elections in this Adoption Agreement may result in disqualification of the Employer's Plan. The Employer may use this Adoption Agreement only in conjunction with the basic plan document referenced by its document number on Adoption Agreement page one.

Volume Submitter Practitioner. The Volume Submitter Practitioner identified on the first page of the basic plan document will notify all adopting Employers of any amendment to this Volume Submitter Plan or of any abandonment or discontinuance by the Volume Submitter Practitioner of its maintenance of this Volume Submitter Plan. Furthermore, in order to be eligible to receive such notification, the Employer agrees to notify the Volume Submitter Practitioner of any change in address or contact information. In addition, this Plan is provided to the Employer either in connection with investment in a product or pursuant to a contract or other arrangement for products and/or services. Upon cessation of such investment in a product or cessation of such contract or arrangement, as applicable, the Employer is no longer considered to be an adopter of this Plan and the Volume Submitter Practitioner no longer has any obligations to the Employer that relate to the adoption of this Plan. For inquiries regarding the adoption of the Volume Submitter Plan, the Volume Submitter Practitioner's intended meaning of any Plan provisions or the effect of the Advisory Letter issued to the Volume Submitter Practitioner, please contact the Volume Submitter Practitioner at the following address and telephone number:

Name: TIAA
Address: 8500 Andrew Carnegie Blvd
Charlotte, North Carolina 28262-8500
Telephone: 888-842-7782

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APPENDIX A
SPECIAL RETROACTIVE OR PROSPECTIVE EFFECTIVE DATES

SPECIAL EFFECTIVE DATES **(1.23)**. The Employer elects or does not elect Appendix A special Effective Date(s) as follows. *(Choose (a) or one or more of (b) through (q).)*:

[*Note: If the Employer elects (a), do not complete the balance of this Appendix A.*]

(a) **[X] Not applicable.** The Employer does not elect any Appendix A special Effective Dates.

[*Note: The Employer may use this Appendix A to specify an Effective Date for one or more Adoption Agreement elections which does not correspond to the Plan's new Plan or Restated Plan Effective Date under Election 5. As to Restated Plans, for periods prior to: (i) the below-specified special Effective Date(s) or (ii) the Restated Plan's general Effective Date under Election 5, as applicable, the Plan terms in effect prior to its restatement under this Adoption Agreement control for purposes of the designated provisions.*]

(b) **[ ] Contribution Types (1.12).** The Contribution Types under Election(s) 6_____ are effective: _____.

(c) **[ ] Excluded Employees (1.35).** The Excluded Employee provisions under Election(s) 7_____ are effective: _____.

(d) **[ ] Compensation (1.11).** The Compensation definition under Election(s) _____ *(specify 8 - 10 as applicable)* are effective: _____.

(e) **[ ] Hour of Service/Elective Service Crediting (1.40/1.66(A)).** The Hour of Service and/or elective Service crediting provisions under Election(s) _____ *(specify 11 - 12 as applicable)* are effective: _____.

(f) **[ ] Eligibility (2.01-2.03).** The eligibility provisions under Election(s) _____ *(specify 14 - 17 as applicable)* are effective: _____.

(g) **[ ] Mandatory Employee Contributions (3.04(A)(3)).** The Mandatory Employee Contribution provisions under Election 18 are effective: _____.

(h) **[ ] Elective Deferrals (3.02(A)-(F)).** The Elective Deferral provisions under Election(s) _____ *(specify 19 - 21 as applicable)* are effective: _____.

(i) **[ ] Matching Contributions (3.03).** The Matching Contribution provisions under Election(s) ____ *(specify 22 - 23 as applicable)* are effective: _____.

(j) **[ ] Nonelective Contributions (3.04).** The Nonelective Contribution provisions under Election(s) _____ *(specify 25 - 27 as applicable)* are effective: _____.

(k) **[ ] Allocation conditions (3.06).** The allocation conditions under Election(s) _____ *(specify 28 - 29 as applicable)* are effective: _____.

(l) **[ ] Forfeitures (3.07).** The forfeiture allocation provisions under Election 30 _____ are effective: _____.

(m) **[ ] In-Plan Roth Rollovers (3.08(E)).** The In-Plan Roth Rollover provisions under Election 31 _____ are effective: _____.

(n) **[ ] Employee Contributions (3.09).** The Employee Contribution provisions under Election 32 _____ are effective: _____.

(o) **[ ] Vesting (5.03).** The vesting provisions under Election(s) _____ *(specify 34 - 38 as applicable)* are effective: _____.

(p) **[ ] Distributions (6.01, 6.03 and 6.04).** The distribution elections under Election(s) _____ *(specify 39 - 42 as applicable)* are effective: _____.

(q) **[ ] Special Effective Date(s) for other elections** *(specify elections and dates)*: _____.

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APPENDIX B
BASIC PLAN DOCUMENT OVERRIDE ELECTIONS

BASIC PLAN OVERRIDES. The Employer elects or does not elect to override various basic plan provisions as follows *(Choose (a) or choose one or more of (b) through (k).)*:

[*Note: If the Employer elects (a), do not complete the balance of this Appendix B.*]

(a) **[ ] Not applicable.** The Employer does not elect to override any basic plan provisions.

[*Note: The Employer at the time of restating its Plan with this Adoption Agreement may make an election on Appendix A (Election (q)) to specify a special Effective Date for any override provision the Employer elects in this Appendix B. If the Employer, after it has executed this Adoption Agreement, later amends its Plan to change any election on this Appendix B, the Employer should document the Effective Date of the Appendix B amendment on the Execution Page or otherwise in the amendment.*]

(b) **[ ] Definition (Article 1) overrides.** *(Choose one or more of (1) through (5) if applicable.)*:

(1) **[ ] Compensation Overrides.** *(Choose one or more of a., b., and c.)*:

a. **[ ] W-2 Compensation exclusion of paid/reimbursed moving expenses (1.11(B)(1)).** W-2 Compensation excludes amounts paid or reimbursed by the Employer for moving expenses incurred by an Employee, but only to the extent that, at the time of payment, it is reasonable to believe that the Employee may deduct these amounts under Code §217.

b. **[ ] Alternative (general) 415 Compensation (1.11(B)(4)).** The Employer elects to apply the alternative (general) 415 definition of Compensation in lieu of simplified 415 Compensation.

c. **[ ] Inclusion of Deemed 125 Compensation (1.11(C)).** Compensation under Section 1.11 includes Deemed 125 Compensation.

(2) **[ ] Treatment of Differential Wage Payments (1.11(L)).** In lieu of the provisions of Section 1.11(L), the Employer elects the following *(Choose one or more of a., b., c., and d.)*:

a. **[ ] Effective date.** The inclusion is effective for Plan Years beginning after _____ *(may not be earlier than December 31, 2008)*.

b. **[ ] Elective Deferrals only.** The inclusion only applies to Compensation for purposes of Elective Deferrals.

c. **[ ] Not included.** The inclusion does not apply to Compensation for purposes of any Contribution Type.

d. **[ ] Other:** _____.
(specify other Contribution Type Compensation which includes Differential Wage Payments)

(3) **[ ] Alternate Definition of Disability (1.19).** Disabled means _____.

(4) **[ ] Inclusion of Reclassified Employees (1.35(D)).** The Employer for purposes of the following Contribution Types, does not exclude Reclassified Employees (or the following categories of Reclassified Employees): _____ *(specify Contribution Types and/or categories of Reclassified Employees)*.

(5) **[ ] Transition Rules (1.35(F)).** The following transition rules related to eligibility to make elective deferrals do not apply: _____.

(c) **[ ] Participation (Article 2) overrides.** The Plan disregards Service following a Separation from Service or Break in Service, as follows: _____
(specify conditions in a manner that is definitely determinable and precludes Employer discretion. This could include the one year hold-out Break in Service rule under Code §410(a)(5)(C) or the rule of parity under ERISA §202(b)(4)).

(d) **[X] Contribution/allocation (Article 3) overrides.** *(Choose one or more of (1) through (5) if applicable.)*:

(1) **[ ] Roth overrides.** *(Choose one or more of a. through d.)*:

a. **[ ] Treatment of Automatic Deferrals as Roth Deferrals (3.02(B)).** The Employer elects to treat Automatic Deferrals as Roth Deferrals in lieu of treating Automatic Deferrals as Pre-Tax Deferrals.

b. **[ ] In-Plan Roth Rollovers limited to In-Service only (3.08(E)(2)(a)).** Only Participants who are Employees may elect to make an In-Plan Roth Rollover Contribution.

c. **[ ] Vested In-Plan Roth Rollovers (3.08(E)(2)(b)).** Distributions related to In-Plan Roth Rollovers may only be made from accounts which are fully Vested.

d. **[ ] Source of In-Plan Roth Rollover Contribution (3.08(E)(3)(b)).** The Plan permits an In-Plan Roth Rollover only from the following qualifying sources *(Choose one or more.)*:

(i) **[ ]** Elective Deferrals

(ii) **[ ]** Matching Contributions

(iii) **[ ]** Nonelective Contributions

(iv) **[ ]** Rollovers

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(v) **[ ]** Transfers

(vi) **[ ]** Other: _____
(specify account(s) and conditions in a manner that is definitely determinable and not subject to Employer discretion)

(2) **[ ] Short Plan Year or allocation period (3.06(B)(1)(c)).** Instead of pro-ration based on days, the Plan Administrator *(Choose a. or b.)*:

a. **[ ] No pro-ration.** Will *not* pro-rate Hours of Service in any short allocation period.

b. **[ ] Pro-ration based on months.** Will pro-rate any Hour of Service requirement based on the number of months in the short allocation period.

(3) **[X] HEART Act continued benefit accrual (3.10(K)).** The Employer elects to apply the benefit accrual provisions of Section 3.10(K).

(4) **[ ] Matching on Pre-entry Deferrals (3.03(A)).** Instead of disregarding pre-entry deferrals, the Plan Administrator will take Elective Deferrals into account in computing Matching Contributions, even if the deferrals were made before the Participant became eligible for the match.

(5) **[ ] Classifications allocation formula (3.04(B)(3)).** If a Participant shifts from one classification to another during a Plan Year, the Plan Administrator will apportion the Participant's allocation during that Plan Year *(Choose a., b. or c.)*:

a. **[ ] Months in each classification.** Pro rata based on the number of months the Participant spent in each classification.

b. **[ ] Days in each classification.** Pro rata based on the number of days the Participant spent in each classification.

c. **[ ] One classification only.** The Employer will direct the Plan Administrator to place the Participant in only one classification for the entire Plan Year during which the shift occurs.

(e) **[ ] Testing (Article 4) overrides.** *(Choose one or both of (1) and (2) if applicable.)*:

(1) **[ ] First few weeks rule for Code §415 testing Compensation (4.05(D)(1)).** The Plan applies the first few weeks rule in Section 4.05(F)(1).

(2) **[ ] Code §415 (Article 4) override (4.02(D), (F)).** Because of the required aggregation of multiple plans, to satisfy Code §415, the following overriding provisions apply: _____.
(Specify such language as necessary to satisfy Code §415, e.g., the Employer will reduce Annual Additions to this plan before reducing Annual Additions to other plans.)

(f) **[ ] Vesting (Article 5) overrides.** *(Choose one or both of (1) and (2) if applicable.)*:

(1) **[ ] Alternative separate account vesting formula (5.03(C)(2)).** The Employer elects the alternative vesting formula described in Section 5.03(C)(2).

(2) **[ ] Vesting exclusions (5.06(D)).** For purposes of determining vesting, the Plan disregards Service following a Separation from Service or Break in Service, or Forfeiture Break in Service as follows: _____ *(specify conditions in a manner that is definitely determinable and precludes Employer discretion. This could include the one year hold-out Break in Service rule under Code §411(a)(6)(B) or the rule of parity under Code §411(a)(6)(D))*.

(g) **[X] Distribution (Article 6) overrides.** *(Choose one or more of (1) through (4) as applicable.)*:

(1) **[ ] Restriction on In-Service Distributions of Rollovers/Employee Contributions (6.01(D)(5)).** In lieu of permitting a Participant to receive a distribution of Rollover Contributions and Employee Contributions at any time, a distribution may only be made in accordance with the following *(Choose one or more of a. through e.)*:

a. **[ ] Not permitted.** In-service distributions of Rollover Contributions and Employee Contributions are not permitted.

b. **[ ] Deferrals.** Under the same provisions which apply to Elective Deferrals.

c. **[ ] Match.** Under the same provisions which apply to Matching Contributions.

d. **[ ] Nonelective.** Under the same provisions which apply to Nonelective Contributions.

e. **[ ] Other:** _____

[*Note: The Employer under this Election (g)(1)e in Appendix B may describe restrictions on In-Service Distributions of Rollover Contributions and Employee Contributions using the options available for In-Service Distributions under Election 40 and/or a combination thereof as to all Participants or as to any Participant group. An Employer's election under Election (g)(1)e in Appendix B must: (i) be objectively determinable; (ii) not be subject to Employer discretion; and (iii) preserve Protected Benefits as required.*]

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(2) **[ ] Elections related to In-Plan Roth Rollovers (6.01(D)(7)).** *(Choose one or both of a. and b.)*:

a. **[ ] In-Service Roth Rollover events.** The Employer elects to permit In-Service Distributions under the following conditions solely for purposes of making an In-Plan Roth Rollover Contribution unless restricted by the Investment Arrangement or Vendor *(Choose one or more of (i) through (iv); Choose (v) if applicable.)*:

(i) **[ ] Age.** The Participant has attained age _____.

(ii) **[ ] Participation.** The Participant has _____ months of participation *(specify minimum of 60 months)*. Section 6.01(C)(4)(a)(ii).

(iii) **[ ] Seasoning.** The amounts being distributed have accumulated in the Plan for at least _____ years *(at least 2)*. See Section 6.01(C)(4)(a)(i).

(iv) **[ ] Other** (describe): _____. *(must be definitely determinable and not subject to Employer discretion (e.g., age 50, but only with respect to Nonelective Contributions, and not Matching Contributions))*

[*Note: Regardless of any election above to the contrary, In-Plan Roth Rollover Contributions are not permitted from a Participant's Elective Deferral Account prior to age 59 1/2.*]

(v) **[ ] Distribution for withholding.** A Participant may elect to have a portion of the amount that may be distributed as an In-Plan Roth Rollover Contribution distributed solely for purposes of federal or state income tax withholding related to the In-Plan Roth Rollover Contribution.

b. **[ ] Minimum amount.** The minimum amount that may be rolled over is $_____.

(3) **[X] Pre-2009 Annuity Contracts (6.01(D)(9)).** The special in-service distribution rules for pre-2009 annuity contracts will not apply.

(4) **[ ] Annuity Distributions (6.04).** *(Choose one or both of a. and b. if applicable.)*:

a. **[ ] Modification of QJSA (6.04(A)(3)).** The Survivor Annuity percentage will be _____%. *(Specify a percentage between 50% and 100%.)*

b. **[ ] Modification of QPSA (6.04(B)(2)).** The QPSA percentage will be _____%. *(Specify a percentage between 50% and 100%.)*

(h) **[ ] Administrative overrides (Article 7).** *(Choose one or more of (1) through (8) if applicable.)*:

(1) **[ ] Automatic revocation of spousal designation (7.05(A)(1)).** The automatic revocation of a spousal Beneficiary designation in the case of divorce does not apply.

(2) **[ ] Limitation on frequency of Beneficiary designation changes (7.05(A)(4)).** Except in the case of a Participant incurring a major life event, a period of at least _____ must elapse between Beneficiary designation changes. *(Specify a period of time, e.g., 90 days OR 12 months.)*

(3) **[ ] Definition of "spouse" (7.05(A)(5)).** The following definition of "spouse" applies: _____ *(Specify a definition.)*

[*Note: This definition shall apply for all Plan purposes other than Section 6.02 related to required minimum distributions. For example, the selected definition will apply to the determination of default beneficiary designations.*]

(4) **[ ] Administration of default provision; default Beneficiaries (7.05(C)).** The following list of default Beneficiaries will apply unless restricted by the Investment Arrangement or Vendor: _____ *(Specify, in order, one or more Beneficiaries who will receive the interest of a deceased Participant.)*

(5) **[ ] Subsequent restoration of forfeiture-sources and ordering (7.07(A)(3)).** Restoration of forfeitures will come from the following sources, in the following order _____ *(Specify, in order, one or both: Forfeitures, Employer Contribution.)*

(6) **[ ] State law (7.09(H)).** The law of the following state will apply: _____ *(Specify one of the 50 states or the District of Columbia, or other appropriate legal jurisdiction, such as a territory of the United States or an Indian tribal government.)*

(7) **[ ] Fee Recapture Account (7.04(D)).** The Plan Administrator will allocate excess funds in the Fee Recapture Account as follows: *(Choose a., b. or c.)*

a. **[ ]** Each Participant Account will receive an allocation based on the funds in which that Account was invested and the revenue sharing rates associated with those funds.

b. **[ ]** The excess funds will be allocated pro rata based on account balance.

c. **[ ]** The excess funds will be allocated per capita among Participants with Account Balances greater than zero, without regard to the amount of the Account Balance.

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(i) **[X] Transfer overrides (Article 9).** *(Choose one or more of (1) through (4) if applicable.)*:

(1) **[ ] Exchanges within Plan (9.06(B)(1)).** In lieu of Section 9.06(B)(1) permitting transfers to (and only to) other Investment Arrangements then authorized to receive ongoing contributions under the Plan (i.e., payroll slot Vendors), the following applies *(Choose a., b. or c.)*:

a. **[ ]** The Plan does not provide for or permit such exchanges.

b. **[ ]** The Plan provides for and permits such exchanges, to any other Investment Arrangements under the Plan.

c. **[ ]** The Plan provides for and permits such transfers under the following circumstances: _____.

(2) **[ ] Contract exchange to Vendor which is not part of Plan (9.06(B)(3)).** In lieu of Section 9.06(B)(3), permitting exchanges of investment arrangements described in section 9.06(B)(3), the following applies *(Choose a., b. or c.)*:

a. **[ ]** The Plan does not provide for or permit such exchanges.

b. **[ ]** The Plan provides for and permits such exchanges in the Plan Administrator's discretion, which shall be exercised in accordance with Section 9.06(B)(3).

c. **[ ]** The Plan provides for and permits such exchanges, subject to Section 9.06(B)(3), under the following circumstances: _____.

(3) **[X] Plan-to-Plan Transfers (9.06(B)(2)).** In lieu of Section 9.06(B)(2) which does not permit or provide for such transfers to this Plan or to other plans, the Plan allows transfers to this Plan or to other plans as elected below *(Choose a., b., and/or c. if applicable)*:

a. **[X]** The Plan allows transfers to this Plan.

b. **[X]** The Plan allows transfers to other plans.

c. **[ ]** The Plan provides for and permits such transfers under the following circumstances: _____.

Eligible Employees. If transfers to this Plan are allowed (i.e., a. is selected), then such transfers are allowed for all Eligible Employees unless otherwise elected below *(Choose d., e. or f. if applicable)*:

d. **[ ]** current employees only.

e. **[X]** current and former Employees.

f. **[ ]** only if the Employee is part of a class of Employees whose assets are being transferred as a result of a merger or acquisition.

Withdrawals of Transfers. An Employee will be entitled to request a distribution of transferred amounts at any time if permitted under the Investment Arrangement and under the Code unless otherwise elected below *(Choose g. if applicable)*:

g. **[X]** withdrawals of transfers are only allowed at such time as other distributions are permitted under the Plan.

(4) **[X] Transfers to purchase service credit in a defined benefit plan (9.06(G)).** If this Election (i)(4) is selected, then a Participant who is also a participant in a tax-qualified defined benefit governmental plan (as defined in Code §414(d)) that provides for the acceptance of plan-to-plan transfers may elect to have transfers in accordance with following *(Choose a., b. or c.)*:

a. **[X]** The Participant may elect to have any portion of the Participant's Account Balance transferred to a defined benefit governmental plan at any time.

b. **[ ]** The Participant may elect to have any portion of the Participant's Account Balance transferred to a defined benefit governmental plan upon Severance from Employment.

c. **[ ]** The Participant may elect to have any portion of the Participant's Account Balance transferred to a defined benefit plan related to the Employer at any time _____ (name of plan).

(j) **[ ] Protected Benefits (9.02(C)).** The following Protected Benefits no longer apply to all Participants or do not apply to designated amounts/Participants as indicated: *(specify the Protected Benefits)*.

(1) **[ ]** _____

(2) **[ ]** _____

(3) **[ ]** _____

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(k) **[ ] Distributions under a QDRO (6.05).** In lieu of Section 6.05(A), permitting a distribution to an alternate payee under a QDRO at any time irrespective of whether the Participant has attained his/her earliest retirement age, the following applies *(Choose (1), (2) or (3))*:

(1) **[ ]** Participant must meet a distribution event in order for the alternate payee to take a distribution.

(2) **[ ]** Participant must terminate employment in order for the alternate payee to take a distribution.

(3) **[ ]** Participant must meet earliest retirement age as defined under Code §414(p)(4)(B) in order for the alternate payee to take a distribution (includes distribution event).

APPENDIX C
[RESERVED]

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APPENDIX D

[*Note: The Employer may modify this Appendix without the need of a Plan amendment.*]

INVESTMENT ARRANGEMENTS **(8.01)**.

(a) **[X]** The Employer will remit contributions (including deferrals) to the following Vendors and Investment Arrangements:

1. TIAA Annuities and/or Mutual Funds
2. VALIC
3. _____
4. _____
5. _____
6. _____
7. _____
8. _____
9. _____

(b) **[ ]** The following Vendors and/or Investment Arrangements were previously approved for the receipt of Plan contributions but are not currently approved:

1. _____
2. _____
3. _____
4. _____
5. _____
6. _____
7. _____
8. _____
9. _____

(c) **[X]** The plan has entered into Information Sharing Agreements with the following Vendors for purposes of Contract exchanges under Section 9.06(B)(3):

1. Ameriprise Financial, Inc.
2. American Century Investments
3. Vanguard Group, Inc.
4. Lincoln Financial Group
5. AIG/VALIC Retirement
6. USAA Investment Management Co.
7. ING Life Insurance and Annuity Co.
8. Fidelity Investments
9. Prudential

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ADMINISTRATIVE FUNCTION DELEGATION. The administrative functions listed below are delegated as shown. *[Make at least one selection for each item below.]*

		Employer	Plan Administrator	Vendor	Other (Specify)
a.	Determining employee eligibility to participate	[ ]	[ ]	[ ]	[ ] _____
b.	Determine participant vested percentages	[ ]	[ ]	[ ]	[ ] _____
c.	Determining whether deferrals comply with plan limits and are correctly calculated	[ ]	[ ]	[ ]	[ ] _____
d.	Determining accuracy of matching contributions	[ ]	[ ]	[ ]	[ ] _____
e.	Determining whether hardship distributions and loans (if any) comply with plan requirements	[ ]	[ ]	[ ]	[ ] _____
f.	Make determinations regarding rollovers and transfers	[ ]	[ ]	[ ]	[ ] _____
g.	Determining the status of domestic relations orders	[ ]	[ ]	[ ]	[ ] _____
h.	Determining whether the plan complies with Code §403(b), taking into account the rules concerning Related Employers	[ ]	[ ]	[ ]	[ ] _____
i.	Determining employer status (e.g., type of employer, related employer status)	[ ]	[ ]	[ ]	[ ] _____
j.	Remitting contributions	[ ]	[ ]	[ ]	[ ] _____
k.	Delivery of participant notice	[ ]	[ ]	[ ]	[ ] _____
l.	Maintain employee records	[ ]	[ ]	[ ]	[ ] _____
m.	Review and process claims	[ ]	[ ]	[ ]	[ ] _____
n.	Communication with vendor(s)	[ ]	[ ]	[ ]	[ ] _____

o. Describe: TIAA and/or other vendors, if applicable, will perform services as provided under the applicable Investment Arrangements, service agreements, and/or other documentation. Any applicable Third Party Administrator will perform services as provided under the applicable contracts and/or service agreements. The Employer will provide all services not provided under the contracts/service agreements mentioned above.

[On line o. enter other delegated functions and the parties to whom they are delegated, or specify restrictions which apply to one or more functions (e.g., the Vendor will determine if a participant qualifies for a hardship distribution but the Plan Administrator will determine whether loans exceed Code limitations).]

Effective Date of this Appendix D: October 1, 2019

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TIAA 403(b) ADOPTION AGREEMENT
ADMINISTRATIVE CHECKLIST ADDENDUM

61. PLAN LOAN PROVISIONS **(7.06)**. *(Complete this question only if 43(b) has been selected. Choose one or more of (a) through (g) if applicable.)*

(a) **[X]** **Limitation of Loan Amount.** *(Choose (1) or one or both of (2) and (3))*:

(1) **[X]** May not borrow less than $1,000 in any single loan.

(2) **[ ]** May not borrow less than $_____ (not more than $1,000) in any single general purpose loan.

(3) **[ ]** May not borrow less than $_____ for any single residential loan.

(b) **[ ]** **Home loans.** The Plan will permit loan repayment periods over 5 years for loans used to acquire a Participant's principal residence. The term for a home loan will be up to *(Choose (1) or (2))*:

(1) **[ ]** 10 years.

(2) **[ ]** _____ years.

(c) **[X]** **Leaves of absence (military).** For a period of up to one year following a military leave of absence, the Plan Administrator *(Choose (1) or (2))*:

(1) **[X]** Will suspend loan payments.

(2) **[ ]** Will not suspend loan payments.

(d) **[X]** **Purpose** *(Choose (1) or (2))*:

(1) **[X]** Any reasonable purpose.

(2) **[ ]** May not borrow except for: _____.

(e) **[ ]** **Terminated employees.** Loans to terminated employees *(Choose (1) or (2))*:

(1) **[ ]** are allowed

(2) **[ ]** are not allowed

(f) **[X]** **Number of Loans.** A Participant may not have more than 3 loans outstanding at any time.

(g) **[X]** **Limitation on sources.** A Participant may only take a loan from the accounts attributable to the following accounts subject to limitations of the Investment Arrangement Documentation: *(Choose one or more of (1) through (8) as applicable.)*

1. **[X]** Pre-Tax Elective Deferrals
   a. **[X]** Matched
   b. **[X]** Unmatched
2. **[ ]** Roth Elective Deferrals
   a. **[ ]** Matched
   b. **[ ]** Unmatched
3. **[X]** Matching Contributions (including any Safe Harbor Matching Contributions and Additional Matching Contributions)
4. **[ ]** Nonelective Contributions (including any Safe Harbor Nonelective Contributions)
5. **[X]** Rollovers
6. **[ ]** Mandatory Employee Contributions
   a. **[ ]** Matched
   b. **[ ]** Unmatched
7. **[ ]** Employee (after-tax) Contributions
   a. **[ ]** Matched
   b. **[ ]** Unmatched
8. **[X]** **Describe:** Roth Deferrals shall be taken into consideration in calculating the maximum loan amount; however, loans will not be issued from Roth Deferrals *(specify account(s) and conditions in a manner that is definitely determinable and not subject to Employer discretion; i.e., Unmatched Elective Deferrals)*

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62. ROLLOVER CONTRIBUTIONS **(3.08, 7.04(A)(1))**. *(Complete this question only if 44(b) has been selected)*

Eligibility. *(Choose (a), (b) or (c))*

(a) **[ ]** By pre-participation Eligible Employees and Participants.

(b) **[X]** By Participants only.

(c) **[ ]** By Participants who are also Employees.

Source. Rollovers will be accepted from the following *(Choose all that apply)*:

(d) **[X]** Eligible 403(b), 401(a)/(k) and 457(b) plans of governmental employers.

(e) **[X]** IRAs.

Distributions of Rollovers. Distributions are allowed at any time unless otherwise elected below. *(Choose if applicable)*

(f) **[ ]** Participants may request distribution of rollover contributions only at the earliest time they are otherwise entitled to a distribution from the Plan.

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NON-ERISA GOVERNMENTAL 403(b) VOLUME SUBMITTER PLAN

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TIAA
NON-ERISA GOVERNMENTAL 403(b) VOLUME SUBMITTER PLAN
BASIC PLAN DOCUMENT #25

TIAA, in its capacity as Volume Submitter Practitioner, sponsors this Volume Submitter Plan intended to conform to and qualify under §403(b) of the Internal Revenue Code of 1986, as amended. An Employer establishes a Plan under this Volume Submitter Plan by executing an Adoption Agreement. When any provisions of this Volume Submitter Plan or the Adoption Agreement is marked "RESERVED," that means that the provision was deliberately omitted but section numbering was retained to help maintain consistency.

ARTICLE 1. DEFINITIONS

1.01 Account. Account means the account(s) maintained for the benefit of any Participant, Beneficiary, or Alternate Payee under one or more Investment Arrangements. Unless required due to an Investment Arrangement, the term "separate Account" means a separate accounting for recordkeeping purposes.

1.02 Account Balance. Account Balance means the total benefit to which a Participant, Beneficiary, or Alternate Payee is entitled under an Investment Arrangement, taking into account all contributions made to the Investment Arrangement and all earnings or losses (including expenses) that are allocable to the Account, any Rollover Contributions or transfers held under the Account, and any distribution made to the Participant, the Beneficiary, or an Alternate Payee. The Account Balance includes any part of the Account that is treated under the Plan as a separate contract to which Code §403(c) (or another applicable provision of the Code) applies. In the case of an Annuity Contract that provides additional benefits, to the extent required under the Code, such term also will include the actuarial value of the Participant's vested interest in such other benefits as determined by the Vendor.

1.03 Accumulated Benefit. Accumulated Benefit means the sum of a Participant's, Beneficiary's or Alternate Payee's Account Balances under all Investment Arrangements under the Plan.

1.04 Adoption Agreement. Adoption Agreement means the document executed by each Employer adopting this Plan. References to Adoption Agreement within this basic plan document are to the Adoption Agreement as completed and executed by a particular Employer unless the context clearly indicates otherwise. An adopting Employer's Adoption Agreement and this basic plan document together constitute a single Plan of the Employer. The Plan also includes any Investment Arrangement and Investment Arrangement Documentation, and such other list(s), policies and procedures, or written document(s) (such as loan policies or service contracts), which, when properly executed or otherwise put into effect fully describe the Plan and practice of the Employer with respect to the Plan from and after the later of the initial Effective Date or restated Effective Date as set forth in the Adoption Agreement, to the extent such items do not conflict with the terms of this basic plan document and the Adoption Agreement. Each elective provision of the Adoption Agreement corresponds (by its parenthetical section reference) to the section of the Plan which grants the election. All "Section" references within an Adoption Agreement are to the basic plan document. All "Election" references within an Adoption Agreement are Adoption Agreement references. The Employer or Plan Administrator to facilitate Plan administration or to generate written policies or forms for use with the Plan may maintain one or more administrative checklists as an attachment to the Adoption Agreement or otherwise. Any such checklists are not part of the Plan.

1.05 Advisory Letter. Advisory Letter means an IRS issued advisory letter as to the acceptability of the form of a Volume Submitter Plan. For further description of advisory letters, see IRS Rev. Proc. 2013-22.

1.06 Annuity Contract. Annuity Contract means a nontransferable group or individual contract as defined in Code §§403(b)(1) and 401(g), established for each Participant by the Employer, or by each Participant individually, that is issued by an Insurance Company qualified to issue annuities in a State and that includes payment in the form of an annuity. See Section 8.03. In the case of an Annuity Contract, the term "Individual Account" when used under the Plan will include individual annuity certificates issued on behalf of a Participant or Beneficiary, in addition to individual Annuity Contracts.

1.07 Appendix. Appendix means one of the Appendices to an Adoption Agreement designated as "A", "B" or "D" which are expressly authorized by the Plan and as part of the Plan, are covered by the Plan's Advisory Letter. Appendix C is reserved. The Appendices are part of the Adoption Agreement.

1.08 Beneficiary. Beneficiary means a person or entity designated by a Participant, by the Plan or, in the absence of designation by the Participant or the Plan, under an Investment Arrangement, who is or may become entitled to a benefit under the Plan upon the Participant's death, as identified under the terms governing each Investment Arrangement or in other records maintained under the Plan. A Beneficiary who becomes entitled to a benefit under the Plan remains a Beneficiary under the Plan until the Vendor has fully distributed to the Beneficiary his/her Plan benefit. A Beneficiary's right to (and the Plan Administrator's duty to provide to the Beneficiary) information or data concerning the Plan does not arise until the Beneficiary first becomes entitled to receive a benefit under the Plan.

1.09 [Reserved]

1.10 Code. Code means the Internal Revenue Code of 1986, as amended and includes applicable IRS Guidance.

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1.11 Compensation.

(A) Uses and Context. Any reference in the Plan to Compensation is a reference to the definition in this Section 1.11 unless the Plan reference, or the Employer in its Adoption Agreement, modifies this definition. Except as the Plan otherwise specifically provides, the Plan Administrator will take into account only Compensation actually paid during (or as permitted under the Code, paid for) the relevant period. A Compensation payment includes Compensation paid by the Employer through another person under the common paymaster provisions in Code §§3121 and 3306. The Employer in its Adoption Agreement may elect to allocate contributions based on Compensation within a specified 12 month period which ends within a Plan Year.

(B) Base Definitions and Modifications. The Employer in its Adoption Agreement must elect one of the following base definitions of Compensation: W-2 Wages, Code §3401(a) Wages, or 415 Compensation. The Employer may elect a different base definition as to different Contribution Types. The Employer in its Adoption Agreement may specify any modifications thereto, for purposes of contribution allocations under Article 3. If the Employer fails to elect one of the above-referenced definitions, the Employer is deemed to have elected the W-2 Wages definition.

(1) **W-2 Wages.** W-2 Wages means wages for federal income tax withholding purposes, as defined under Code §3401(a), plus all other payments to an Employee in the course of the Employer's trade or business, for which the Employer must furnish the Employee a written statement under Code §§6041, 6051, and 6052, but determined without regard to any rules that limit the remuneration included in wages based on the nature or location of the employment or services performed (such as the exception for agricultural labor in Code §3401(a)(2)). The Employer in Appendix B to its Adoption Agreement may elect to exclude from W-2 Compensation certain Employer paid or reimbursed moving expenses as described therein.

(2) **Code §3401(a) Wages (income tax wage withholding).** Code §3401(a) Wages means wages within the meaning of Code §3401(a) for the purposes of income tax withholding at the source, but determined without regard to any rules that limit the remuneration included in wages based on the nature or the location of the employment or the services performed (such as the exception for agricultural labor in Code §3401(a)(2)).

(3) **Code §415 Compensation (current income definition/simplified compensation under Treas. Reg. §1.415(c)-2(d)(2)).** Code §415 Compensation means the Employee's wages, salaries, fees for professional service and other amounts received (without regard to whether or not an amount is paid in cash) for personal services actually rendered in the course of employment with the Employer maintaining the Plan to the extent that the amounts are includible in gross income (including, but not limited to, commissions paid salespersons, compensation for services on the basis of a percentage of profits, commissions on insurance premiums, tips, bonuses, fringe benefits and reimbursements or other expense allowances under a nonaccountable plan as described in Treas. Reg. §1.62-2(c)).
Code §415 Compensation does not include:

(a) **Deferred compensation/SEP/SIMPLE.** Employer contributions (other than Elective Deferrals) to a plan of deferred compensation (including a simplified employee pension plan under Code §408(k) or to a SIMPLE retirement account under Code §408(p)) to the extent the contributions are not included in the gross income of the Employee for the Taxable Year in which contributed, and any distributions from a plan of deferred compensation (whether or not qualified), regardless of whether such amounts are includible in the gross income of the Employee when distributed.

(b) **Option exercise.** Amounts realized from the exercise of a non-qualified stock option (an option other than a statutory option under Treas. Reg. §1.421-1(b)), or when restricted stock or other property held by an Employee either becomes freely transferable or is no longer subject to a substantial risk of forfeiture under Code §83.

(c) **Sale of option stock.** Amounts realized from the sale, exchange or other disposition of stock acquired under a statutory stock option as defined under Treas. Reg. §1.421-1(b).

(d) **Other amounts that receive special tax benefits.** Other amounts that receive special tax benefits, such as premiums for group-term life insurance (but only to the extent that the premiums are not includible in the gross income of the Employee and are not salary reduction amounts under Code §125).

(e) **Other similar items.** Other items of remuneration which are similar to any of the items in Sections (3)(a) through (d).

(4) **Alternative (general) 415 Compensation.** The Employer in Appendix B to its Adoption Agreement may elect to apply the 415 definition of Compensation in Treas. Reg. §1.415(c)-2(a). Under this definition, Compensation means as defined in Section (3) but with the addition of: (a) amounts described in Code §§104(a)(3), 105(a), or 105(h) but only to the extent that these amounts are includible in the Employee's gross income; (b) amounts paid or reimbursed by the Employer for moving expenses incurred by the Employee, but only to the extent that at the time of payment it is reasonable to believe these amounts are not deductible by the Employee under Code §217; (c) the value of a nonstatutory option (an option other than a statutory option under Treas. Reg. §1.421-1(b)) granted by the Employer to the Employee,

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but only to the extent that the value of the option is includible in the Employee's gross income for the Taxable Year of the grant; (d) the amount includible in the Employee's gross income upon the Employee's making of an election under Code §83(b); and (e) amounts that are includible in the Employee's gross income under Code §409A or Code §457(f)(1)(A) or because the amounts are constructively received by the Participant. [Note if the Plan's definition of Compensation is W-2 Wages or Code §3401(a) Wages, then Compensation already includes the amounts described in clause (e).]

(C) Deemed 125 Compensation. Deemed 125 Compensation means, in the case of any definition of Compensation which includes a reference to Code §125, amounts under a plan of the Employer that are not available to a Participant in cash in lieu of group health coverage, because the Participant is unable to certify that he/she has other health coverage. Compensation under this Section 1.11 does not include Deemed 125 Compensation, unless the Employer in Appendix B to its Adoption Agreement elects to include Deemed 125 Compensation under this Section 1.11.

(D) Elective Deferrals. Compensation under Section 1.11 includes Elective Deferrals unless the Employer in its Adoption Agreement elects to exclude Elective Deferrals. In addition, for purposes of making Elective Deferrals, Compensation means as defined in Section 1.11 and as the Employer elects in its Adoption Agreement.

(E) Compensation Dollar Limitation. For any Plan Year, the Plan Administrator in allocating contributions under Article 3, cannot take into account more than $270,000 (or for years after 2017, such larger amount as the IRS may prescribe pursuant to an adjustment made in the same manner as under Code §415(d)) of any Participant's Compensation. Notwithstanding the foregoing, an Employee under a 403(b) Plan may make Elective Deferrals with respect to Compensation which exceeds the Plan Year Compensation limitation, provided such Elective Deferrals otherwise satisfy the Elective Deferral Limit and other applicable Plan limitations. In applying any Plan limitation on the amount of Matching Contributions or any Plan limit on Elective Deferrals which are subject to Matching Contributions, where such limits are expressed as a percentage of Compensation, the Plan Administrator may apply the Compensation limit under this Section (E) annually to Matching Contributions, even if the Matching Contribution formula is applied on a per pay period basis or is applied over any other time interval which is less than the full Plan Year or the Plan Administrator may pro rate the Compensation limit.

(1) **Grandfathered Governmental Plan limit.** For a restated Governmental Plan, this Section (E) will not apply to an eligible Participant to the extent it would reduce the Participant's Compensation taken into account to an amount less than the amount allowed under the Plan as in effect on July 1, 1993. An "eligible Participant" is a Participant who first became a Participant during a Plan Year beginning before January 1, 1996 (or, if earlier, the first Plan Year in which the Employer amended the Plan to reflect the limitation of Code §401(a)(17)).

(F) [Reserved]

(G) Excluded Compensation. Excluded Compensation means such Compensation as the Employer in its Adoption Agreement elects to exclude for purposes of this Section 1.11. Regardless of the definition of Compensation selected in the Adoption Agreement, the Plan Administrator may adopt a uniform policy for purposes of determining the amount of a Participant's Elective Deferrals of excluding non-cash Compensation. For purposes of this Section (G), non-cash Compensation means tips, fringe benefits, and other items of Compensation not regularly paid in cash or cash equivalents, or for which the Employer does not or may not have the ability to withhold Elective Deferrals in cash for the purpose of transmitting the Elective Deferrals to the Plan pursuant to the Participant's Deferral Election. Unless otherwise specified, the Plan Administrator shall determine the amount of a Participant's Compensation (for purposes of allocations), by disregarding Excluded Compensation.

(H) Pre-Entry Compensation. The Employer in its Adoption Agreement for allocation purposes must elect Participating Compensation or Plan Year Compensation as to some or all Contribution Types.

(1) **Participating Compensation.** Participating Compensation means Compensation only for the period during the Plan Year in which the Participant is a Participant in the overall Plan, or as to a Contribution Type as applicable. If the Employer in its Adoption Agreement elects Participating Compensation, the Employer will elect whether to apply the election to all Contribution Types or only to particular Contribution Type(s).

(2) **Plan Year Compensation.** Plan Year Compensation means Compensation for a Plan Year, including Compensation for any period prior to the Participant's Entry Date in the overall Plan or as to a Contribution Type as applicable. If the Employer in its Adoption Agreement elects Plan Year Compensation, the Employer will elect whether to apply the election to all Contribution Types or only to particular Contribution Type(s).

(I) Post-Severance Compensation. Compensation includes Post-Severance Compensation to the extent the Employer elects in its Adoption Agreement or as the Plan otherwise provides. Post-Severance Compensation is Compensation paid after a Participant's Severance from Employment from the Employer, as further described in this Section (I). As the Employer elects, Post-Severance Compensation may include any or all of regular pay, leave cash-outs, or deferred compensation paid within the time period described in Section (I), and may also include salary continuation for disabled Participants, all as defined below. Any other payment paid after Severance from Employment that is not described in this Section (I) is not Compensation even if payment is made within the time period described below. Post-Severance Compensation does not include severance pay,

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parachute payments under Code §280G(b)(2) or payments under a nonqualified unfunded deferred compensation plan unless the payments would have been paid at that time without regard to Severance from Employment.

(1) **Timing.** Post-Severance Compensation includes regular pay, leave cash-outs, or deferred compensation only to the extent the Employer pays such amounts by the later of 2 1/2 months after Severance from Employment or by the end of the Limitation Year that includes the date of such Severance from Employment.

(a) **Regular pay.** Regular pay means the payment of regular Compensation for services during the Participant's regular working hours, or Compensation for services outside the Participant's regular working hours (such as overtime or shift differential), commissions, bonuses, or other similar payments, but only if the payment would have been paid to the Participant prior to a severance from employment if the Participant had continued in employment with the Employer.

(b) **Leave cash-outs.** Leave cash-outs means payments for unused accrued bona fide sick, vacation, or other leave, but only if the Employee would have been able to use the leave if employment had continued and if Compensation would have included those amounts if they were paid prior to the Participant's severance from employment.

(c) **Deferred compensation.** As used in this Section (I), deferred compensation means the payment of deferred compensation pursuant to an unfunded deferred compensation plan, if Compensation would have included the deferred compensation if it had been paid prior to the Participant's Severance from Employment, but only if the payment would have been paid at the same time if the Participant had continued in employment with the Employer and only to the extent that the payment is includible in the Participant's gross income.

(2) **Salary continuation for disabled Participants.** Salary continuation for disabled Participants means Compensation paid to a Participant who is permanently and totally disabled (as defined in Code §22(e)(3)). This Section will apply, as the Employer elects in its Adoption Agreement, either just to NHCEs (who are NHCEs immediately prior to becoming disabled) or to all Participants for a fixed or determinable period specified in the Adoption Agreement.

(J) [Reserved]

(K) Deemed Disability Compensation. The Plan does not include Deemed Disability Compensation under Code §415(c)(3)(C) unless the Employer in its Adoption Agreement elects to make Employer Contributions with respect to Deemed Disability Compensation under this Section (K). Deemed Disability Compensation is the Compensation the Participant would have received for the year if the Participant were paid at the same rate as applied immediately prior to the Participant becoming permanently and totally disabled (as defined in Code §22(e)(3)) if such deemed compensation is greater than actual Compensation as determined without regard to this Section (K). This Section (K) applies only if the affected Participant is an NHCE immediately prior to becoming disabled (or the Adoption Agreement election provides for the continuation of contributions on behalf of all such disabled participants for a fixed or determinable period) and all contributions made with respect to Compensation under this Section (K) are immediately Vested.

(L) Differential Wage Payments. Unless the Employer otherwise elects in Appendix B to its Adoption Agreement, the Plan will treat Differential Wage Payments as Compensation for all Plan contribution and benefit purposes.

(M) Includible Compensation. Includible Compensation means the Employee's Compensation received from the Employer that is includible in the Participant's gross income for Federal income tax purposes (computed without regard to Code §911, relating to United States citizens or residents living abroad), including Differential Wage Payments, for the most recent period that is a Year of 403(b) Service. Includible Compensation also includes any Elective Deferral or other amount contributed or deferred by the Employer at the election of the Employee that would be includible in the Employee's gross income but for the rules of Code §§125, 132(f)(4), 402(e)(2), 402(h)(1)(B), 402(k), or 457(b). Includible Compensation does not include any Compensation received during a period when the Employer is not an Eligible Employer or any Compensation, other than Post-Severance Compensation, paid after Severance of Employment. The amount of Includible Compensation is determined without regard to any community property laws. Except as provided in Treas. Reg. §1.401(a)(17)-1(d)(4)(ii) with respect to eligible participants in governmental plans, the amount of Includible Compensation of any Participant taken into account in determining contributions will not exceed $270,000, as adjusted for cost-of-living increases in accordance with Code §401(a)(17)(B) for periods after 2017.

(N) Deemed Includible Compensation. Deemed Includible Compensation is determined on a monthly basis. A former Employee's Deemed Includible Compensation for any month is 1/12 of the amount of Compensation the former Employee received from the Employer that is includible in gross income for the most recent period (ending not later than the close of the Taxable Year) which: (a) constitutes one Year of 403(b) Service; and (b) precedes the Taxable Year by not more than five years. Deemed Includible Compensation will be determined in accordance with the rules for determining Includible Compensation and in accordance with Treas. Reg. §1.403(b)-4(d). The first month in which a former Employee has Deemed Includible Compensation is the month after the Employee Separates from Service. The Deemed Includible Compensation shall continue until the last day of the fifth Taxable Year which begins after the Employee Separates from Service.

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1.12 Contribution Types. Contribution Types means the contribution types required or permitted under the Plan as the Employer elects in its Adoption Agreement.

1.13 Custodial Account/Custodial Agreement. Custodial Account means the group or individual custodial account or accounts, as defined in Code §403(b)(7), established for each Participant by the Employer, or by each Participant individually, to hold assets of the Plan. A Custodial Agreement means a separate written agreement between the Participant (or Employer) and the Custodian which sets forth the terms of the Custodian's engagement. See Section 8.04.

1.14 Custodian. Custodian means a bank or person who qualifies as a non-bank custodian under Code §401(f)(2) and who accepts the position of Custodian by executing the Adoption Agreement or by executing a separate Custodial Agreement.

1.15 Defined Contribution Plan. Defined Contribution Plan means a retirement plan which provides for an individual account for each Participant and for benefits based solely on the amount contributed to the Participant's Account, and on any Earnings, expenses, and forfeitures which the Plan may allocate to such Participant's Account.

1.16 Defined Benefit Plan. Defined Benefit Plan means a retirement plan which does not provide for individual accounts for Employer contributions and which provides for payment of determinable benefits in accordance with the plan's formula.

1.17 [Reserved]

1.18 Differential Wage Payment. Differential Wage Payment means differential wage payment as defined by Code §3401(h)(2).

1.19 Disability/Disabled. Disabled shall have the meaning provided in the Investment Arrangement. If not defined in the Investment Arrangement, Disabled means unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or to be of long continued and indefinite duration. The permanence and degree of such impairment shall be supported by medical evidence. The Employer in Appendix B to its Adoption Agreement can specify a different definition of Disabled which is not inconsistent with the Code and which will apply in place of the definition in the second sentence of this Paragraph. A person who is Disabled has a "Disability."

(A) Administration. For purposes of this Plan, a Participant is disabled on the date the Plan determines the Participant satisfies the definition of Disability. The Plan may require a Participant to submit to a physical examination in order to confirm the Participant's Disability. The provisions of this Section 1.19 will be applied in a consistent manner.

1.20 DOL. DOL means the U.S. Department of Labor.

1.21 Earnings. Earnings means the net income, gain or loss earned by a particular Account or with respect to a contribution or to a distribution, as the context requires.

1.22 Educational Organization. Educational Organization means an organization described under Code §170(b)(1)(A)(ii), relating to educational organizations that normally maintain a regular faculty and curriculum and normally have a regularly enrolled body of pupils or students in attendance where the educational activities are regularly carried on.

1.23 Effective Date. The Effective Date of this Plan is the date the Employer elects in its Adoption Agreement. However, as to a particular provision, a different effective date may apply as this basic plan document may provide or as the Employer may elect in its Adoption Agreement, or a Participation Agreement, or in any other document which evidences the action taken. If this Plan restates a previously existing plan, the Effective Date of the provisions of this restatement does not need to be earlier than January 1, 2010. If this Plan is retroactively effective, the provisions of this Plan generally control.

1.24 Elective Deferrals. Elective Deferrals means a Participant's Pre-Tax Deferrals, Roth Deferrals, Automatic Deferrals and, as the context requires, Age 50 Catch-Up Deferrals and Qualified Organization Catch-Up Deferrals under the Plan, and which the Employer contributes to the Plan at the Participant's election (or automatically) in lieu of cash compensation. As to other plans, as may be relevant to the Plan, Elective Deferrals means amounts excludible from the Employee's gross income under Code §§125, 132(f)(4), 402(e)(3), 402(h)(1)(B), 403(b), 408(p) or 457(b), and includes amounts included in the Employee's gross income under Code §402A, and contributed by the Employer, at the Employee's election, to a cafeteria plan, a qualified transportation fringe benefit plan, a 401(k) plan, a SARSEP, a tax-sheltered annuity, a SIMPLE plan or a Code §457(b) plan.

(A) Pre-Tax Deferral. Pre-Tax Deferral means an Elective Deferral (including a Catch-Up Deferral or an Automatic Deferral) which is not a Roth Deferral.

(B) Roth Deferral. Roth Deferral means an Elective Deferral (including a Catch-Up Deferral or an Automatic Deferral) which a Participant irrevocably designates as a Roth Deferral under Code §402A at the time of deferral and which is subject to income tax when made to the Plan. In the case of an Automatic Deferral, the Plan makes such irrevocable designation in accordance with Section 3.02(B).

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(C) Automatic Deferral. See Section 3.02(B)(4)(a).

(D) Age 50 Catch-Up Deferral. See Section 3.02(E)(2).

(E) Qualified Organization Catch-Up Deferral. See Section 3.02(D)(1).

(F) One-time Irrevocable Elections. Contributions made pursuant to a Participant's one-time irrevocable election when he/she is initially eligible to participate under the Employer's plans are not Elective Deferrals. Contributions made pursuant to a one-time irrevocable election are Mandatory Employee Contributions under Section 1.46.

1.25 Eligible Employee. Eligible Employee means an Employee other than an Excluded Employee.

1.26 Eligible Employer. Eligible Employer means a State (but only as to a State Employee Performing Services for a Public School), or a Code §501(c)(3) organization as to any employee of the Code §501(c)(3) organization.

1.27 Employee. Except with regard to a Public School, Employee means any common law employee of the Employer. Employee does not include an independent contractor.

(A) Public School. If the Employer is a Public School, then Employee means each individual who is a common law employee of a State performing services for a Public School of the State, including an individual who is appointed or elected. This definition is not applicable unless the Employee's compensation for performing services for a Public School is paid by the State. Further, a person occupying an elective or appointive public office is not an Employee of a Public School unless such office is one to which an individual is elected or appointed and only if the individual has received training, or is experienced, in the field of education. A public office includes any elective or appointive office of a State.

(B) Differential Wage Payment. An individual receiving a Differential Wage Payment from the Employer is treated as an Employee of the Employer.

1.28 Employee Contribution. Employee Contribution means a Participant's after-tax contribution to an Investment Arrangement which the Participant designates as an Employee Contribution at the time of contribution. Neither an Elective Deferral (Pre-Tax or Roth) nor a Mandatory Employee Contribution is an Employee Contribution.

1.29 Employer. Employer means each Signatory Employer, Lead Employer, Related Employer, and Participating Employer as the Plan indicates or as the context requires. The Employer also includes any successor to a Signatory Employer, Lead Employer, or Participating Employer if such Employer agrees to continue to maintain the Plan. Only an Eligible Employer may be the Signatory Employer or Participating Employer.

(A) Signatory Employer. The Signatory Employer is the Employer who establishes a Plan under this Volume Submitter Plan by executing an Adoption Agreement. The Employer for purposes of acting as Plan Administrator, making Plan amendments, restating the Plan, terminating the Plan or performing settlor functions, means the Signatory Employer and does not include any Related Employer or Participating Employer. The Signatory Employer also may terminate the participation in the Plan of any Participating Employer upon written notice. The Signatory Employer will provide such notice not less than 30 days prior to the date of termination unless the Signatory Employer determines that the interest of Plan Participants requires earlier termination.

(B) Related Group/Related Employer. A Related Group is a controlled group of corporations (as defined in Code §414(b)), trades or businesses (whether or not incorporated) which are under common control (as defined in Code §414(c)), an affiliated service group (as defined in Code §414(m)) or an arrangement otherwise described in Code §414(o). The Employer shall determine which entities are Related Employers based on a reasonable, good faith standard and taking into account the special rules applicable under IRS Notice 89-23. Each Employer/member of the Related Group is a Related Employer. The term "Employer" includes every Related Employer for purposes of crediting Service and Hours of Service, determining Years of Service and Breaks in Service under Articles 2 and 4, determining Separation from Service, applying the Annual Additions Limit to 403(b) plans, applying the definitions of Employee, HCE and Compensation (except as the Employer may elect in its Adoption Agreement relating to allocations), and for any other purpose the Code or the Plan require.

(C) Participating Employer. Participating Employer means a Related Employer (to the Signatory Employer or another Related Employer) which signs the Execution Page of the Adoption Agreement or a Participation Agreement to the Adoption Agreement. Only a Participating Employer (or Employees thereof) may contribute to the Plan. A Participating Employer is an Employer for all purposes of the Plan except as provided in Sections 1.29(A). If Article 10 applies, a Participating Employer includes an unrelated Employer who executes a Participation Agreement. See Section 10.02.

1.30 Employer Contribution. Employer Contribution means a Nonelective Contribution or a Matching Contribution, as the context may require.

1.31 Entry Date. Entry Date means the date(s) the Employer elects in its Adoption Agreement upon which an Eligible Employee who has satisfied the Plan's eligibility conditions and who remains employed by the Employer on the Entry Date commences participation in the

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Plan or in a part of the Plan. An Employee's Entry Date with regard to Elective Deferrals is the date the Employee becomes a Participant with regard to Elective Deferrals under Article 2.

1.32 EPCRS. EPCRS means the IRS' Employee Plans Compliance Resolution System for resolving plan defects, or any successor program.

1.33 ERISA. ERISA means the Employee Retirement Income Security Act of 1974, as amended, and includes applicable DOL regulations.

1.34 [Reserved]

1.35 Excluded Employee. Excluded Employee means, as the Employer elects in its Adoption Agreement, any Employee, or class of Employees, not eligible to participate in the Plan with regard to a specific Contribution Type. The Employer must elect any Excluded Employees in accordance with the Adoption Agreement limitations. The Employer in the Adoption Agreement may designate different groups of Excluded Employees for each Contribution Type. The Adoption Agreement may specify that Employees who fail to make an irrevocable election described in Section 1.24(F) are Excluded Employees, either as to the Plan as a whole or as to Employer Contributions.

(A) Collective Bargaining Employees. If the Employer elects in its Adoption Agreement to exclude collective bargaining Employees from eligibility to participate for purposes other than making Elective Deferrals, the exclusion applies to any Employee included in a unit of Employees covered by an agreement which the Secretary of Labor finds to be a collective bargaining agreement between employee representatives and one or more employers if: (1) retirement benefits were the subject of good faith bargaining; and (2) two percent or fewer of the employees covered by the agreement are "professional employees" as defined in Treas. Reg. §1.410(b)-9, unless the collective bargaining agreement requires the Employee to be included within the Plan. The term "employee representatives" does not include any organization more than half the members of which are owners, officers, or executives of the Employer. Regardless of the preceding, the Employer may elect in its Adoption Agreement to exclude collective bargaining Employees from eligibility to participate for purposes of making Elective Deferrals if the Employer maintains another plan that satisfies the universal availability requirements of Code §403(b)(12).

(B) Nonresident Aliens. If the Employer elects in its Adoption Agreement to exclude nonresident aliens from eligibility to participate, the exclusion applies to any nonresident alien Employee who does not receive any earned income, as defined in Code §911(d)(2), from the Employer which constitutes United States source income, as defined in Code §861(a)(3).

(C) Student Employees. If the Employer elects in its Adoption Agreement to exclude Student Employees, the exclusion applies to students performing services described in Code §3121(b)(10).

(D) Reclassified Employees. A Reclassified Employee is an Excluded Employee for purposes of Employer Contributions unless the Employer in Appendix B to its Adoption Agreement elects: (a) to include all Reclassified Employees as Eligible Employees; (b) to include one or more categories of Reclassified Employees as Eligible Employees; or (c) to include Reclassified Employees (or one or more groups of Reclassified Employees) as Eligible Employees as to one or more Contribution Types. A Reclassified Employee is any person the Employer erroneously did not treat as a common law employee and it is later determined (irrespective of a binding determination) that the person should have been treated as a common law employee. A person who is an independent contractor is not an Employee or, absent such later determination, a Reclassified Employee, and therefore may not be an Eligible Employee under this Plan.

(E) Employees who normally work less than 20 hours per week. The Employer in its Adoption Agreement may elect to exclude any Employee who normally works less than 20 hours per week. The Employer in the Adoption Agreement may select a lesser threshold than 20 hours per week. Under this election, in the case of Elective Deferrals only, an Employee is excluded from the Plan provided (1) for the Initial Eligibility Computation Period, the Employer reasonably expects the Employee to work less than 1,000 Hours of Service in such period; and (2) for each Subsequent Eligibility Computation Period, except as provided below in this Paragraph, the Employee worked less than 1,000 Hours of Service in any preceding Eligibility Computation Period. The provisions of Section 2.02(C) apply by analogy to the determination of Eligibility Computation Periods and service within an Eligibility Computation Period. In that case, the 1,000 Hour of Service requirement will be adjusted pro rata. Except as limited by the following sentence, any Employee who completes more than 1,000 Hours of Service during an Eligibility Computation Period will not be an Excluded Employee under this Section 1.35(E) for any subsequent Plan Year. The preceding sentence does not apply with respect to Employer Contributions. For purposes of this exclusion, the Plan Administrator may use any reasonable, consistent method of crediting Hours of Service, regardless of the method elected in the Adoption Agreement for other purposes.

(F) [Reserved]

(G) Per Diem Employees. If the Employer elects in its Adoption Agreement to exclude Per Diem Employees, then Employees who are employed on an as-needed basis by the Employer are excluded.

1.36 401(m) Plan. 401(m) Plan means the portion, if any, of the 403(b) plan or another plan the Employer establishes, subject to the requirements of Code §401(m).

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1.37 403(b) Plan. 403(b) Plan means this 403(b) plan.

1.38 Governmental Plan. Governmental Plan means a plan maintained by a State and described in Code §414(d).

1.39 HCE. HCE means a highly compensated Employee, defined under Code §414(q) as an Employee who during the preceding Plan Year (or in the case of a short Plan Year, the immediately preceding 12 month period) had Compensation in excess of $80,000 (as adjusted by the IRS for the relevant year) and, if the Employer under its Adoption Agreement makes the top-paid group election, was part of the top-paid 20% group of Employees (based on Compensation for the preceding Plan Year).

(A) Compensation Definition. For purposes of this Section 1.39, "Compensation" means Compensation as defined in Section 4.05(D).

(B) Top-paid Group/Calendar Year Data. The determination of who is an HCE, including the determinations of the number and identity of the top-paid 20% group, must be consistent with Code §414(q) and regulations issued under that Code section. The Employer in its Adoption Agreement may make a calendar year data election to determine the HCEs for the Plan Year, as prescribed by IRS Guidance. A calendar year data election must apply to all plans of the Employer which reference the HCE definition in Code §414(q). For purposes of this Section 1.39, if the current Plan Year is the first year of the Plan, then the term "preceding Plan Year" means the 12-consecutive month period immediately preceding the current Plan Year.

1.40 Hour of Service. Hour of Service means:

(A) Paid and duties. Each Hour of Service for which the Employer, either directly or indirectly, pays an Employee, or for which the Employee is entitled to payment, for the performance of duties. The Plan credits Hours of Service under this Paragraph (A) to the Employee for the computation period in which the Employee performs the duties, irrespective of when paid;

(B) Back pay. Each Hour of Service for back pay, irrespective of mitigation of damages, to which the Employer has agreed or for which the Employee has received an award. The Plan credits Hours of Service under this Paragraph (B) to the Employee for the computation period(s) to which the award or the agreement pertains rather than for the computation period in which the award, agreement or payment is made; and

(C) Payment but no duties. Each Hour of Service for which the Employer, either directly or indirectly, pays an Employee, or for which the Employee is entitled to payment (irrespective of whether the employment relationship is terminated), for reasons other than for the performance of duties during a computation period, such as leave of absence, vacation, holiday, sick leave, illness, incapacity (including disability), layoff, jury duty or military duty. The Plan will credit no more than 501 Hours of Service under this Paragraph (C) to an Employee on account of any single continuous period during which the Employee does not perform any duties (whether or not such period occurs during a single computation period). The Plan credits Hours of Service under this Paragraph (C) in accordance with the rules of paragraphs (b) and (c) of Labor Reg. §2530.200b-2, which the Plan, by this reference, specifically incorporates in full within this Paragraph (C).

The Plan will not credit an Hour of Service under more than one of the above Paragraphs (A), (B) or (C). A computation period for purposes of this Section 1.40 is the Plan Year, Year of Service period, Break in Service period or other period, as determined under the Plan provision for which the Plan is measuring an Employee's Hours of Service. The Plan will resolve any ambiguity with respect to the crediting of an Hour of Service in favor of the Employee.

(D) Method of Crediting Hours of Service. The Employer must elect in its Adoption Agreement the method the Plan will use in crediting an Employee with Hours of Service and the purpose for which the elected method will apply.

(1) **Actual Method.** Under the Actual Method as determined from records, an Employee receives credit for Hours of Service for hours worked and hours for which the Employer makes payment or for which payment is due from the Employer.

(2) **Equivalency Method.** Under an Equivalency Method, for each equivalency period for which the Plan would credit the Employee with at least one Hour of Service, the Plan will credit the Employee with: (1) 10 Hours of Service for a daily equivalency; (2) 45 Hours of Service for a weekly equivalency; (3) 95 Hours of Service for a semimonthly payroll period equivalency; and (4) 190 Hours of Service for a monthly equivalency.

(3) **Elapsed Time Method.** Under the Elapsed Time Method, an Employee receives credit for Service for the aggregate of all time periods (regardless of the Employee's actual Hours of Service) commencing with the Employee's Employment Commencement Date, or with his/her Re-employment Commencement Date, and ending on the date a Break in Service begins. An Employee's Employment Commencement Date or his/her Re-employment Commencement Date begins on the first day he/she performs an Hour of Service following employment or re-employment. In applying the Elapsed Time Method, the Plan will credit an Employee's Service for any Period of Severance of less than 12-consecutive months and will express fractional periods of Service in days.

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(a) **Elapsed Time – Break in Service.** Under the Elapsed Time Method, a Break in Service is a Period of Severance of at least 12-consecutive months. In the case of an Employee who is absent from work for maternity or paternity reasons, the 12-consecutive month period beginning on the first anniversary of the first date the Employee is otherwise absent from Service does not constitute a Break in Service.

(b) **Elapsed Time – Period of Severance.** A Period of Severance is a continuous period of time during which the Employee is not employed by the Employer. The continuous period begins on the date the Employee retires, quits, is discharged, or dies or if earlier, the first 12-month anniversary of the date on which the Employee otherwise is absent from Service for any other reason (including disability, vacation, leave of absence, layoff, etc.).

(E) Maternity/Paternity Leave/Family and Medical Leave Act. Solely for purposes of determining whether an Employee incurs a Break in Service under any provision of this Plan, the Plan must credit Hours of Service during the Employee's unpaid absence period: (1) due to maternity or paternity leave; or (2) as required under the Family and Medical Leave Act. An Employee is on maternity or paternity leave if the Employee's absence is due to the Employee's pregnancy, the birth of the Employee's child, the placement with the Employee of an adopted child, or the care of the Employee's child immediately following the child's birth or placement. The Plan credits Hours of Service under this Section 1.40(E) on the basis of the number of Hours of Service for which the Employee normally would receive credit or, if the Plan cannot determine the number of Hours of Service the Employee would receive credit for, on the basis of 8 hours per day during the absence period. The Plan will credit only the number (not exceeding 501) of Hours of Service necessary to prevent an Employee's Break in Service. The Plan credits all Hours of Service described in this Section 1.40(E) to the computation period in which the absence period begins or, if the Employee does not need these Hours of Service to prevent a Break in Service in the computation period in which his/her absence period begins, the Plan credits these Hours of Service to the immediately following computation period.

(F) Qualified Military Service. Hour of Service also includes any Service the Plan must credit for contributions and benefits in order to satisfy the crediting of Service requirements of Code §414(u).

1.41 Insurance Company. Insurance Company means the insurance company which issues or provides an Annuity Contract used as an Investment Arrangement hereunder.

1.42 Investment Arrangement/Investment Arrangement Documentation. Investment Arrangement means an Annuity Contract or Custodial Account that satisfies the requirements of Treas. Reg. §1.403(b)-3 that is issued or established for funding amounts held under the Plan. Appendix "D" to the Employer's Adoption Agreement is a list of Vendors of Investment Arrangements approved for use under the Plan, including sufficient information to identify the approved Investment Arrangements. Investment Arrangement Documentation means the terms and agreements associated with an Investment Arrangement, such as a Custodial Agreement, an Annuity Contract, or other documents that Investment Arrangement Documentation may reference, such as a service agreement. The Investment Arrangement Documentation, excluding those terms that are inconsistent with the Plan or Code §403(b), is hereby incorporated by reference in the Plan. With respect to any Participant, an Investment Arrangement refers to the Investment Arrangement or Investment Arrangements which hold all or part of the Participant's Account.

1.43 IRS. IRS means the Internal Revenue Service. When discussing regulations or other guidance, IRS also includes the United States Treasury. IRS Guidance includes Treasury regulations and other guidance of general applicability appearing in the Internal Revenue Bulletin.

1.44 [Reserved]

1.45 Limitation Year. The Limitation Year means the Calendar Year. However, if the Participant is in control of an Employer pursuant to Section 4.04, the Limitation Year shall be the Limitation Year in the Defined Contribution Plan controlled by the Participant.

1.46 Mandatory Employee Contributions. A Mandatory Employee Contribution is a pre-tax Employee contribution which the Employee agrees to make as a condition of employment. Mandatory Employee Contributions also include contributions made pursuant to an Employee's irrevocable one-time election, as described in Section 1.24(F). Mandatory Employee Contributions are treated as pretax Nonelective Contributions and are 100% Vested at all times.

1.47 Matching Contribution. Matching Contribution means a fixed or discretionary contribution the Employer makes on account of Elective Deferrals or on account of Employee Contributions. Matching Contributions are limited to contributions made on account of Elective Deferrals or Employee Contributions under this Plan unless otherwise specified by the Employer in its Adoption Agreement. Matching Contributions also include Participant forfeitures allocated on account of such Elective Deferrals or Employee Contributions.

(A) Fixed Matching Contribution. Fixed Matching Contribution means a Matching Contribution which the Employer, subject to satisfaction of allocation conditions, if any, must make pursuant to a formula in the Adoption Agreement. Under the formula, the Employer contributes a specified percentage or dollar amount on behalf of a Participant based on that Participant's Elective Deferrals or Employee Contributions eligible for a match.

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(B) Discretionary Matching Contribution. Discretionary Matching Contribution means a Matching Contribution which the Employer in its sole discretion elects to make to the Plan. The Employer retains discretion over the Discretionary Matching Contribution rate or amount, the limit(s) on Elective Deferrals or Employee Contributions subject to match, the per Participant match allocation limit(s), the Participants who will receive the allocation, and the time period applicable to any matching formula(s) (collectively, the "matching formula"), except as the Employer otherwise elects in its Adoption Agreement.

1.48 Nonelective Contribution. Nonelective Contribution means a fixed or discretionary Employer Contribution which is not a Matching Contribution.

(A) Fixed Nonelective Contribution. Fixed Nonelective Contribution means a Nonelective Contribution which the Employer, subject to satisfaction of allocation conditions, if any, must make pursuant to a formula (based on Compensation of Participants who will receive an allocation of the contributions or otherwise) in the Adoption Agreement. See Section 3.04(A)(2).

(B) Discretionary Nonelective Contribution. Discretionary Nonelective Contribution means a Nonelective Contribution which the Employer in its sole discretion elects to make to the Plan. See Section 3.04(A)(1).

(C) QNEC. QNEC means a qualified nonelective contribution which is 100% Vested at all times and which is subject to the distribution restrictions described in Section 6.01(E). Nonelective Contributions are not 100% Vested at all times if the Employee has a 100% Vested interest solely because of his/her Years of Service taken into account under a vesting schedule. Any Nonelective Contributions allocated to a Participant's QNEC Account under the Plan automatically satisfy and are subject to the QNEC definition.

1.49 NHCE. NHCE means a nonhighly compensated employee, which is any Employee who is not an HCE.

1.50 Participant. Participant means an Eligible Employee who becomes a Participant in accordance with the provisions of Section 2.01. Once an Eligible Employee becomes a Participant, he or she will remain a Participant so long as he or she has an Account in the Plan.

1.51 Participation Agreement. Participation Agreement means the Adoption Agreement page or pages or other separate agreement executed by one or more Related Employers (or in a multiple employer plan, other Eligible Employers) to become a Participating Employer.

(A) Permissible variations of participation agreement. The participation agreement must identify the Participating Employer and the covered Employees and provide for the Participating Employer's signature. In addition, in the participation agreement, the Signatory Employer shall specify which elections, if any, the Participating Employer can modify, and any restrictions on the modifications. Any such modification shall apply only to the Employees of that Participating Employer. The Participating Employer shall make any such modification by selecting the appropriate option on its participation agreement to the Employer's Adoption Agreement. To the extent that the participation agreement does not permit modification of an election, any attempt by a Participating Employer to modify the election shall have no effect on the Plan and the Participating Employer is bound by the Plan terms as selected by the Signatory Employer. If a Participating Employer does not make any permissible participation agreement election modifications, then with regard to any election, the Participating Employer is bound by the Adoption Agreement terms as completed by the Signatory Employer.

1.52 Plan. Plan means the 403(b) Plan established or continued by the Employer in the form of this Volume Submitter Plan, including the Adoption Agreement under which the Employer has elected to establish this Plan. The Plan is not intended to be a Code §§401(a), 403(a) or 457(b) plan. The Employer must designate the name of the Plan in its Adoption Agreement. An Employer may execute more than one Adoption Agreement offered under this Plan, each of which will constitute a separate Plan established or continued by that Employer. The Plan created by each adopting Employer is a separate Plan, independent from the plan of any other employer adopting this Volume Submitter Plan. All section references within this basic plan document are Plan section references unless the context clearly indicates otherwise. The Plan includes any Appendix permitted by the basic plan document or by the Employer's Adoption Agreement and which the Employer attaches to its Adoption Agreement. The Plan Administrator or others, as described more fully in Section 1.53 may perform any action the Plan is to perform hereunder.

(A) Frozen Plan. See Section 3.01(F).

1.53 Plan Administrator. Plan Administrator means the person, committee, or organization selected in the Adoption Agreement to administer the Plan. If no Plan Administrator is identified in the Adoption Agreement, then the Employer is the Plan Administrator. Functions of the Plan Administrator, including those described in the Plan, may be performed by Vendors, designated agents of the Plan Administrator, or others (including Employees a substantial portion of whose duties is administration of the Plan) pursuant to the terms of Investment Arrangements, written service agreements or other documents under the Plan. For this purpose, an Employee is treated as having a substantial portion of his or her duties devoted to administration of the Plan if the Employee's duties with respect to administration of the Plan are a regular part of the Employee's duties and the Employee's duties relate to Participants and Beneficiaries generally (and the Employee only performs those duties for himself or herself as a consequence of being a Participant or Beneficiary). If the Employer is the Plan Administrator, any requirement under the Plan for communication between the Employer and the Plan Administrator automatically is deemed satisfied, and the Employer has discretion to determine the manner of documenting any decision deemed to be communicated under this provision.

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1.54 Plan Year. Plan Year means the consecutive month period the Employer specifies in its Adoption Agreement.

1.55 Practitioner. The Practitioner means the Volume Submitter Practitioner identified in the heading to the plan.

1.56 [Reserved]

1.57 Public School. Public School means a State-sponsored Educational Organization (includes public Institutions of Higher Education).

1.58 QDRO. QDRO means a qualified domestic relations order under Code §414(p). A "domestic relations order" is a judgment, decree, or order (including approval of a property settlement agreement) that relates to the provision of child support, alimony payments, or marital property rights of a spouse or former spouse, child, or other dependent, made pursuant to the domestic relations law of any State.

1.59 Qualified Military Service. Qualified Military Service means qualified military service as defined in Code §414(u)(5). Notwithstanding any provision in the Plan to the contrary, as to Qualified Military Service, the Plan will credit Service under Section 1.40(C), the Employer will make contributions to the Plan and the Plan will provide benefits in accordance with Code §414(u).

1.60 Restated Plan. A Restated Plan means a plan the Employer adopts in substitution for, and in amendment of, an existing plan, as the Employer elects in its Adoption Agreement. The provisions of this Plan, as a Restated Plan, apply solely to an Employee whose employment with the Employer terminates on or after the restated Effective Date of the Plan, except as otherwise set forth in the Adoption Agreement.

1.61 [Reserved]

1.62 Rollover Contribution. A Rollover Contribution means an amount of cash or property (including a Participant loan from another plan subject to the rules of the Vendor) which the Code permits an Eligible Employee or Participant to transfer directly or indirectly to this Plan from another Eligible Retirement Plan (or vice versa) within the meaning of Code §402(c)(8)(B) and Section 6.08(F)(2), except that the Plan may permit an In-Plan Roth Rollover Contribution as provided in Section 3.08(E).

(A) In-Plan Roth Rollover Contribution. An In-Plan Roth Rollover Contribution means a Rollover Contribution to the Plan that consists of a distribution or transfer from a Participant's Plan Account, other than a Roth Deferral Account, that the Participant transfers to the Participant's In-Plan Roth Rollover Contribution Account in the Plan, in accordance with Code §402(c)(4). In-Plan Roth Rollover Contributions will be subject to the Plan rules related to Roth Deferral Accounts, subject to preservation of Protected Benefits in accordance with clause (c) of Section 3.08(E)(3)(d).

(B) In-Plan Roth Rollover Contribution Account. An In-Plan Roth Rollover Contribution Account is a sub-account the Plan Administrator or Vendor may establish to account for a Participant's Rollover Contributions attributable to the Participant's In-Plan Roth Rollover Contributions. The Plan Administrator has authority to establish such a sub-account, and to the extent necessary, may establish sub-accounts based on the source of the In-Plan Roth Rollover Contribution. The Plan Administrator will administer an In-Plan Roth Rollover Contribution Account in accordance with Code and the Plan provisions.

1.63 [Reserved]

1.64 Salary Reduction Agreement. A Salary Reduction Agreement means a Participant's written election to reduce his or her Compensation (and have that amount contributed as Elective Deferrals to the Plan).

1.65 Separation from Service/Severance from Employment. "Severance from Employment" or "Separation from Service" occurs when an Employee ceases to be employed by the Employer maintaining the Plan or a Related Employer that is eligible to maintain a section 403(b) Plan under Treas. Reg. §1.403(b)-2(b)(8), even if the Employee remains employed with another entity that is a Related Employer where either (a) such Related Employer is not an Eligible Employer or (b) the Employee is employed or in a capacity that is not employment with an eligible employer.

1.66 Service. Service means any period of time the Employee is in the employ of the Employer, including any period the Employee is on an unpaid leave of absence authorized by the Employer under a uniform policy applicable to all Employees. See Section 1.29(B) related to Service for Related Employers.

(A) Predecessor Employer. A Predecessor Employer is an employer that previously employed one or more of the Employees.

(B) Predecessor Employer Service. If the Employer maintains (by adoption, plan merger or transfer) the plan of a Predecessor Employer, service of the Employee with the Employer.

(C) Elective Service Crediting. Except as provided in Section 1.66(B), the Plan does not credit Service with the Predecessor Employer unless the Employer, in its Adoption Agreement (or in a Participation Agreement, if applicable) elects to credit

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designated Predecessor Employer Service and specifies the purposes for which the Plan will credit service with that Predecessor Employer. Unless the Employer under its Adoption Agreement provides for this purpose specific Entry Dates, an Employee who satisfies the Plan's eligibility condition(s) by reason of the crediting of Predecessor Employer Service will enter the Plan in accordance with the provisions of Article 2 as if the Employee were a re-employed Employee on the first day the Plan credits Predecessor Employer Service.

1.67 State. State means a State, a political subdivision of a State, or any agency of instrumentality of a State, and includes the District of Columbia. In determining whether an individual is a Public School Employee, a State includes an Indian tribal government.

1.68 [Reserved]

1.69 Taxable Year. Taxable Year means the taxable year of a Participant.

1.70 Vested. Vested means a Participant or a Beneficiary has an unconditional claim, legally enforceable against the Plan, to the Participant's Accumulated Benefit or to a portion thereof if not 100% vested.

1.71 USERRA. USERRA means the Uniformed Services Employment and Reemployment Rights Act of 1994, as amended.

1.72 Vendor. Vendor means the provider of an Annuity Contract or Custodial Account, as the context requires. With regard to an Investment Arrangement, the Vendor is the provider of that Investment Arrangement. With regard to a Participant, the Vendor is the provider of any Investment Arrangement holding an Account for the Participant.

1.73 Year of 403(b) Service. For purposes of determining Includible Compensation or Special Catch-Up Contributions, Year of 403(b) Service means each full year during which an individual is a full-time Employee of the Employer, plus fractional credit for each part of a year during which the individual is either a full-time Employee of the Employer for a part of a year or a part-time Employee of the Employer, determined under Treas. Reg. §1.403(b)-4(e). An Employee's number of Years of 403(b) Service equals the aggregate of such years or parts of years. The work period is the Employer's annual work period.

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ARTICLE 2. ELIGIBILITY AND PARTICIPATION

2.01 ELIGIBILITY. Each Eligible Employee becomes a Participant in the Plan in accordance with the eligibility conditions the Employer elects in its Adoption Agreement. The Employer may elect different age and service conditions for different Contribution Types under the Plan.

(A) Elective Deferrals/Universal Availability. The provisions of this Section 2.01(A) apply if the Employer does not maintain another plan that satisfies the universal availability requirements of Code §403(b)(12). An Employee, other than an Excluded Employee with regard to Elective Deferrals, becomes a Participant in the Elective Deferral portion of the Plan on the date the Employer provides the Employee a participant notice of the right to defer. The Employer will provide such a notice to the Employee within 30 days after commencement of employment (or, if later, 30 days after the date the Employee ceases to be an Excluded Employee). If the Plan places any restrictions on a Participant's right to make a deferral election, the Participant, at a minimum, must have the right to make an initial deferral election within a 30-day period following the date the notice is provided. In no event may a Participant's deferral election be effective prior to the Effective Date of the Plan. For purposes of this Paragraph, an Employee of a Related Employer that is not a Participating Employer is an Excluded Employee with respect to Elective Deferrals.

(B) Other Contributions. The provisions of this Section 2.01(B) apply to Employer Contributions and Employee Contributions, and do not apply to Elective Deferrals. However, if the Employer maintains another plan that satisfies the universal availability requirements of Code §403(b)(12), then the provisions of this Section 2.01(B) also apply to Elective Deferrals.

(1) **Eligibility Conditions.** The Employer in its Adoption Agreement will elect the age and service conditions applicable to Employer Contributions or Employee Contributions (or Elective Deferrals if the Employer maintains another plan that satisfies the universal availability requirements of Code §403(b)(12)), if any. For purposes of an Eligible Employee's participation in Employer Contributions or Employee Contributions, the Plan may not impose an age condition exceeding age 21 and may not require completion of more than one Year of Service, except as provided under Sections 2.02(E), (G), or (H).

(2) **New Plan.** Any Eligible Employee who has satisfied the Plan's eligibility conditions and who has reached his/her Entry Date as of the Effective Date is eligible to participate as of the Effective Date, assuming the Employer continues to employ the Employee on that date. Any other Eligible Employee becomes eligible to participate: (1) upon satisfaction of the eligibility conditions and reaching his/her Entry Date; or (2) upon reaching his/her Entry Date if such Employee had already satisfied the eligibility conditions prior to the Effective Date.

(3) **Restated Plan.** If this Plan is a Restated Plan, each Employee who was a Participant in the Plan on the day before the restated Effective Date continues as a Participant in the Restated Plan, irrespective of whether he/she satisfies the eligibility conditions of the Restated Plan, unless the Employer provides otherwise in its Adoption Agreement.

(4) **Special Eligibility Effective Date (Dual Eligibility).** The Employer in its Adoption Agreement may elect to provide a special Effective Date for the Plan's eligibility conditions, with the effect that such conditions may apply only to Employees who are employed by the Employer after a specified date.

2.02 APPLICATION OF SERVICE CONDITIONS. The Plan Administrator will apply this Section 2.02 in administering the Plan's eligibility service condition(s) for Employer Contributions, Mandatory Employee Contributions and Employee Contributions (and, if the Employer maintains another plan that satisfies the universal availability requirements, Elective Deferrals), if any.

(A) Definition of Year of Service. A Year of Service for purposes of an Employee's participation in the Plan, means the applicable Eligibility Computation Period under Section 2.02(C), during which the Employee completes the number of Hours of Service the Employer specifies in its Adoption Agreement, without regard to whether the Employer continues to employ the Employee during the entire Eligibility Computation Period.

(B) Counting Years of Service. For purposes of an Employee's participation in the Plan, the Plan counts all of an Employee's Years of Service, except as provided in Section 2.03.

(C) Initial and Subsequent Eligibility Computation Periods. If the Plan requires one Year of Service for eligibility and an Employee does not complete one Year of Service during the Initial Eligibility Computation Period, the Plan measures Subsequent Eligibility Computation Periods in accordance with the Employer's election in its Adoption Agreement. If the Plan measures Subsequent Eligibility Computation Periods on a Plan Year basis, an Employee who receives credit for the required number of Hours of Service during the Initial Eligibility Computation Period and also during the first applicable Plan Year receives credit for two Years of Service under Article 2.

(1) **Definition of Eligibility Computation Period.** An Eligibility Computation Period is a 12-consecutive month period.

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(2) **Definition of Initial Eligibility Computation Period.** The "Initial Eligibility Computation Period" is the Employee's Anniversary Year which begins on the Employee's Employment Commencement Date.

(3) **Definition of Anniversary Year.** An Employee's "Anniversary Year" is the 12-consecutive month period beginning on the Employee's Employment Commencement Date or on anniversaries thereof.

(4) **Definitions of Employment Commencement Date/Re-Employment Commencement Date.** An Employee's Employment Commencement Date is the date on which the Employee first performs an Hour of Service for the Employer. An Employee's Re-Employment Commencement Date is the date on which the Employee first performs an Hour of Service for the Employer after the Employer re-employs the Employee.

(5) **Definition of Subsequent Eligibility Computation Period.** A Subsequent Eligibility Computation Period is any Eligibility Computation Period after the Initial Eligibility Computation Period, as the Employer elects in its Adoption Agreement.

(D) Entry Date. The Employer in its Adoption Agreement elects the Entry Date(s) and elects whether such Entry Date(s) are retroactive, coincident with or next following an Employee's satisfaction of the Plan's eligibility conditions. The Employer may elect to apply different Entry Dates to different Contribution Types.

(1) **Definition of Entry Date.** See Section 1.31.

(E) Alternative Service Conditions. The Employer in its Adoption Agreement may elect to impose for eligibility a condition of less than one Year of Service or of more than one Year of Service, but not exceeding two Years of Service. If the Employer elects an alternative Service condition to one Year of Service or two Years of Service, the Employer must elect in its Adoption Agreement the Hour of Service and other requirement(s), if any, after the Employee completes one Hour of Service. Under any alternative Service condition election, the Plan may not require an Employee to complete more than one Year of Service (1,000 Hours of Service in 12-consecutive months) or two Years of Service, if applicable.

(1) **[Reserved]**

(2) **[Reserved]**

(3) **Months and days.** The Plan Administrator may, on a uniform and consistent basis, apply Plan provisions relating to months based on a 30-day month, or may adopt other reasonable conventions as it may deem beneficial for efficient Plan administration.

(F) Equivalency or Elapsed Time. If the Employer in its Adoption Agreement elects to apply the Equivalency Method or the Elapsed Time Method in applying the Plan's eligibility Service condition, the Plan Administrator will credit Service in accordance with Sections 1.40(D)(2) and (3).

(G) Governmental Plans. The limitations of this Article on age and service requirements and selection of Entry Dates will not apply unless otherwise noted in the Adoption Agreement.

(H) Maximum age for educational institution. If (1) this Plan is maintained exclusively for Employees of an educational organization as defined in Code §170(b)(1)(A)(ii); (2) the Plan does not require more than one Year of Service as a condition for entry; and (3) the Plan provides full vesting after no more than one Year of Service, the maximum age restriction of Section 2.01(B)(1) is applied by substituting "26" for "21."

2.03 BREAK IN SERVICE – PARTICIPATION. The Plan Administrator will apply this Section 2.03 if any Break in Service rule applies under the Plan. The Break in Service rules do not apply to Elective Deferrals.

(A) Definition of Break in Service. For purposes of this Article 2, an Employee incurs a Break in Service if during any applicable Eligibility Computation Period he/she does not complete more than 500 Hours of Service with the Employer. The Eligibility Computation Period under this Section 2.03(A) is the same as the Eligibility Computation Period the Plan uses to measure a Year of Service under Section 2.02. On a uniform basis, the Plan Administrator may disregard a Break in Service for an Eligibility Computation Period if the Employee is in service on the last day of that period. If the Plan applies the Elapsed Time Method of crediting Service under Section 1.40(D)(3), a Participant incurs a "Break in Service" if the Participant has a Period of Severance of at least 12 consecutive months.

(B) Two Year Eligibility. If the Employer under the Adoption Agreement elects a two Years of Service eligibility condition, an Employee who incurs a one year Break in Service prior to completing two Years of Service: (1) is a new Employee, on the date he/she first performs an Hour of Service for the Employer after the Break in Service; (2) the Plan disregards the Employee's Service prior to the Break in Service; and (3) the Employee establishes a new Employment Commencement Date for purposes of the Initial Eligibility Computation Period under Section 2.02(C).

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(C) USERRA. An Employee who has completed Qualified Military Service and who the Employer has rehired under USERRA, does not incur a Break in Service under the Plan by reason of the period of such Qualified Military Service.

(D) Adoption Agreement provisions. The Employer may specify, in Appendix B to its Adoption Agreement, one or more years or other periods of service which the Plan will disregard for purposes of eligibility for Employer Contributions, based on Separation from Service, or Break in Service.

2.04 PARTICIPATION UPON RE-EMPLOYMENT. The provisions of Paragraphs (A), (B), and (C) of this Section 2.04 apply to Employer Contributions and Employee Contributions. An Employee who incurs a Separation from Service will enter or re-enter the Plan as a Participant for purposes of Elective Deferrals on his/her Re-employment Commencement Date (provided he/she is not an Excluded Employee).

(A) Rehired Participant/Immediate Re-Entry. A Participant who incurs a Separation from Service will re-enter the Plan as a Participant on the date of his/her Re-Employment Commencement Date (provided he/she is not an Excluded Employee), subject to any Break in Service rule, if applicable, under Section 2.03.

(B) Rehired Eligible Employee Who Had Satisfied Eligibility. An Eligible Employee who satisfies the Plan's eligibility conditions, but who incurs a Separation from Service prior to becoming a Participant, subject to any Break in Service rule, if applicable, under Section 2.03, will become a Participant on the later of: (1) the Entry Date on which he/she would have entered the Plan had he/she not incurred a Separation from Service; or (2) his/her Re-Employment Commencement Date.

(C) Rehired Eligible Employee Who Had Not Satisfied Eligibility. An Eligible Employee who incurs a Separation from Service prior to satisfying the Plan's eligibility conditions, becomes a Participant in accordance with the Employer's Adoption Agreement elections. The Plan Administrator, for purposes of applying any shift in the Eligibility Computation Period, takes into account the Employee's prior Service and the Employee is not treated as a new hire.

2.05 CHANGE IN EMPLOYMENT STATUS. The Plan Administrator will apply this Section 2.05 if the Employer in its Adoption Agreement elected to exclude any Employees as Excluded Employees. Although the provisions of this Section describe exclusion from the Plan as a whole, the Plan Administrator will apply the principles of this Section as appropriate to an individual excluded from one or more Contribution Types, as authorized in Section 1.35.

(A) Participant Becomes an Excluded Employee. If a Participant has not incurred a Separation from Service but becomes an Excluded Employee, during the period of exclusion the Excluded Employee: (i) will not share in the allocation of any Employer Contributions or Participant forfeitures, based on Compensation paid to the Excluded Employee during the period of exclusion; (ii) may not make Employee Contributions; and (iii) may not make Elective Deferrals as to Compensation paid to the Excluded Employee during the period of exclusion.

(1) **Vesting, accrual, Break in Service and Earnings.** A Participant who becomes an Excluded Employee under this Section 2.05(A) continues: (a) to receive Service credit for vesting under Article 5 for each included vesting Year of Service; (b) to receive Service credit for applying any allocation conditions under Section 3.06 as to Employer Contributions accruing for any non-excluded period; (c) to receive Service credit in applying the Break in Service rules; and (d) to share fully in Earnings under Article 7.

(2) **Resumption of Eligible Employee status.** If a Participant who becomes an Excluded Employee subsequently resumes status as an Eligible Employee, the Participant will participate in the Plan immediately upon resuming eligible status, subject to the Break in Service rules, if applicable, under Section 2.03.

(B) Excluded Employee Becomes Eligible. If an Excluded Employee who is not a Participant becomes an Eligible Employee, he/she will participate immediately in the Plan if he/she has satisfied the Plan's eligibility conditions and would have been a Participant had he/she not been an Excluded Employee during his/her period of Service. An Excluded Employee receives Service credit for eligibility, for allocation conditions under Section 3.06 (but the Plan disregards Compensation paid while excluded) and for vesting under Article 5 for each included vesting Year of Service, notwithstanding the Employee's Excluded Employee status.

2.06 TERMINATION OF PARTICIPATION. Once an Eligible Employee becomes a Participant, he or she will continue to be a Participant until the Plan distributes the Participant's entire Account Balance.

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ARTICLE 3. PLAN CONTRIBUTIONS AND FORFEITURES

3.01 CONTRIBUTION TYPES. The Employer in its Adoption Agreement will elect the Contribution Type(s) and any formulas, allocation methods, conditions and limitations applicable thereto, except where the Plan expressly reserves discretion to the Employer or to the Plan Administrator.

(A) Application of Limits. The Employer will not make a contribution to an Investment Arrangement for any Plan Year to the extent the contribution would exceed any Article 4 limit or other Plan limit.

(B) Compensation for Allocations/Limit. The Plan will allocate all Employer Contributions and Elective Deferrals based on the definition of Compensation the Employer elects in its Adoption Agreement for a particular Contribution Type. The Plan Administrator in allocating such contributions must limit each Participant's Compensation in accordance with the provisions of Section 1.11(E). In determining Compensation from which a Participant may make Elective Deferrals, the Compensation dollar limitation described in Section 1.11(E) does not apply.

(C) Allocation Conditions. The Plan Administrator will allocate Employer Contributions only to those Participants who satisfy the Plan's allocation conditions under Section 3.06, if any, for the Contribution Type being allocated.

(D) Time of Payment of Contribution. The Employer may pay Employer Contributions for any Plan Year in one or more installments without interest. Unless otherwise required by the relevant Investment Arrangement Documentation or the Code, the Employer may make an Employer Contribution to the Plan for a particular Plan Year at such time(s) as the Employer in its sole discretion determines. If the Employer makes a contribution for a particular Plan Year after the close of that Plan Year, the Employer will designate the Plan Year for which the Employer is making the Employer Contribution. The Plan will allocate the contribution accordingly.

(E) Return of Employer Contribution. The Employer contributes to the Plan on the condition its contribution is not due to a mistake of fact.

(1) **Request for contribution return/timing.** The Vendor, upon written request from the Employer, must return to the Employer (or, if applicable, directly to the Participant) the amount of the Employer Contribution made by the Employer by mistake of fact.

(2) **Earnings.** The Vendor will adjust the amount of the Employer Contribution returnable under this Section 3.01(E) for any Earnings attributable to the contribution.

(3) **Evidence.** The Vendor may require the Employer to furnish the Vendor whatever evidence the Vendor deems necessary to enable the Vendor to confirm the amount the Employer has requested be returned can be returned consistent with the Code.

(F) Frozen Plans. The Employer in its Adoption Agreement (or in an Employer resolution) may elect to treat the Plan as a Frozen Plan. Under a Frozen Plan, the Employer and the Participants will not make any contributions to the Plan. The Plan provisions, other than those requiring contributions, continue in effect until the Employer terminates the Plan. An Eligible Employee will not become a Participant in a Frozen Plan after the date the Plan becomes a Frozen Plan.

3.02 ELECTIVE DEFERRALS. If the Employer in its Adoption Agreement elects to permit Elective Deferrals, the provisions of this Section 3.02 will apply. A Participant's Elective Deferrals will be made pursuant to a Salary Reduction Agreement unless the Employer elects in its Adoption Agreement to apply the Automatic Deferral provision under Section 3.02(B). The Participant prospectively may modify or revoke a Salary Reduction Agreement, or may file a new Salary Reduction Agreement following a prior revocation, at least once per Plan Year or more frequently as specified in the Plan's Salary Reduction Agreement.

(A) Administrative provisions. The Salary Reduction Agreement shall be made through a form provided by, and filed with, the Plan Administrator or its designated agent. The Employee's elections with respect to Investment Arrangements and allocations (and reallocations) among Accounts, if not included in the Salary Reduction Agreement, shall be included in other records maintained under the Plan.

(1) **Minimum/Maximum Amount.** The Salary Reduction Agreement may establish an annual minimum deferral amount no higher than $200, and may change such minimum to a different amount (but not in excess of $200) from time to time. The Salary Reduction Agreement may also establish a uniform maximum deferral limit in the Salary Reduction Agreement.

(2) **Termination.** Any election on a Salary Reduction Agreement shall remain in effect until a new election is filed or the election is revoked or cancelled. The termination of a Participant's employment automatically revokes the Participant's election with regard to Compensation earned after the Participant is rehired.

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(3) **Effective Date.** A Salary Reduction Agreement may not be effective earlier than the following date which occurs last: (1) under Article 2, the Participant's Entry Date or, in the case of a re-hired Employee, his/her re-participation date; (2) the execution date of the Salary Reduction Agreement; (3) the date the Employer adopts the 403(b) Plan; or (4) the Effective Date of the 403(b) Plan. Subject to these limitations, the Salary Reduction Agreement shall be effective as soon as administratively practical after execution.

(4) **Compensation.** A Salary Reduction Agreement must specify the dollar amount of Compensation or the percentage of Compensation the Participant wishes to defer. The Salary Reduction Agreement will apply: (1) only to Compensation which becomes currently available after the effective date of the Salary Reduction Agreement; and (2) to all or to such Elective Deferral Compensation as the Salary Reduction Agreement indicates, including any Participant elections made in the Salary Reduction Agreement. Also see Section 1.11(G) relating to non-cash Compensation. Participants may not make Elective Deferrals from amounts that are not Code §415 Compensation under Section 4.05(D). In addition, a Participant may not make Elective Deferrals from amounts which are not Compensation under Section 1.11 even if 415 Compensation is more inclusive. In determining Compensation from which a Participant may make Elective Deferrals, the Compensation dollar limitation described in Section 1.11(E) does not apply.

(5) **Additional Rules.** The Plan Administrator in the Plan's Salary Reduction Agreement form, or in a Salary Reduction Agreement policy will specify additional rules and restrictions applicable to a Participant's Salary Reduction Agreement, including but not limited to those regarding the timing, frequency and mechanics of changing or revoking a Salary Reduction Agreement or any uniform limitations with regard to deferrals in addition to those otherwise provided in the Plan. Any such rules and restrictions must be consistent with the Plan and with the Code. The Plan Administrator may provide more than one Salary Reduction Agreement form for use in specific situations.

(B) Automatic Deferrals. The Employer in its Adoption Agreement will elect whether to apply or not apply the Automatic Deferral provisions. The Employer may elect the Automatic Deferral provisions under Section 3.02(B)(1) (an ACA), or Section 3.02(B)(2) (an EACA). The Plan Administrator will treat Automatic Deferrals as Elective Deferrals for all purposes under the Plan, including application of limitations, and distributions. If the Employer in its Adoption Agreement has elected to permit Roth Deferrals, Automatic Deferrals are Pre-Tax Deferrals unless the Employer in Appendix B to its Adoption Agreement elects otherwise. Automatic Deferrals will not apply to a Participant until after the Participant has had a reasonable period of time after being informed of the automatic deferral procedure to make a Contrary Election (and, if applicable, an investment election).

(1) **Automatic Contribution Arrangement (ACA).** If the Employer elects in its Adoption Agreement, the Employer maintains a Plan with Automatic Deferral provisions as an Automatic Contribution Arrangement ("ACA"), effective as of the date the Employer elects in the Adoption Agreement, and the provisions of this Section 3.02(B)(1) will apply.

(a) **Participants subject to ACA.** The Employer in its Adoption Agreement will elect which Participants are subject to the ACA Automatic Deferral on the Effective Date thereof, including some or all current Participants and those Employees who become Participants after the ACA Effective Date.

(b) **Effect of Contrary Election.** A Participant who makes a Contrary Election is not thereafter subject to the Automatic Deferral or to any scheduled increases thereto, even if the Participant later modifies the Contrary Election. A Participant's Contrary Election continues in effect until the Participant subsequently changes his/her Salary Reduction Agreement or the Salary Reduction Agreement is revoked.

(2) **Eligible Automatic Contribution Arrangement (EACA).** If the Employer elects in its Adoption Agreement, the Employer maintains a Plan with Automatic Deferral provisions as an Eligible Automatic Contribution Arrangement ("EACA"), effective as of the date the Employer elects in its Adoption Agreement and the provisions of this Section 3.02(B)(2) will apply.

(a) **Participants subject to EACA.** The Employer in its Adoption Agreement will elect which Participants are subject to the EACA Automatic Deferral on the Effective Date thereof which may include some or all current Participants or may be limited to those Employees who become Participants after the EACA Effective Date.

(i) **EACA Effective Date.** EACA Effective Date means the date on which the EACA goes into effect, either as to the overall Plan or as to an individual Participants as the context requires. An EACA becomes effective as to the Plan as of the date the Employer elects in its Adoption Agreement. A Participant's EACA Effective Date is as soon as practicable after the Participant is subject to Automatic Deferrals under the EACA, consistent with the objective of affording the Participant a reasonable period of time after receipt of the EACA notice to make a Contrary Election (and, if applicable, an investment election).

(b) **Uniformity.** The Automatic Deferral Percentage must be a uniform percentage of Compensation. However, the Plan does not violate the uniform Automatic Deferral Percentage merely because the Plan applies any of the following provisions:

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(i) **Years of participation.** The Automatic Deferral Percentage varies based on the number of Plan Years (or portions of years) the Participant has participated in the Plan while the Plan has applied EACA provisions;

(ii) **No reduction from prior default percentage.** The Employer elects in the Adoption Agreement not to apply Automatic Deferrals to a Participant whose Elective deferrals immediately prior to the EACA's Effective Date were higher than the Automatic Deferral Percentage;

(iii) **Applying statutory limits.** The Plan limits the Automatic Deferral amount so as not to exceed the limits of Code §§402(g) (determined without regard to Age 50 Catch-Up Deferrals), or 415;

(iv) **No deferrals during hardship suspension.** The Plan does not apply the Automatic Deferral during the period of suspension, if so required under the Plan's hardship distribution provisions, of Participant's right to make Elective Deferrals to the Plan following a hardship distribution; or

(v) **Disaggregated groups.** The Plan applies different Automatic Deferral Percentages to different groups if the groups can be disaggregated under Treas. Reg. §1.410(b)-7.

(c) **EACA notice.** The Plan Administrator annually will provide a notice to each Covered Employee within a reasonable period prior to each Plan Year the Employer maintains the Plan as an EACA ("EACA Plan Year").

(i) **Deemed reasonable notice/new Participant.** The Plan Administrator is deemed to provide timely notice if the Plan Administrator provides the EACA notice at least 30 days and not more than 90 days prior to the beginning of the EACA Plan Year.

(ii) **Mid-year notice/new Participant or Plan.** If: (A) an Employee becomes eligible to make Elective Deferrals in the Plan during an EACA Plan Year but after the Plan Administrator has provided the annual EACA notice for that Plan Year; or (B) the Employer adopts mid-year a new Plan as an EACA, the Plan Administrator must provide the EACA notice no later than the date the Employee becomes eligible to make Elective Deferrals. However, if it is not practicable for the Plan Administrator to provide the notice on or before the date an Employee becomes a Participant, then the notice nonetheless will be treated as provided timely if the Plan Administrator provides the notice as soon as practicable after that date and the Employee is permitted to elect to defer from all types of Compensation that may be deferred under the Plan earned beginning on that date.

(iii) **Content.** The EACA notice must provide comprehensive information regarding the Participants' rights and obligations under the Plan and must be written in a manner calculated to be understood by the average Participant.

(d) **EACA permissible withdrawal.** The Employer will elect in its Adoption Agreement whether a Participant who has Automatic Deferrals under the EACA may elect to withdraw all the Automatic Deferrals (and allocable Earnings) under the provisions of this Section 3.02(B)(2)(d). Any distribution made pursuant to this Section will be processed in accordance with normal distribution provisions of the Plan.

(i) **Amount.** If a Participant elects a permissible withdrawal under this Section 3.02(B)(2)(d), then the Plan must make a distribution equal to the amount (and only the amount) of the Automatic Deferrals made under the EACA (adjusted for Earnings to the date of the distribution). The Plan may account separately for Automatic Deferrals, in which case the Plan will distribute the entire Account. If the Plan does not account separately for the Automatic Deferrals, then the Plan must determine Earnings in a manner similar to the rules provided in Treas. Reg. §1.401(k)-2(b)(2)(iv) for the distribution of excess contributions in a 401(k) plan.

(ii) **Fees.** Notwithstanding Section 3.02(B)(2)(d)(i), the Plan Administrator may reduce the permissible distribution amount by any generally applicable fees. However, the Plan may not charge a greater fee for distribution under this Section 3.02(B)(2)(d)(ii), than applies to other distributions. The Plan Administrator may adopt a policy regarding charging such fees consistent with this Paragraph.

(iii) **Timing.** The Participant may make an election to withdraw the Automatic Deferrals under the EACA no later than 90 days, or such shorter period as the Employer specifies in its Adoption Agreement (but not less than 30 days), after the date of the first Automatic Deferral under the EACA. For this purpose, the date of the first Automatic Deferral is the date that the Compensation subject to the Automatic Deferral otherwise would have been includible in the Participant's gross income. For purposes of the preceding sentence, EACAs under the Plan are aggregated, except that the mandatory disaggregation rules of Code §410(b) apply. In addition, a Participant's withdrawal right is not restricted due to the Participant making a

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Contrary Election during the 90-day period (or shorter period as the Employer specifies in its Adoption Agreement).

(iv) **Rehired Employees.** For purposes of Section 3.02(B)(2)(b)(i), the Plan will treat an Employee who for an entire Plan Year did not have contributions made pursuant to a default election under the EACA as having not had such contributions for any prior Plan Year as well.

(v) **Effective date of the actual withdrawal election.** The effective date of the permissible withdrawal will be as soon as practicable, but in no event later than the earlier of: (A) the pay date of the second payroll period beginning after the Participant makes the election; or (B) the first pay date that occurs at least 30 days after the Participant makes the election. The election also will be deemed to be the Participant's Contrary Election to have no Elective Deferrals made to the Plan. However, the Participant may subsequently make a deferral election hereunder.

(vi) **Related Matching Contributions.** The Plan Administrator will not take into account any deferrals withdrawn pursuant to this Section 3.02(B)(2)(d) in computing and allocating Matching Contributions. If the Employer already has allocated Matching Contributions to the Participant's account with respect to Elective Deferrals being withdrawn pursuant to this Section, the Plan must forfeit the Matching Contributions, as adjusted for Earnings.

(vii) **Treatment of withdrawals.** With regard to Elective Deferrals withdrawn pursuant to this Section 3.02(B)(2)(d): (A) the Plan Administrator will disregard such Deferrals for purposes of the Elective Deferral Limit under Section 4.10(A); and (B) such Deferrals are not subject to any spousal consent requirements imposed by the Plan.

(e) **Effect of Contrary Election/Covered Employee status.** A Participant's Contrary Election continues in effect until the Participant subsequently revokes or modifies his/her Salary Reduction Agreement, or the Contrary Election expires. A Participant who makes a Contrary Election is not thereafter subject to the Automatic Deferral or to any scheduled increases thereto, even if the Participant later revokes the Contrary Election or the Contrary Election expires, unless the Participant is a Covered Employee.

(i) **Covered Employee.** A Covered Employee is a Participant who is subject to the EACA. The Employer in its Adoption Agreement will elect whether a Participant who makes a Contrary Election is a Covered Employee. A Covered Employee must receive the annual EACA notice even though the Participant's Contrary Election remains in effect. In addition, a Covered Employee who revokes his/her Contrary Election or whose Contrary Election expires, is thereafter immediately subject to the EACA Automatic Deferral.

(3) **[Reserved]**

(4) **Automatic Contribution Definitions.** The following definitions apply to all Automatic Contribution Arrangements under this Section 3.02(B):

(a) **Automatic Deferral.** An Automatic Deferral is an Elective Deferral that results from the operation of Section 3.02(B)(1) or Section 3.02(B)(2). Under the Automatic Deferral, the Employer automatically will reduce by the Automatic Deferral Percentage or Amount the Compensation of each Participant subject to the Automatic Deferral, except those Participants who timely make a Contrary Election.

(b) **Automatic Deferral Percentage/Increases.** The Automatic Deferral Percentage is the percentage of Automatic Deferral which the Employer elects in its Adoption Agreement including any scheduled increase to the Automatic Deferral Percentage which the Employer may elect. If a Participant subject to the Automatic Deferral elected, before the Effective Date of the Automatic Deferral, to defer an amount which is less than the Automatic Deferral Percentage the Employer has elected in its Adoption Agreement, the Automatic Deferral Percentage includes only the incremental percentage amount necessary to increase the Participant's Elective Deferral to equal the Automatic Deferral Percentage, including any scheduled increases thereto.

(c) **[Reserved]**

(d) **Contrary Election.** A Contrary Election is a Participant's election made after the ACA or EACA Effective Date not to defer any Compensation or to defer an amount which is more or less than the Automatic Deferral Percentage.

(e) **Contrary Election Effective Date.** A Participant's Contrary Election generally is effective as of the first administratively feasible payroll period which follows the payroll period in which the Participant makes the Contrary Election. However, a Participant may make a Contrary Election which is effective: (i) for the first payroll

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period in which he/she becomes a Participant if the Participant makes a Contrary Election within a reasonable period following the Participant's Entry Date and before the Compensation to which the Election applies becomes currently available; or (ii) for the first payroll period following the Effective Date of the Automatic Deferral, if the Participant makes a Contrary Election not later than the Effective Date of the Automatic Deferral.

(C) Elective Deferrals as Employer Contributions. Where the context requires under the Plan, Elective Deferrals are Employer Contributions except: (1) under Section 3.04 relating to allocation of Employer Contributions; (2) under Section 3.06 relating to allocation conditions; and (3) under Section 5.03 relating to vesting.

(D) Qualified Organization Catch-Up. If the Employer is a Qualified Organization, the Employer in its Adoption Agreement may elect to permit a Qualified Participant to make a Qualified Organization Catch-Up Deferral under this Section 3.02(D). Qualified Organization Catch-Up Deferrals are not subject to the Elective Deferral Limit of Section 4.10(A).

(1) **Definition of Qualified Organization Catch-Up Deferral.** For any calendar year in which an Employee has completed at least 15 Years of 403(b) Service with the Qualified Organization, the Elective Deferral Limit will increase by the lesser of (1) $3,000; (2) $15,000 reduced by all the Employee's Qualified Organization Catch-up Deferrals for prior Taxable Years; (3) or the excess of $5,000 multiplied by the number of Years of 403(b) Service of the Employee with the Qualified Organization, over the Employee's deferral contributions made for prior Taxable Years pursuant to Code §§401(k), 408(k)(6), 408(p) or 403(b) other than deferrals under Code §414(v).

(2) **Definition of Qualified Organization.** For purposes of this Section 3.02(D), a "Qualified Organization" has the same meaning as provided in Treas. Reg. §1.403(b)-4(c)(3)(ii). This includes an educational organization described in Code §170(b)(1)(A)(ii), a hospital, a health and welfare service agency (including a home health service agency) or any organization described in Code §414(e)(3)(B)(ii).

(3) **Definition of Qualified Participant.** For purposes of this Section 3.02(D), a "Qualified Participant" means a Participant who has completed at least 15 Years of 403(b) Service with the Qualified Organization.

(4) **Application of Annual Additions Limit.** A Qualified Organization Catch-Up Deferral is subject to the Annual Additions Limit in Section 4.05(B).

(5) **Application of both Catch-Ups.** A Participant, subject to applicable limits, may contribute both a Qualified Organization Catch-Up Deferral and an Age 50 Catch-Up Deferral. The Plan Administrator will treat any amounts so contributed first as a Qualified Organization Catch-Up Deferral.

(E) Age 50 Catch-Up Deferrals. The Employer in its Adoption Agreement may elect to permit Catch-Up Eligible Participants to make Age 50 Catch-Up Deferrals to the Plan under this Section 3.02(E).

(1) **Definition of Catch-Up Eligible Participant.** A Catch-Up Eligible Participant is a Participant who is eligible to make Elective Deferrals and who has attained age 50 or who will attain age 50 before the end of the Taxable Year in which he/she will make a Catch-Up Deferral. A Participant who dies or who incurs a Separation from Service before actually attaining age 50 in such Taxable Year is a Catch-Up Eligible Participant.

(2) **Definition of Age 50 Catch-Up Deferral.** An Age 50 Catch-up Deferral is an Elective Deferral by a Catch-up Eligible Participant and which exceeds: (a) a Plan limit on Elective Deferrals under Section 3.02(A); (b) the Annual Additions Limit under Section 4.05(B); or (c) the Elective Deferral Limit under Section 4.10(A).

(3) **Limit on Age 50 Catch-Up Deferrals.** A Participant's Age 50 Catch-Up Deferrals for a Taxable Year may not exceed the lesser of: (a) 100% of the Participant's Compensation for the Taxable Year when added to the Participant's other Elective Deferrals; or (b) the Catch-Up Deferral dollar limit in effect for the Taxable Year ($6,000 for 2017).

(4) **Adjustment after 2017.** After the 2017 Taxable Year, the IRS will adjust the Age 50 Catch-Up Deferral dollar limit in multiples of $500 under Code §414(v)(2)(C).

(5) **Treatment of Age 50 Catch-Up Deferrals.** Age 50 Catch-Up Deferrals are not: (a) subject to the Annual Additions Limit under Section 4.05(B); or (b) subject to the Elective Deferral Limit under Section 4.10(A).

(6) **Universal availability.** If the Employer permits Age 50 Catch-Up Deferrals to its Plan, the right of all Catch-Up Eligible Participants to make Age 50 Catch-Up Deferrals must satisfy the universal availability requirement of Treas. Reg. §1.414(v)-1(e). If the Employer maintains more than one applicable plan within the meaning of Treas. Reg. §1.414(v)-1(g)(1), and any of the applicable plans permit Catch-Up Deferrals, then any Catch-up Eligible Participant in any such plans must be permitted to have the same effective opportunity to make the same dollar amount of Catch-Up Deferrals. Any Plan-imposed limit that is based on total Elective Deferrals including Catch-Up Deferrals may not be less than 75% of a Participant's gross Compensation.

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(F) Roth Deferrals. The Employer in its Adoption Agreement may elect to permit Roth Deferrals. The Employer must also elect to permit Pre-Tax Deferrals if the Employer elects to permit Roth Deferrals. The Plan Administrator will administer Roth Deferrals in accordance with this Section 3.02(F).

(1) **Treatment of Roth Deferrals.** The Plan Administrator will treat Roth Deferrals as Elective Deferrals for all purposes of the Plan, except where the Plan indicates otherwise.

(2) **Separate accounting.** The Plan will establish a Roth Deferral Account for each Participant who makes any Roth Deferrals and Earnings thereon in accordance with Section 7.04(A)(1). The Plan will establish a Pre-Tax Account for each Participant who makes any Pre-Tax Deferrals in accordance with Section 7.04(A)(1). The Plan will credit only Roth Deferrals and Earnings thereon (allocated on a reasonable and consistent basis) to a Participant's Roth Deferral Account. The Vendor will be responsible only for contributions made under the Vendor's Investment Arrangement. Any Roth Elective Deferrals under an Investment Arrangement will be allocated to a separate Account maintained under the Investment Arrangement for the Participant's Roth Elective Deferrals.

(3) **No re-classification.** An Elective Deferral contributed to the Plan either as a Pre-Tax Deferral or as a Roth Deferral may not be re-classified as the other type of Elective Deferral, provided; however, that a Pre-Tax Deferral may be converted to a Roth Deferral by means of an In-Plan Roth Rollover under Section 3.08(E).

(G) Automatic Escalation. The Employer in its Adoption Agreement will elect whether to apply the Automatic Escalation provisions of this Section 3.02(G) to Salary Reduction Agreements. Such provisions shall apply to affirmative deferral elections and will not apply to Participants for whom the Employer is withholding Automatic Deferrals under Section 3.02(B). In its Adoption Agreement, the Employer will specify the Participants to whom Automatic Escalation applies, the amount by which the Elective Deferrals will increase, and the timing of the increase.

3.03 MATCHING CONTRIBUTIONS. If the Employer elects in its Adoption Agreement to provide for Matching Contributions, the Plan Administrator will apply the provisions of this Section 3.03.

(A) Matching Formula: Type, Rate/Amount, Limitations and Time Period. The Employer in its Adoption Agreement must elect the type(s) of Matching Contributions (Fixed or Discretionary Matching Contributions), and as applicable, the Matching Contribution rate(s)/amount(s), the limit(s) on Elective Deferrals or Employee Contributions subject to match, the limit(s) on the amount of Matching Contributions, and the time period the Plan Administrator will apply in the computation of any Matching Contributions. If the Employer in its Adoption Agreement elects to apply any limit on Matching Contributions based on pay periods or on any other time period which is less than the Plan Year, the Plan Administrator will determine the limits in accordance with the time period specified and will not take into account any other Compensation or Elective Deferrals not within the applicable time period, even in the case of a Participant who becomes eligible for the match mid-Plan Year and regardless of the Employer's election as to Pre-Entry Compensation. Unless otherwise specified in Appendix B to the Adoption Agreement, the Plan Administrator will take Elective Deferrals into account in computing Matching Contributions only if the Elective Deferrals were made after the Participant became eligible for the match. An Employee becomes "eligible for the match" when the Employee becomes a Participant in the Matching Contribution portion of the Plan.

(1) **Fixed Match.** The Employer in its Adoption Agreement may elect to make a Fixed Matching Contribution to the Plan under one or more formulas.

(a) **Allocation.** The Employer may contribute on a Participant's behalf under a Fixed Matching Contribution formula only to the extent that the Participant makes Elective Deferrals or Employee Contributions which are subject to the formula and if the Participant satisfies the allocation conditions for Fixed Matching Contributions, if any, the Employer elects in its Adoption Agreement.

(2) **Discretionary Match.** The Employer in its Adoption Agreement may elect to make a Discretionary Matching Contribution to the Plan.

(a) **Allocation.** To the extent the Employer makes Discretionary Matching Contributions, the Plan Administrator will allocate the Discretionary Matching Contributions to the Account of each Participant entitled to the match under the Employer's discretionary matching allocation formula and who satisfies the allocation conditions for Discretionary Matching Contributions, if any, the Employer elects in its Adoption Agreement. The Employer under a Discretionary Matching Contribution retains discretion over the amount of its Matching Contributions, and, except as the Employer otherwise elects in its Adoption Agreement, the Employer also retains discretion over the matching formula or formulas. See Section 1.47(B).

(3) **Roth Deferrals.** Unless the Employer elects otherwise in its Adoption Agreement, the Employer's Matching Contributions apply in the same manner to Roth Deferrals as they apply to Pre-Tax Deferrals.

(4) **Contribution timing.** The time period that the Employer elects for computing its Matching Contributions does not require that the Employer actually contribute the Matching Contribution at any particular time.

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(5) **Participating Employers.** If any Participating Employers contribute Matching Contributions to the Plan, the Employer in its Adoption Agreement must elect whether the Plan Administrator will allocate Matching Contributions only to Participants directly employed by the contributing Employer or to all Participants regardless of which Employer contributes or how much any Employer contributes. The allocation of Matching Contributions under this Section 3.03(A)(5) also applies to the allocation of any forfeiture attributable to Matching Contributions and which the Plan allocates to Participants.

(B) Matching Catch-Up Deferrals. The Employer in its Adoption Agreement must elect whether or not to match any Catch-Up Deferrals if the Plan permits Catch-Up Deferrals. The Employer's election to match Catch-Up Deferrals will apply to all Matching Contributions or will specify the Fixed Matching Contributions or Discretionary Matching Contributions which apply to the Catch-Up Deferrals. The Employer's election to match Catch-Ups may apply to Age 50 Catch-Ups, or to Qualified Organization Catch-Ups, or to both.

3.04 NONELECTIVE CONTRIBUTIONS. This Section applies to Nonelective Contributions. Except as provided in Section 3.04(D), the provisions of this Section with regard to Nonelective Contributions for a Plan Year are limited to Participants who have Compensation for the Plan Year. Section 3.04(D) describes contributions for former Employees who have Deemed Includible Compensation.

(A) Amount and Type. The Employer in its Adoption Agreement must elect the type and amount of Nonelective Contributions.

(1) **Discretionary Nonelective Contribution.** The Employer in its Adoption Agreement may elect to make Discretionary Nonelective Contributions.

(2) **Fixed Nonelective.** The Employer in its Adoption Agreement may elect to make Fixed Nonelective Contributions. The Employer must specify the time period to which any fixed contribution formula will apply (which is deemed to be the Plan Year if the Employer does not so specify) and must elect the allocation method which may be the same as the contribution formula or may be a different allocation method under Section 3.04(B).

(3) **Mandatory Employee Contributions.** The Employer in its Adoption Agreement may require Mandatory Employee Contributions of some or all Participants either as a condition of employment or through an irrevocable one-time election described in Section 1.24(F). The Employer must specify the time period to which any Mandatory Employee Contribution formula will apply (which is deemed to be the Plan Year if the Employer does not so specify). Any such contribution will be allocated as a Nonelective Contribution to the Account of the Participant who made it. Such amounts will be fully Vested and will not be subject to the allocation conditions of Section 3.06.

(4) **Participating Employers.** If any Participating Employers contribute Nonelective Contributions to the Plan, the Employer in its Adoption Agreement must elect: (a) whether each Participating Employer will be subject to the same or different Nonelective Contribution formulas under Section 3.04(A) and allocation methods under Section 3.04(B) than the Signatory Employer; and (b) whether, under Section 3.04(B), the Plan Administrator will allocate Nonelective Contributions only to Participants directly employed by the contributing Employer or to all Participants regardless of which Employer contributes or how much any Employer contributes. The allocation of Nonelective Contributions under this Section 3.04(A)(4) also applies to the allocation of any forfeiture attributable to Nonelective Contributions and which the Plan allocates to Participants.

(B) Method of Allocation. The Employer in its Adoption Agreement must specify the method of allocating Nonelective Contributions to the Plan. The Plan Administrator will apply this Section 3.04(B) by including in the allocation only those Participants who have satisfied the Plan's allocation conditions under Section 3.06, if any, applicable to the contribution. The Plan Administrator, in allocating a contribution under any allocation formula which is based in whole or in part on Compensation, will take into account Compensation under Section 1.11 as the Employer elects in its Adoption Agreement and only will take into account the Compensation of the Participants entitled to an allocation. In addition, if the Employer has elected in its Adoption Agreement to define allocation Compensation over a time period which is less than a full Plan Year, the Plan Administrator will apply the allocation methods in this Section 3.04(B) based on Participant Compensation within the relevant time period.

(1) **Pro rata allocation formula.** The Employer in its Adoption Agreement may elect a pro rata allocation formula. Under a pro rata allocation formula, the Plan Administrator will allocate the Employer Contributions for a Plan Year in the same ratio that each Participant's Compensation for the Plan Year (or other applicable period) bears to the total Compensation of all Participants for the Plan Year (or other applicable period).

(2) **Permitted disparity allocation formula.** The Employer in its Adoption Agreement may elect a permitted disparity formula, providing allocations described in (a) below.

(a) **Two-tiered formula.**

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(i) **Tier one.** Under the first tier, the Plan Administrator will allocate the Employer Contributions for a Plan Year in the same ratio that each Participant's Compensation plus Excess Compensation (as the Employer defines that term in its Adoption Agreement) for the Plan Year bears to the total Compensation plus Excess Compensation of all Participants for the Plan Year. The allocation under this first tier, as a percentage of each Participant's Compensation plus Excess Compensation, must not exceed the applicable percentage (5.7%, 5.4%, or 4.3%) listed under Section 3.04(B)(2)(b).

(ii) **Tier two.** Under the second tier, the Plan Administrator will allocate any remaining Employer Contributions for a Plan Year in the same ratio that each Participant's Compensation for the Plan Year bears to the total Compensation of all Participants for the Plan Year.

(b) **Maximum disparity table.** For purposes of the permitted disparity allocation formulas under this Section 3.04(B)(2), the applicable percentage is:

Integration level % of Taxable Wage Base	Applicable %
100%	5.7%
More than 80% but less than 100%	5.4%
More than 20% (but not less than $10,001) and not more than 80%	4.3%
20% (or $10,000, if greater) or less	5.7%

For this purpose, the Taxable Wage Base is the contribution and benefit base under section 230 of the Social Security Act in effect at the beginning of the Plan Year. The integration level is the uniform amount specified in the Employer's Adoption Agreement.

(c) **Overall permitted disparity limits.**

(i) **Annual overall permitted disparity limit.** Notwithstanding Section 3.04(B)(2)(a), for any Plan Year the Plan benefits any Participant who benefits under another plan maintained by the Employer that provides for permitted disparity (or imputes disparity), the Plan Administrator will allocate Employer Contributions to the Account of each Participant in the same ratio that each Participant's Compensation bears to the total Compensation of all Participants for the Plan Year.

(ii) **Cumulative permitted disparity limit.** Effective for Plan Years beginning after December 31, 1994, the cumulative permitted disparity limit for a Participant is 35 total cumulative permitted disparity years. "Total cumulative permitted disparity years" means the number of years credited to the Participant for allocation or accrual purposes under the Plan, any other qualified plan or simplified employee pension plan (whether or not terminated) ever maintained by the Employer. For purposes of determining the Participant's cumulative permitted disparity limit, the Plan Administrator will treat all years ending in the same calendar year as the same year. If the Participant has not benefited under a Defined Benefit Plan or under a target benefit plan of the Employer for any year beginning after December 31, 1993, the Participant does not have a cumulative permitted disparity limit.

For purposes of this Section 3.04(B)(2)(c), a Participant "benefits" under a plan for any Plan Year during which the Participant receives, or is deemed to receive, a contribution allocation in accordance with Treas. Reg. §1.410(b)-3(a).

(d) **Pro-ration of integration level.** In the event that the Plan Year is less than 12 months and the Plan Administrator will allocate the Employer Contribution based on Compensation for the short Plan Year, the Plan Administrator will pro rate the integration level based on the number of months in the short Plan Year. The Plan Administrator will not pro rate the integration level in the case of: (i) a Participant who participates in the Plan for less than the entire 12 month Plan Year and whose allocation is based on Participating Compensation; (ii) a new Plan established mid-Plan Year, but with an Effective Date which is as of the beginning of the Plan Year; or (iii) a terminating Plan which bases allocations on Compensation through the effective date of the termination, but where the Plan Year continues for the balance of the full 12 month Plan Year.

(3) **Classifications allocation formula.** The Employer in its Adoption Agreement may elect to specify classifications of Participants to whom the Plan Administrator will allocate any Employer Contribution.

(a) **Classifications.** The Employer may elect to specify any number of classifications and a classification may consist of any number of Participants. The Employer also may elect to put each Participant in his/her own classification.

(b) **Allocation of contribution within classifications.** The Plan Administrator will apportion the Employer Contribution for a Plan Year to the classifications as the Employer designates in writing at the time that the Employer makes the contribution. If there is more than one Participant in a classification, the Plan Administrator

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will allocate the Employer Contribution for the Plan Year within each classification as the Employer elects in its Adoption Agreement which may be: (i) in the same ratio that each Participant's Compensation for the Plan Year bears to the total Plan Year Compensation for all Participants within the same classification (pro rata); or (ii) the same dollar amount to each Participant within a classification.

(c) **Shifting classifications within the Plan Year.** If a Participant during a Plan Year shifts from one classification to another, the Plan Administrator will apportion the Participant's allocation for each classification pro rata based on the Participant's Compensation for the part of the Plan Year the Participant was a member of the classification, unless the Employer in Appendix B to its Adoption Agreement: (i) specifies apportionment based on the number of months or days a Participant spends in a classification; or (ii) elects that the Employer will direct the Plan Administrator as to which classification the Participant will participate in during that entire Plan Year.

(4) **[Reserved]**

(5) **Incorporation of fixed formula.** The Employer in its Adoption Agreement may elect to allocate Employer Contributions in accordance with the Plan's fixed Employer Contribution formula. In such event, the Plan Administrator will allocate the Employer Contributions for a Plan Year in accordance with the Fixed Nonelective or other Employer Contribution formula. See Section (A)(3) regarding the allocation of Mandatory Employee Contributions.

(C) [Reserved]

(D) Former Employees. If the Employer elects in its Adoption Agreement, the Employer may make Nonelective Contributions with respect to one or more former Employees who have Separated from Service and have Deemed Includible Compensation. The Employer in its Adoption Agreement will determine the contribution and which Participants shall be entitled to receive the Nonelective Contribution. If the Employer elects the discretionary contribution, then the Plan Administrator will allocate the contribution in accordance with the principles of Section (B)(3), treating each such former Employee as being in a separate classification. The allocation conditions of Section 3.06 will not apply to contributions made pursuant to this Section and the former Employee will be fully Vested in such contributions. No former Employee will be eligible to receive such an allocation for a calendar year beginning more than the earlier of the Employee's death or five years after the Employee Separated from Service.

3.05 [RESERVED]

3.06 ALLOCATION CONDITIONS. The Employer in its Adoption Agreement will elect the allocation conditions, if any, which the Plan Administrator will apply in allocating Employer Contributions (except for those contributions described below) and in allocating forfeitures allocated as an Employer Contribution under the Plan.

(A) Contributions Not Subject to Allocation Conditions. The Employer may not elect to impose any allocation conditions on: (1) Elective Deferrals; (2) Additional Matching Contributions; (3) Employee Contributions; or (4) Nonelective Contributions to former Employees under Section 3.04(D); or (5) Rollover Contributions.

(B) Conditions. The Employer in its Adoption Agreement may elect to impose allocation conditions based on Hours of Service or employment at a specified time (or both), in accordance with this Section 3.06(B). The Employer may elect to impose different allocation conditions to different Employer Contribution Types under the Plan. A Participant does not accrue an Employer Contribution or forfeiture allocated as an Employer Contribution with respect to a Plan Year or other applicable period, until the Participant satisfies the allocation conditions for that Employer Contribution Type.

(1) **Hours of Service requirement.** The Plan Administrator will not allocate any portion of an Employer Contribution for a Plan Year to any Participant's Account if the Participant does not complete the applicable minimum Hours of Service (or consecutive calendar days of employment under the Elapsed Time Method) requirement the Employer specifies in its Adoption Agreement for the relevant period.

(a) **1,000 HOS in Plan Year/other HOS requirement.** The Employer may elect to require a Participant to complete: (i) 1,000 Hours of Service during the Plan Year (or to be employed for at least 182 consecutive calendar days under the Elapsed Time Method); (ii) a specified number of Hours of Service during the Plan Year which is less than 1,000 Hours of Service; or (iii) a specified number of Hours of Service within the time period the Employer elects in its Adoption Agreement, but not exceeding 1,000 Hours of Service in a Plan Year. The Plan may impose allocation conditions other than those specified here.

(b) **501 HOS/terminees.** The Employer in its Adoption Agreement may elect to require a Participant to complete during a Plan Year 501 Hours of Service (or to be employed for at least 91 consecutive calendar days under the Elapsed Time Method) to share in the allocation of Employer Contributions for that Plan Year where the Participant is not employed by the Employer on the last day of that Plan Year, including the Plan Year in which the Employer terminates the Plan.

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(c) **Short Plan Year or allocation period.** This Section 3.06(B)(1)(c) applies to any Plan Year or to any other allocation time period under the Adoption Agreement which is less than 12 months, where in either case, the Employer creates a short allocation period on account of a Plan amendment, the termination of the Plan or the adoption of the Plan with an initial short Plan Year. In the case of any short allocation period, the Plan Administrator will prorate any Hour of Service requirement based on the number of days in the short allocation period divided by the number of days in the normal allocation period, using 365 days in the case of Plan Year allocation period. The Employer in Appendix B to its Adoption Agreement may elect not to pro-rate Hours of Service in any short allocation period or to apply a monthly pro-ration method.

(2) **Last day requirement.** The Employer may elect to require a Participant to be employed by the Employer on the last day of the Plan Year or other specified period or on a specified date.

(C) Time Period. The Employer in its Adoption Agreement will elect the time period to which the Plan Administrator will apply any allocation condition. The Employer may elect to apply the same time period to all Contribution Types or to elect a different time period based on Contribution Type.

(D) Death, Disability or Retirement Age. The Employer in its Adoption Agreement will elect whether any elected allocation condition applies or is waived for a Plan Year if a Participant incurs a Separation from Service during the Plan Year on account of the Participant's death, Disability or attainment of Normal Retirement Age or Early Retirement Age in the current Plan Year or on account of the Participant's Disability or attainment of Normal Retirement Age or Early Retirement Age in a prior Plan Year. The Employer's election may be based on Contribution Type or may apply to all Contribution Types.

(E) No Other Conditions. In allocating Employer Contributions under the Plan, the Plan Administrator will not apply any other allocation conditions except those the Employer elects in its Adoption Agreement or otherwise as the Plan may require.

3.07 FORFEITURE ALLOCATION. The amount of a Participant's Account forfeited under the Plan is a Participant forfeiture. The Employer may direct the Plan Administrator to use Forfeitures to reinstate previously forfeited Account Balances of Participants, if any, in accordance with Section 5.07, or to satisfy any contribution that may be required pursuant to Section 7.07.

(A) Allocation Method. The Employer may elect to use forfeitures to pay Plan expenses. The Employer in its Adoption Agreement must specify other methods the Plan Administrator will apply to allocate forfeitures. Unless the Employer designates a specific ordering in its Adoption Agreement, the Plan Administrator may allocate the forfeitures by applying one or more of such elected methods in any order as the Plan Administrator operationally may determine, until the forfeitures are fully allocated to the applicable forfeiture allocation Plan Year.

(1) **Forfeiture source.** The Employer in its Adoption Agreement may elect a different allocation method based on the forfeiture source (from Nonelective Contributions or from Matching Contributions) or may elect to apply the same allocation method to all forfeitures.

(a) **Attributable to Matching.** A Participant's forfeiture is attributable to Matching Contributions if the forfeiture is: (i) from the non-Vested portion of a Matching Contribution Account forfeited in accordance with Section 5.07 or, if applicable, Section 7.07; or (ii) an Associated Matching Contribution.

(b) **Definition of Associated Matching Contribution.** An Associated Matching Contribution includes any Vested or non-Vested Matching Contribution (including Allocable Income) made as to Elective Deferrals or Employee Contributions the Plan Administrator distributes under Section 4.02(E) (Excess Amount), Section 4.10(A) (Excess Deferrals), or Section 7.08 relating to Plan correction.

(c) **Forfeiture or distribution of Associated Match.** An Employee forfeits an Associated Matching Contribution. A forfeiture under this Section 3.07(A)(1)(c) occurs no later than the Plan Year after the year for which the Matching Contribution was made and the forfeiture is allocated in the Plan Year described in Section 3.07(B). In the event of correction under Section 7.08 resulting in forfeiture of Associated Matching Contributions, the forfeiture occurs in the Plan Year of correction.

(2) **Application of "reduce" option/excess forfeitures.** If the Employer elects to allocate forfeitures to reduce Nonelective or Matching Contributions and the allocable forfeitures for the forfeiture allocation Plan Year described in Section 3.07(B) exceed the amount of the applicable contribution for that Plan Year to which the Plan Administrator would apply the forfeitures (or there are no applicable contributions under the Plan), the Plan Administrator will allocate the remaining forfeitures in the forfeiture allocation Plan Year. In such event, the Plan Administrator will allocate the remaining forfeitures to pay Plan expenses, as an additional Discretionary Nonelective Contribution or as a Discretionary Matching Contribution, as the Plan Administrator determines.

(3) **Plan expenses.** If the Employer elects to first apply the forfeitures to the payment of Plan expenses, and the forfeitures exceed the Plan's expenses, the Plan Administrator will apply any remaining forfeitures under the additional

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method the Employer has elected in its Adoption Agreement. The Employer may elect not to apply forfeitures to the payment of Plan expenses which are allocated to specific Participant accounts under Section 7.04(C)(2)(b).

(4) **No allocation to Elective Deferral Accounts.** The Plan Administrator will not allocate forfeitures to any Participant's Elective Deferral Account, including his/her Roth Deferral Account.

(5) **Allocation under classifications.** If the Employer in its Adoption Agreement has elected to allocate its Nonelective Contributions based on classifications of Participants, the Plan Administrator will allocate any forfeitures which under the Plan are allocated as additional Nonelective Contributions: (a) first to each classification pro rata in relation to the Employer's Nonelective Contribution to that classification for the forfeiture allocation Plan Year described in Section 3.07(B); and (b) second, the total amount of forfeitures allocated to each classification under (a) are allocated in the same manner as are the Nonelective Contributions to be allocated to that classification.

(6) **Limitation on forfeiture uses.** Forfeitures cannot be used as Elective Deferrals.

(B) Timing (forfeiture allocation Plan Year). The Plan Administrator will allocate Participant forfeitures (including the Earnings thereon) no later than the last day of the Plan Year following the Plan Year in which the forfeiture occurs. See Sections 3.07(A)(1)(c), 5.07 and 7.07 as to when a forfeiture occurs. The Plan Administrator may apply forfeitures to pay Plan expenses which the Plan incurs in the forfeiture allocation Plan Year, but which the Plan Administrator pays within a reasonable time after the end of the forfeiture allocation Plan Year.

(1) **Allocation timing.** The Employer may elect different allocation timing based on the forfeiture source (from Nonelective Contributions or from Matching Contributions) or may elect to apply the same allocation timing to all forfeitures.

(2) **Contribution amount and timing not relevant.** The forfeiture allocation timing rules in this Section 3.07(B) apply irrespective of when the Employer makes its Employer Contribution for the forfeiture allocation Plan Year, and irrespective of whether the Employer makes an Employer Contribution for that Plan Year.

(C) Administration of Account Pending/Incurring Forfeiture. The Plan Administrator will continue to hold the undistributed, non-Vested portion of the Account of a Participant who has incurred a Separation from Service solely for his/her benefit until a forfeiture occurs at the time specified in Section 5.07 or if applicable, until the time specified in Section 7.07.

(D) Participant Does Not Share in Own Forfeiture. A Participant will not share in the allocation of a forfeiture of any portion of his/her Account, even if the Participant otherwise is entitled to an allocation of Employer Contributions and forfeitures in the forfeiture allocation Plan Year described in Section 3.07(B). If the forfeiting Participant is entitled to an allocation of Employer Contributions and forfeitures in the forfeiture allocation Plan Year, the Plan Administrator only will allocate to the Participant a share of the allocable forfeitures attributable to other forfeiting Participants.

(E) Plan Merger. In the event that the Employer merges another plan into this Plan, and does not fully vest upon merger the participant accounts in the merging plan, the Plan Administrator will allocate any post-merger forfeitures attributable to the merging plan in accordance with the Employer's elections in its Adoption Agreement. The Employer may elect to limit any such forfeiture allocation only to those Participants who were also participants in the merged plan, but in the absence of such an election, all Participants who have satisfied any applicable allocation conditions under Section 3.06 will share in the forfeiture allocation.

3.08 ROLLOVER CONTRIBUTIONS. The Plan Administrator will apply this Section 3.08 in administering Rollover Contributions to the Plan, if any.

(A) Policy Regarding Rollover Acceptance. Unless it is prohibited in the Adoption Agreement, the Plan Administrator, operationally (except as to In-Plan Roth Rollover Contributions under Section 3.08(E)), may elect to permit or not to permit Rollover Contributions to this Plan (even if the Plan is a Frozen Plan) or may elect to limit an Eligible Employee's right or a Participant's right to make a Rollover Contribution. The Plan Administrator also may adopt, amend or terminate any policy regarding the Plan's acceptance of Rollover Contributions. If the Employer in its Adoption Agreement elects to permit In-Plan Roth Rollover Contributions, the Plan Administrator will administer In-Plan Roth Rollover Contributions in accordance with Section 3.08(E) and the Employer's Adoption Agreement elections to the extent permitted by the Vendor and the Investment Arrangements.

(1) **Rollover documentation.** If the Plan Administrator permits Rollover Contributions, any Participant (or as applicable, any Eligible Employee), with the Plan Administrator's written consent and after filing with the Plan Administrator the form prescribed by the Plan Administrator, may make a Rollover Contribution to the Plan. Before accepting a Rollover Contribution, the Plan Administrator may require a Participant (or Eligible Employee) to furnish satisfactory evidence the proposed rollover is in fact a permissible "rollover contribution" under the Code.

(B) Limited Testing. A Rollover Contribution is not an Annual Addition under Section 4.05(A).

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(C) Pre-Participation Rollovers. If an Eligible Employee makes a Rollover Contribution to the Plan prior to satisfying the Plan's eligibility conditions or prior to reaching his/her Entry Date, the Plan Administrator must treat the Employee as a limited Participant (as described in Rev. Rul. 96-48). A limited Participant does not share in the Plan's allocation of Employer Contributions nor Participant forfeitures and may not make Elective Deferrals until he/she actually becomes a Participant in the Plan. If a limited Participant has a Separation from Service prior to becoming a Participant in the Plan, the Plan will distribute his/her Rollover Contributions Account to him/her in accordance with Section 6.01(B).

(D) May Include Employee Contributions and Roth Deferrals. A Rollover Contribution may include Employee Contributions and Roth Deferrals made to another plan, as adjusted for Earnings. In the case of Employee Contributions: (1) such amounts must be directly rolled over into this Plan from another plan which is qualified under Code §401(a), or is a 403(b) plan; and (2) the Plan must account separately for the Rollover Contribution, including the Employee Contribution and the Earnings thereon. In the case of Roth Deferrals: (1) such amounts must be directly rolled over into this Plan from another plan which is qualified under Code §401(a) or from a §403(b) plan; (2) the Plan must account separately for the Rollover Contribution, including the Roth Deferrals and the Earnings thereon; and (3) this Plan must permit Roth Deferrals.

(E) In-Plan Roth Rollover Contributions.

(1) **Employer Election.** The Employer in its Adoption Agreement in which the Employer has elected to permit Roth Deferrals also will elect whether to permit an In-Plan Roth Rollover Contribution in accordance with this Section 3.08(E) with regard to otherwise distributable amounts and/or otherwise nondistributable amounts. If the Employer elects to permit such contributions, the Employer in its Adoption Agreement will specify the Effective Date thereof which may not be earlier than distributions made after September 27, 2010, and may not be earlier than January 1, 2013 in the case of rollovers of otherwise nondistributable amounts.

(2) **Eligibility for Distribution and Rollover.** A Participant may not make an In-Plan Roth Rollover Contribution with regard to an otherwise distributable amount which is not an Eligible Rollover Distribution.

(a) **Parties eligible to elect.** The Employer in Appendix B to its Adoption Agreement can limit to Employees the right to elect to make In-Plan Roth rollovers. If the Employer does not make this election, for purposes of eligibility for an In-Plan Roth Rollover, the Plan will treat a Participant's surviving spouse Beneficiary or alternate payee spouse or alternate payee former spouse as a Participant. A non-spouse Beneficiary may not make an In-Plan Roth Rollover.

(b) **Distribution from partially Vested account.** In-Plan Roth Rollovers are permitted only from Vested amounts allocated to a qualifying source but may be made from partially Vested Accounts unless the Employer elects otherwise in Appendix B to its Adoption Agreement. If a distribution is made to a Participant who has not incurred a Severance from Employment and who is not fully Vested in the Participant's Account from which the In-Plan Roth Rollover Contribution is to be made, and the Participant may increase the Vested percentage in such Account, then at any relevant time Section 5.03(C) will apply to determine the Participant's Vested portion of the Account.

(3) **Form and Source of Rollover.**

(a) **Direct Rollover.** An In-Plan Roth Rollover Contribution may be made only by a Direct Rollover.

(b) **Account source.** A Participant may make an In-Plan Roth Rollover from any account (other than a Roth account) unless the Employer otherwise elects in Appendix B to its Adoption Agreement. Also see Section 6.01(D)(7).

(c) **Cash or in-kind.** The Plan Administrator will effect an In-Plan Roth Rollover Contribution by rolling over the Participant's current investments to the In-Plan Roth Rollover Account. A Plan loan cannot be rolled over in an In-Plan Roth Rollover.

(d) **No Rollover or Distribution Treatment.** Notwithstanding any other Plan provision, an In-Plan Roth Rollover Contribution is not a Rollover Contribution for purposes of the Plan. Accordingly: (a) if the Employer in its Adoption Agreement has elected $5,000 as the Plan limit on Mandatory Distributions, the Plan Administrator will take into account amounts attributable to an In-Plan Roth Rollover Contribution, in determining if the $5,000 limit is exceeded, regardless of the Employer's election as to whether to count Rollover Contributions for this purpose; (b) no spousal consent is required for a Participant to elect to make an In-Plan Roth Rollover Contribution; (c) Protected Benefits with respect to the amounts subject to the In-Plan Roth Rollover are preserved; and (d) mandatory 20% federal income tax withholding does not apply to the In-Plan Roth Rollover Contribution.

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(e) **Coordination with Vendor.** In-Plan Roth Rollovers are not permitted from a source or under circumstances not permitted by the Vendor's rules. For example, if a Vendor's rules do not permit in-Plan Roth Rollovers from otherwise nondistributable amounts, then the Participant cannot make such rollovers from Investment Arrangements that Vendor provides.

3.09 EMPLOYEE CONTRIBUTIONS. An Employer must elect in its Adoption Agreement whether to permit Employee Contributions. If the Employer elects to permit Employee Contributions, the Employer also must specify in its Adoption Agreement any limitations which apply to Employee Contributions. Employee Contributions will be accepted for an Investment Arrangement only to the extent permitted in the Investment Arrangement Documentation. If the Employer permits Employee Contributions, the Plan Administrator operationally will determine if a Participant will make Employee Contributions through payroll deduction or by other means.

(A) [Reserved]

(B) Matching. The Employer in its Adoption Agreement must elect whether the Employer will make Matching Contributions as to any Employee Contributions and, as applicable, the matching formula.

(C) Administrative provisions. The Plan Administrator may prescribe one or more forms relating to Employee Contributions, and may adopt an Employee Contribution policy. The Employee Contribution form or policy may specify limits and conditions applicable to Employee Contributions, consistent with Code §403(b).

(1) **Minimum Amount.** The Plan Administrator may establish an annual minimum Employee Contribution, and may change such minimum to a different amount from time to time.

(2) **Termination.** Any election on an Employee Contribution form shall remain in effect until a new election is filed or the election is revoked or otherwise terminates. The termination of a Participant's employment automatically revokes the Participant's election with regard to periods after the Participant is rehired.

3.10 USERRA/HEART ACT CONTRIBUTIONS.

(A) Application. This Section 3.10 applies to an Employee who: (1) has completed Qualified Military Service under USERRA; (2) the Employer has rehired under USERRA; and (3) is a Participant entitled to make-up contributions under Code §414(u). This Section 3.10 also applies to an Employee who dies or becomes disabled while performing Qualified Military Service, as provided in Sections 3.10(K) and the Employer's Adoption Agreement elections.

(B) Employer Contributions. The Employer will make up any Employer Contribution the Employer would have made and which the Plan Administrator would have allocated to the Participant's Account had the Participant remained employed by the Employer during the period of Qualified Military Service.

(C) Compensation. For purposes of this Section 3.10, the Plan Administrator will determine an affected Participant's Compensation as follows. A Participant during his/her period of Qualified Military Service is deemed to receive Compensation equal to that which the Participant would have received had he/she remained employed by the Employer, based on the Participant's rate of pay that would have been in effect for the Participant during the period of Qualified Military Service. If the Compensation during such period would have been uncertain, the Plan Administrator will use the Participant's actual average Compensation for the 12 month period immediately preceding the period of Qualified Military Service, or if less, for the period of employment.

(D) Elective Deferrals/Employee Contributions. If the Plan provided for Elective Deferrals, Employee Contributions or Mandatory Employee Contributions during a Participant's period of Qualified Military Service, the Plan Administrator must allow a Participant under this Section 3.10 to make up such Elective Deferrals, Employee Contributions or Mandatory Employee Contributions to his/her Account. The Participant may make up the maximum amount of Elective Deferrals, Employee Contributions or Mandatory Employee Contributions which he/she under the Plan terms would have been able to contribute during the period of Qualified Military Service (less any such amounts the Participant actually contributed during such period) and the Participant must be permitted to contribute any lesser amount as the Plan would have permitted. The Participant must make up any contribution under this Section 3.10(D) commencing on his/her Re-Employment Commencement Date and not later than five years following reemployment (or if less, a period equal to three times the length of the Participant's Qualified Military Service triggering such make-up contribution).

(E) Matching Contributions. The Employer will make up any Matching Contribution that the Employer would have made and which the Plan Administrator would have allocated to the Participant's Account during the period of Qualified Military Service, but based on any make-up Elective Deferrals or make-up Employee Contributions that the Participant makes under Section 3.10(D).

(F) Limitations/Testing. Contributions under this Section 3.10 are Annual Additions and are tested under Section 4.10(A) (Elective Deferral Limit) in the year to which such contributions are allocated, but not in the year in which such contributions are made.

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(1) **Differential Wage Payments.** The Plan is not treated as failing to meet the requirements of any provision described in this Section 3.10(F) by reason of any contribution or benefit which is based on a Differential Wage Payment. The preceding sentence applies only if all Employees performing service in the uniformed services described in Code §3401(h)(2)(A) are entitled to receive Differential Wage Payments on reasonably equivalent terms and, if eligible to participate in a retirement plan maintained by the Employer, to make contributions based on the payments on reasonably equivalent terms (taking into account Code §§410(b)(3), (4), and (5)). The Plan Administrator operationally may determine, for purposes of any provision described in this Section 3.10(F), whether to take into account any Elective Deferrals, and if applicable, any Matching Contributions, attributable to Differential Wage Payments.

(G) No Earnings. A Participant receiving any make-up contribution under this Section 3.10 is not entitled to an allocation of any Earnings on any such contribution prior to the time that the Employer actually makes the contribution (or timely deposits the Participant's own make-up Elective Deferrals or Employee Contributions) to the Plan.

(H) No Forfeitures. A Participant receiving any make-up allocation under this Section 3.10 is not entitled to an allocation of any forfeitures allocated during the Participant's period of Qualified Military Service.

(I) Allocation Conditions. For purposes of applying any Plan allocation conditions under Section 3.06, the Plan Administrator will treat any period of Qualified Military Service as Service.

(J) HEART Act Death Benefits. If a Participant dies while performing Qualified Military Service, the Participant's Beneficiary is entitled to any additional benefits (other than benefit accruals relating to the period of Qualified Military Service) provided under the Plan as if the Participant had resumed employment and then terminated employment on account of death. Moreover, the Plan will credit the Participant's Qualified Military Service as service for vesting purposes, as though the Participant had resumed employment under USERRA immediately prior to the Participant's death.

(K) HEART Act Continued Benefit Accrual. This Section 3.10(K) does not apply unless the Employer in Appendix B to its Adoption Agreement elects to apply such provisions. If this Section 3.10(K) applies, then for benefit accrual purposes, the Plan treats an individual who dies or becomes disabled while performing Qualified Military Service with respect to the Employer as if the individual had resumed employment in accordance with the individual's reemployment rights under USERRA, on the day preceding death or Disability (as the case may be) and terminated employment on the actual date of death or Disability.

(1) **Determination of benefits.** The Plan will determine the amount of Employee Contributions and the amount of Elective Deferrals of an individual treated as reemployed under this Section 3.10(K) for purposes of applying Code §414(u)(8)(C) on the basis of the individual's average actual Employee Contributions or Elective Deferrals for the lesser of: (a) the 12-month period of service with the Employer immediately prior to Qualified Military Service; or (b) the actual length of continuous service with the Employer.

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ARTICLE 4. LIMITATIONS AND TESTING

4.01 ANNUAL ADDITIONS LIMIT. The amount of Annual Additions which the Plan Administrator may allocate under this Plan to a Participant's Account for a Limitation Year may not exceed the Annual Additions Limit.

(A) Actions to Prevent Excess Amount. If the Annual Additions the Plan Administrator otherwise would allocate under the Plan to a Participant's Account for the Limitation Year would exceed the Annual Additions Limit, the Plan Administrator will not allocate the Excess Amount, but instead will take any reasonable, uniform action the Plan Administrator determines necessary to avoid allocation of an Excess Amount. Such actions include, but are not limited to, those described in this Section 4.01(A). The Plan Administrator may apply this Section 4.01 in a manner which maximizes the allocation to a Participant of Employer Contributions (exclusive of the Participant's Elective Deferrals). Notwithstanding any contrary Plan provision, the Plan Administrator, for the Limitation Year, may: (1) suspend or limit a Participant's additional Employee Contributions or Elective Deferrals; (2) notify the Employer to reduce the Employer's future Plan contribution(s) as necessary to avoid allocation to a Participant of an Excess Amount; or (3) suspend or limit the allocation to a Participant of any Employer Contribution previously made to the Plan (exclusive of Elective Deferrals) or of any Participant forfeiture. If an allocation of Employer Contributions previously made (excluding a Participant's Elective Deferrals) or of Participant forfeitures would result in an Excess Amount to a Participant's Account, the Plan Administrator will allocate the Excess Amount to the remaining Participants who are eligible for an allocation of Employer Contributions for the Plan Year in which the Limitation Year ends. The Plan Administrator will make this allocation in accordance with the Plan's allocation method as if the Participant whose Account otherwise would receive the Excess Amount is not eligible for an allocation of Employer Contributions. If the Plan Administrator allocates to a Participant an Excess Amount, the Plan Administrator must dispose of the Excess Amount in accordance with Section 4.03.

(B) Estimated and Actual Compensation. Prior to the determination of the Participant's actual Compensation for the Limitation Year, the Plan Administrator may determine the Annual Additions Limit on the basis of the Participant's estimated annual Compensation for such Limitation Year. The Plan Administrator will make this determination on a reasonable and uniform basis for all Participants similarly situated. The Plan Administrator must reduce the allocation of any Employer Contribution (including the allocation of Participant forfeitures) based on estimated annual Compensation by any Excess Amounts carried over from prior years. As soon as is administratively feasible after the end of the Limitation Year, the Plan Administrator will determine the Annual Additions Limit on the basis of the Participant's actual Compensation for such Limitation Year.

4.02 ANNUAL ADDITIONS LIMIT CODE §415 AGGREGATED PLANS.

(A) Application of this Section. This Section 4.02 applies only to Participants who, in addition to this Plan, participate in one or more Code §415 Aggregated Plans.

(1) **Definition of Code §415 Aggregated Plans.** Code §415 Aggregated Plans means 403(b) plans maintained by the Employer or a Predecessor Employer and which provide an Annual Addition during the Limitation Year.

(B) Combined Plans Limitation. The amount of Annual Additions which the Plan Administrator may allocate under this Plan to a Participant's Account for a Limitation Year may not exceed the Combined Plans Limitation.

(1) **Definition of Combined Plans Limitation.** The Combined Plans Limitation is the Annual Additions Limit, reduced by the sum of any Annual Additions allocated to the Participant's accounts for the same Limitation Year under the Code §415 Aggregated Plans.

(2) **Prevention.** If the amount the Employer otherwise would allocate to the Participant's Account under this Plan would cause the Annual Additions for the Limitation Year to exceed this Section 4.02(B) Combined Plans Limitation, the Employer will reduce the amount of its allocation to that Participant's Account in the manner described in Section 4.01, so the Annual Additions under all of the Code §415 Aggregated Plans for the Limitation Year will equal the Annual Additions Limit.

(3) **Correction.** If the Plan Administrator allocates to a Participant an amount attributed to this Plan under Section 4.02(D) which exceeds the Combined Plans Limitation, the Plan Administrator must dispose of the Excess Amount in accordance with Section 4.02(E).

(C) Estimated and Actual Compensation. Prior to the determination of the Participant's actual Compensation for the Limitation Year, the Plan Administrator may determine the Combined Plans Limitation on the basis of the Participant's estimated annual Compensation for such Limitation Year. The Plan Administrator will make this determination on a reasonable and uniform basis for all Participants similarly situated. The Plan Administrator must reduce the allocation of any Employer Contribution (including the allocation of Participant forfeitures) based on estimated annual Compensation by any Excess Amounts carried over from prior years. As soon as is administratively feasible after the end of the Limitation Year, the Plan Administrator will determine the Combined Plans Limitation on the basis of the Participant's actual Compensation for such Limitation Year. See Section 4.05(D) regarding the definition of Compensation.

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(D) Ordering Rules. If a Participant's Annual Additions under this Plan and the Code §415 Aggregated Plans result in an Excess Amount, such Excess Amount will consist of the Amounts last allocated. If the Plan Administrator allocates an Excess Amount to a Participant on an allocation date of this Plan which coincides with an allocation date of another plan, unless the Employer specifies otherwise in an Appendix B to its Adoption Agreement, the Excess Amount attributed to this Plan will equal the product of: (1) the total Excess Amount allocated as of such date, multiplied by (2) the ratio of (a) the Annual Additions allocated to the Participant as of such date for the Limitation Year under the Plan to (b) the total Annual Additions allocated to the Participant as of such date for the Limitation Year under this Plan and the Code §415 Aggregated Plans.

(E) Disposition of Allocated Excess Amount Attributable to Plan. The Plan Administrator will dispose of any allocated Excess Amounts described in and attributed to this Plan under Section 4.02(D) as provided in Section 4.03.

(F) Override. The Employer in Appendix B to its Adoption Agreement may specify overriding provisions which will apply to satisfy the requirements of Code §415 and the applicable regulations if the Employer maintains more than one 403(b) plan.

4.03 DISPOSITION OF EXCESS ANNUAL ADDITIONS. If a Participant's Account exceeds the Annual Additions Limit for the Limitation Year, then the Plan Administrator will hold the Excess Amount in a separate account. The Excess Amount held in the separate account is includible in the Participant's gross income (to the extent vested) for the taxable year in which the Employer Contributions exceed the Annual Additions Limit. This separate account will be treated as a separate contract to which 403(c) (or another application provision of the Code) applies. Amounts in the separate account may be distributed at any time, notwithstanding any other provisions of the Plan.

4.04 CONTROLLED EMPLOYER/QUALIFIED DEFINED CONTRIBUTION PLAN.

(A) Application of this Section. If a Participant in a 403(b) Plan owns or controls more than 50% of another employer maintaining a 401(a) or 401(k) plan, the 403(b) Plan is a Defined Contribution Plan maintained both by the controlled employer and by the Participant. In applying the Annual Additions Limit, the Participant must aggregate the 403(b) Plan contributions with all other contributions he/she receives under any qualified 401(a) or 401(k) Defined Contribution Plan the controlled employer maintains.

(B) Control. For purposes of applying the Annual Additions Limit under Section (A), the Plan Administrator determines control under Code §§414(b) or 414(c), as modified by Code §415(h), in accordance with the rules of Treas. Reg. §1.415(f)-1(f).

(C) Annual Additions. For purposes of this Section, Annual Additions include the following amounts in addition to amounts described in Section 4.05: (1) amounts allocated to an individual medical account (as defined in Code §415(l)(2)) included as part of a pension or annuity plan maintained by the Employer; (2) contributions paid or accrued attributable to post-retirement medical benefits allocated to the separate account of a key-employee (as defined in Code §419A(d)(3)) under a welfare benefit fund (as defined in Code §419(e)) maintained by the Employer; and (3) allocations under a simplified employee pension (SEP) described in Code §408(k). However, the amounts described in (1) and (2) apply solely for purposes of the applying the dollar limitation of Section 4.05(B)(i) and do not apply for purposes of the percentage limitation of Section 4.05(B)(ii).

(D) Annual Notice to Participants. The Plan Administrator will provide written or electronic notice to Participants that explains the limitation in this Section 4.04 in a manner calculated to be understood by the average Participant and informs Participants of their responsibility to provide information to the Plan Administrator that is necessary to satisfy this Section. The notice will advise Participants that the application of the limitations in this Section will take into account information supplied by the Participant and that failure to provide necessary and correct information to the Plan Administrator could result in adverse tax consequences to the Participant, including the inability to exclude contributions to the Plan under Code §403(b). The notice will be provided annually, beginning no later than the later of (1) the year in which the Employee becomes a Participant, or (2) the first Plan Year which begins after the Employer adopts this document.

4.05 DEFINITIONS: SECTIONS 4.01-4.04. The following definitions apply for purposes of Sections 4.01 through 4.04, and supersede any contrary definitions in Article 1:

(A) Annual Additions. Annual Additions means the sum of the following amounts allocated to a Participant's Account for a Limitation Year: (1) Employer Contributions (including Elective Deferrals); (2) forfeitures; (3) Employee Contributions; and (4) Mandatory Employee Contributions.

(1) **Exclusions.** Annual Additions do not include: (a) Catch-Up Contributions; (b) Excess Deferrals which the Plan Administrator corrects by distribution by April 15 of the following calendar year; (c) designated IRA contributions; (d) Restorative Payments; (e) transfers to this Plan; (f) Rollover Contributions (as described in Code §§401(a)(31), 402(c)(1), 403(a)(4), 403(b)(8), 408(d)(3), and 457(e)(16)); (g) In-Plan Roth Rollovers, (h) Repayments of loans made to a Participant from the Plan; and (i) Repayments of amounts described in Code §411(a)(7)(B) (in accordance with Code §411(a)(7)(C)) and Code §411(a)(3)(D) or repayment of contributions to a governmental plan (as defined in Code §414(d)) as described in Code §415(k)(3), as well as Employer restorations of benefits that are required pursuant to such repayments.

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(2) **Date of tax-exempt Employer Contributions.** Notwithstanding anything in the Plan to the contrary, Employer Contributions are treated as credited to a Participant's account for a particular Limitation Year only if the contributions are actually made to the Plan no later than the 15th day of the tenth calendar month following the end of the calendar year or fiscal year (as applicable, depending on the basis on which the Employer keeps its books) with or within which the particular Limitation Year ends.

(B) Annual Additions Limit. Annual Additions Limit means the lesser of: (i) $40,000 (or, if greater, the $40,000 amount as adjusted under Code §415(d)), or (ii) 100% of the Participant's Compensation for the Limitation Year. If there is a short Limitation Year because of a change in Limitation Year, the Plan Administrator will multiply the $40,000 (as adjusted) limitation by the following fraction:

$$\frac{\text{Number of months (or fractional parts thereof) in the short Limitation Year}}{12}$$

The 100% Compensation limitation in clause (ii) above does not apply to any contribution for medical benefits within the meaning of Code §401(h) or Code §419A(f)(2) which otherwise is an Annual Addition.

(1) **Single plan treatment of 403(b) Plans.** For purposes of applying the Annual Additions Limit, the Plan Administrator must treat all 403(b) Plans (whether or not terminated) maintained by the Employer as a single plan.

(2) **Certain contributions treated as made to a Defined Contribution Plan.** Solely for purposes of Sections 4.01 through 4.04, the following contributions are treated as contributions to a Defined Contribution Plan: (i) mandatory employee contributions under Code §411(c)(2)(C) made to a Defined Benefit Plan maintained by the Employer, unless such contributions are "picked up" by the Employer under Code §414(h)(2); (ii) contributions to an individual medical account (as defined in Code §415(l)(2)) included as part of a Defined Benefit Plan or annuity plan under Code §401(h) maintained by the Employer; and (iii) a welfare benefit fund under Code §419(e) maintained by the Employer to the extent there are post-retirement medical benefits allocated to the separate account of a key employee (as defined in Code §419A(d)(3)).

(C) Cessation of Affiliation. A Cessation of Affiliation means the event that causes an entity to no longer be aggregated with one or more other entities as a single employer under the employer affiliation rules described in Treas. Reg. §§1.415(a)-1(f)(1) and (2) (such as the sale of a subsidiary outside a controlled group), or that causes a plan to not actually be maintained by any of the entities that constitute the employer under the employer affiliation rules of Treas. Reg. §§1.415(a)-1(f)(1) and (2) (such as a transfer of plan sponsorship outside of a controlled group).

(D) Compensation. Compensation means Includible Compensation and includes Deemed Includible Compensation and Post-Severance Compensation. Compensation includes Elective Deferrals, irrespective of whether the Employer has elected in its Adoption Agreement to include these amounts as Compensation under Section 1.11. No Compensation exclusions the Employer has elected in Question 10 to its Adoption Agreement apply for determining Includible Compensation.

(1) **"First few weeks rule."** If the Employer elects in Appendix B to its Adoption Agreement, the Plan Administrator on a uniform and consistent basis as to similarly situated Participants, will include in Compensation for Code §415 purposes Compensation earned in such Limitation Year but which, solely because of pay period and pay date timing, is paid in the first few weeks of the next following Limitation Year as described in Treas. Reg. §1.415(c)-2(e)(2). This Section 4.05(D)(1) applies to Code §415 testing Compensation but does not affect Compensation for allocation purposes.

(2) **Differential Wage Payment.** The Plan treats a Differential Wage Payment to an Employee as Compensation for purposes of application of the Annual Additions Limit.

(E) Employer. Employer means the Signatory Employer and any Related Employer. Solely for purposes of applying the Annual Additions Limit, the Plan Administrator will determine Related Employer status by modifying Code §§414(b) and (c) in accordance with Code §415(h) and Treas. Reg. §1.415(a)-1(f)(1) and will take into account tax-exempt organizations under Treas. Reg. §1.414(c)-5. For purposes of the limitation of Section 4.04(A), the Employer includes the controlled employer described in Section 4.04.

(F) Excess Amount. Excess Amount means the excess of the Participant's Annual Additions for the Limitation Year over the Annual Additions Limit.

(G) Formerly Affiliated Plan. Formerly Affiliated Plan means a plan that, immediately prior to the Cessation of Affiliation, was actually maintained by one or more of the entities that constitute the Employer (as determined under the employer affiliation rules described in Treas. Reg. §§1.415(a)-1(f)(1) and (2)), and immediately after the cessation of affiliation, is not actually maintained by any of the entities that constitute the Employer (as determined under the employer affiliation rules described in Treas. Reg. §§1.415(a)-1(f)(1) and (2)).

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(H) Limitation Year. See Section 1.45.

(I) Predecessor Employer. Predecessor Employer means a former employer with respect to a participant in a plan maintained by an employer if the employer maintains a plan under which the participant had accrued a benefit while performing services for the employer, but only if that benefit is provided under the plan maintained by the employer. For this purpose, the formerly affiliated plan rules in Treas. Reg. §1.415(f)-1(b)(2) apply as if the Employer and Predecessor Employer constituted a single employer under the rules described in Treas. Reg. §§1.415(a)-1(f)(1) and (2) immediately prior to the Cessation of Affiliation (and as if they constituted two, unrelated employers under the rules described in Treas. Reg. §§1.415(a)-1(f)(1) and (2) immediately after the Cessation of Affiliation) and Cessation of Affiliation was the event that gives rise to the predecessor employer relationship, such as a transfer of benefits or plan sponsorship. With respect to an Employer of a Participant, a former entity that antedates the Employer is a Predecessor Employer with respect to the Participant if, under the facts and circumstances, the Employer constitutes a continuation of all or a portion of the trade or business of the former entity.

(J) Restorative Payment. A Restorative Payment means a payment made to restore losses to a Plan resulting from actions by a fiduciary for which there is reasonable risk of liability for breach of a fiduciary duty under applicable federal or state law, where Participants who are similarly situated are treated similarly with respect to the payments. Generally, payments are Restorative Payments only if the payments are made in order to restore some or all of the Plan's losses due to an action (or a failure to act) that creates a reasonable risk of liability for such a breach of fiduciary duty (other than a breach of fiduciary duty arising from failure to remit contributions to the Plan). This includes payments to the Plan made pursuant to a court-approved settlement, to restore losses to the Plan on account of the breach of fiduciary duty (other than a breach of fiduciary duty arising from failure to remit contributions to the Plan). Payments made to the Plan to make up for losses due merely to market fluctuations and other payments that are not made on account of a reasonable risk of liability for breach of a fiduciary duty are not Restorative Payments and generally constitute contributions that are considered Annual Additions.

4.06 [RESERVED]

4.07 [RESERVED]

4.08 [RESERVED]

4.09 [RESERVED]

4.10 403(b) TESTING. The Plan Administrator will test Elective Deferrals and Employee Contributions under the Plan, in accordance with this Section 4.10.

(A) Annual Elective Deferral Limitation. A Participant's Elective Deferrals for a Taxable Year may not exceed the Elective Deferral Limit. Qualified Organization Catch-up Deferrals and Age 50 Catch-up Deferrals are not subject to the Elective Deferral Limit. See Sections 3.02(D) and (E).

(1) **Definition of Elective Deferral Limit.** The Elective Deferral Limit is the Code §402(g) limitation on each Participant's Elective Deferrals for each Taxable Year as defined in Section 4.10(A)(3). If the Participant's Taxable Year is not a calendar year, the Plan Administrator must apply the Code §402(g) limitation in effect for the calendar year in which the Participant's Taxable Year begins.

(2) **Definition of Excess Deferral.** A Participant's Excess Deferral is the amount of Elective Deferrals for a Taxable Year which exceeds the Elective Deferral Limit.

(3) **Elective Deferral Limit.** The Elective Deferral Limit is the amount as in effect under Code §402(g) ($18,000 in 2017), subject to adjustment by the IRS in multiples of $500 under Code §402(g)(4). However, in no event shall a Participant's Elective Deferrals exceed the Participant's Compensation for the Taxable Year.

(4) **Suspension after reaching limit.** If, pursuant to a Salary Reduction Agreement, the Employer determines a Participant's Elective Deferrals to the Plan for a Taxable Year would exceed the Elective Deferral Limit, the Employer will suspend the Participant's Elective Deferrals under his/her Salary Reduction Agreement, if any, until the following January 1 and will pay to the Participant in cash the portion of the Elective Deferrals which would result in the Participant's Elective Deferrals for the Taxable Year exceeding the Elective Deferral Limit.

(5) **Correction.** If the Plan Administrator determines a Participant's Elective Deferrals already contributed to the Plan for a Taxable Year exceed the Elective Deferral Limit, the Plan Administrator will distribute the Excess Deferrals as adjusted for Allocable Income, no later than April 15 of the following Taxable Year (or if later, the date permitted under Code §§7503 or 7508A).

(6) **415 interaction.** If the Plan Administrator distributes the Excess Deferrals by the April 15 deadline under Section 4.10(A)(5), the Excess Deferrals are not an Annual Addition under Section 4.05, and the Plan Administrator may make the distribution irrespective of any other provision under this Plan or under the Code. Elective Deferrals distributed to a

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Participant as an Excess Amount in accordance with Section 4.03 are not taken into account in determining the Participant's Elective Deferral Limit.

(7) **More than one plan.** If a Participant participates in another plan subject to the Code §402(g) limitation under which he/she makes elective deferrals pursuant to a 401(k) Plan, elective deferrals under a SARSEP, elective contributions under a SIMPLE IRA or salary reduction contributions to a 403(b) plan (irrespective of whether the Employer maintains the other plan), the Participant may provide to the Plan Administrator a written claim for Excess Deferrals made to the Plan for a Taxable Year. The Participant must submit the claim no later than the March 1 following the close of the particular Taxable Year and the claim must specify the amount of the Participant's Elective Deferrals under this Plan which are Excess Deferrals. The Plan Administrator may require the Participant to provide reasonable evidence of the existence of and the amount of the Participant's Excess Deferrals. If the Plan Administrator receives a timely claim which it approves, the Plan Administrator will distribute the Excess Deferrals (as adjusted for Allocable Income under Section 4.11(B)(1)) the Participant has assigned to this Plan, in accordance with this Section 4.10(A). If a Participant has Excess Deferrals because of making Elective Deferrals to this Plan and other plans of the Employer (but where the Elective Deferral Limit is not exceeded based on Deferrals to any single plan), the Participant for purposes of this Section 4.10(A)(7) is deemed to have notified the Plan Administrator of this Plan of the Excess Deferrals.

(8) **Roth and Pre-Tax Deferrals.** If a Participant who will receive a distribution of Excess Deferrals, in the Taxable Year for which the corrective distribution is made, has contributed both Pre-Tax Deferrals and Roth Deferrals, the Plan Administrator operationally will determine the Elective Deferral Account source(s) from which it will direct the Vendor to make the corrective distribution. The Plan Administrator also may permit the affected Participant to elect the source(s) from which the Vendor will make the corrective distribution. However, the amount of a corrective distribution of Excess Deferrals to any Participant from the Pre-Tax Deferral or Roth Deferral sources under this Section 4.10(A)(8) may not exceed the amount of the Participant's Pre-Tax Deferrals or Roth Deferrals for the Taxable Year of the correction.

(B) [Reserved]

(C) [Reserved]

4.11 DEFINITIONS: SECTION 4.10. For purposes of Section 4.10:

(A) [Reserved]

(B) Allocable Income. Allocable Income means as follows:

(1) **Excess Deferrals.** For purposes of making a distribution of Excess Deferrals pursuant to Section 4.10(A), Allocable Income means Earnings allocable to the Excess Deferrals for the Taxable Year in which the Participant made the Excess Deferral.

(a) **Reasonable or alternative (pro rata) method.** To calculate such Allocable Income for the Taxable Year, the Plan Administrator will use: (i) a uniform method which reasonably reflects the manner used by the Plan Administrator to allocate Earnings to Participants' Accounts; or (ii) the "alternative method" under Treas. Reg. §1.402(g)-1(e)(5)(iii). See Section 4.11(B)(2)(a) as to the alternative method except the Plan Administrator will apply such modifications as are necessary to determine Taxable Year Allocable Income with respect to the Excess Deferrals.

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ARTICLE 5. VESTING

5.01 NORMAL/EARLY RETIREMENT AGE. The Employer in its Adoption Agreement must specify the Plan's Normal Retirement Age. If the Employer fails to specify the Plan's Normal Retirement Age in its Adoption Agreement, the Employer is deemed to have elected age 65 as the Plan's Normal Retirement Age. The Employer in its Adoption Agreement may specify an Early Retirement Age. A Participant's Account Balance derived from Employer Contributions is 100% Vested upon and after his/her attaining Normal Retirement Age (or if elected in the Adoption Agreement, Early Retirement Age) if the Participant is employed by the Employer on or after that date and regardless of the Participant's Years of Service for vesting or the Employer's Adoption Agreement elected vesting schedules.

5.02 PARTICIPANT DEATH OR DISABILITY. If the Employer elects in its Adoption Agreement, a Participant's Account Balance derived from Employer Contributions is 100% Vested if the Participant's Severance from Employment is a result of his/her death or his/her Disability.

5.03 VESTING SCHEDULE.

(A) General. Except as provided in Sections 5.01 and 5.02, for each Year of Service as described in Section 5.05, a Participant's Vested percentage of his/her Account Balance derived from Nonelective Contributions and Matching Contributions equals the percentage under the appropriate vesting schedule the Employer has elected in its Adoption Agreement.

(1) **Election of different schedules.** Unless the Employer in its Adoption Agreement elects otherwise, the vesting schedule for Nonelective Contributions will be the same vesting schedule as for Matching Contributions.

(B) Vesting Schedules.

(1) **In General.** Employer Contributions will vest in accordance with the Employer's Adoption Agreement election. The Employer may elect to provide immediate 100% vesting, "3-year cliff," "6-year graded," or a modified vesting schedule. The vesting schedule must be at least as rapid as a 15-year cliff (or a 20-year cliff for a group of employees limited to qualified public safety employees defined in Code §72(t)(10)(B)) or a 5 to 20 year graded vesting schedule. For purposes of the Employer's elections under its Adoption Agreement, "6-year graded," or "3-year cliff" means an Employee's Vested percentage, based on each included Year of Service, under the following applicable schedule:

6-year graded	**3-year cliff**
0-1 year / 0%	0-2 years / 0%
2 years / 20%	3 years / 100%
3 years / 40%	
4 years / 60%	
5 years / 80%	
6 years / 100%	

(C) Vesting Formula. If the Vendor makes a distribution to a Participant from an Account which is not fully Vested, and the Participant has not incurred a Forfeiture Break in Service, the provisions of this Section 5.03(C) apply to the Participant's Account Balance.

(1) **"Grossed Up" formula.** At any relevant time following the distribution, the Plan Administrator will determine the Participant's Vested Account Balance derived from Employer Contributions in accordance with the following formula: P(AB + D) - D. To apply this formula, "P" is the Participant's current vesting percentage at the relevant time, "AB" is the Participant's Employer-derived Account Balance at the relevant time and "D" is the amount of the earlier distribution. If, under a Restated Plan, the Plan has made distribution to a partially-Vested Participant prior to its restated Effective Date, this special vesting formula also applies to that Participant's remaining Account Balance.

(2) **Alternative separate account formula.** The Employer, in Appendix B to its Adoption Agreement, may elect to use the alternative formula. If the Employer elects to use the alternative formula, then the Plan Administrator will establish a separate account for the Participant's Account Balance at the time of the distribution. At any relevant time following the distribution, the Plan Administrator will determine the Participant's Vested Account Balance in such separate account derived from Employer contributions in accordance with the following formula: P(AB + (R x D)) - (R x D). For purposes of this alternative formula, the terms in the preceding Paragraph have the same meaning and "R" is the ratio of "AB" to the Participant's Employer-derived Account Balance immediately following the earlier distribution.

(3) **Application to Nonelective/Matching.** If necessary, the Plan Administrator will determine the Participant's Vested Account Balance for the Participant's Matching Contributions and the Participant's Employer Nonelective Contributions separately.

(D) Special Vesting Elections. The Employer in its Adoption Agreement may elect other specified vesting provisions.

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(E) Fully Vested Amounts. A Participant is 100% Vested in all Accounts which are attributable to Elective Deferrals, Employee Contributions, QNECs, Mandatory Employee Contributions, Nonelective Contributions to former Employees under Section 3.04(D), and Rollover Contributions.

(F) Mergers/Transfers. A merger or transfer of assets from another 403(b) Plan to this Plan does not result, solely by reason of the merger or transfer, in 100% vesting of the merged or transferred assets. The Plan Administrator operationally will determine in the case of a merger or other transfer to the Plan whether: (1) to vest immediately all transferred assets; (2) to vest the transferred assets in accordance with the Plan's vesting schedule applicable to the contribution type being transferred; or (3) to vest the transferred assets in accordance with the transferor plan's vesting schedule(s) applicable to the contribution types being transferred, as such schedules existed on the date of the transfer. The Employer may elect to record such information in its Adoption Agreement as a special Vesting Election.

5.04 [RESERVED]

5.05 YEAR OF SERVICE – VESTING. For purposes of this Article 5, the following definitions and operational rules apply:

(A) Definition of Year of Service. A Year of Service, for purposes of determining a Participant's vesting under Section 5.03, means a Vesting Computation Period during which an Employee completes the number of Hours of Service the Employer specifies in its Adoption Agreement, without regard to whether the Employer continues to employ the Employee during the entire Vesting Computation Period.

(B) Definition of Vesting Computation Period. A Vesting Computation Period is a 12-consecutive month period the Employer elects in its Adoption Agreement.

(C) Counting Years of Service. For purposes of a Participant's Vesting in the Plan, the Plan counts all of an Employee's Years of Service except:

(1) **Forfeiture Break in Service; Cash-Out.** For the sole purpose of determining a Participant's Vested percentage of his/her Account Balance derived from Employer Contributions which accrued for his/her benefit prior to a Forfeiture Break in Service or receipt of a Cash-Out Distribution, the Plan disregards any Year of Service after the Participant first incurs a Forfeiture Break in Service or receives a Cash-out Distribution.

(2) **Other exclusions.** Any Year of Service the Employer elects to exclude under its Adoption Agreement, including service during any period for which the Employer did not maintain the Plan or a predecessor plan.

(D) Elapsed Time. If the Employer in its Adoption Agreement elects to apply the Elapsed Time Method in applying the Plan's vesting schedule, the Plan Administrator will credit service in accordance with Section 1.40(D)(3).

5.06 BREAK IN SERVICE AND FORFEITURE BREAK IN SERVICE – VESTING. For purposes of this Article 5, the following definitions and operational rules apply:

(A) Definition of Break in Service. A Participant incurs a Break in Service if during any Vesting Computation Period he/she does not complete more than 500 Hours of Service. The Plan Administrator may disregard a Break in Service for a Vesting Computation Period if the Employee is in service on the last day of that period. If the Plan applies the Elapsed Time Method of crediting Service, a Participant incurs a Break in Service if the Participant has a Period of Severance of at least 12 consecutive months. If, pursuant to Section 5.05, the Plan does not require more than 500 Hours of Service to receive credit for a Year of Service, a Participant incurs a Break in Service in a Vesting Computation Period in which he/she fails to complete a Year of Service.

(B) Definition of Forfeiture Break in Service. Unless otherwise elected in the Adoption Agreement, a Participant incurs a Forfeiture Break in Service when he/she incurs five consecutive Breaks in Service.

(C) Adoption Agreement provisions. The Employer may specify, in Appendix B to its Adoption Agreement, one or more years or other periods of service which the Plan will disregard for purposes of vesting, based on Separation from Service, Breaks in Service, or Forfeiture Breaks in Service.

5.07 FORFEITURE OCCURS.

(A) Timing. A Participant's forfeiture of his/her non-Vested Account Balance derived from Employer Contributions occurs under the Plan on the earlier of:

(1) **Forfeiture Break.** The last day of the Vesting Computation Period in which the Participant first incurs a Forfeiture Break in Service; or

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(2) **Separation.** As soon as reasonably practical after the date the Participant severs employment.

(B) Vesting Schedule/Lost Participants. The Plan Administrator determines the percentage of a Participant's Account Balance forfeiture, if any, under this Section 5.07 solely by reference to the vesting schedule the Employer elected in its Adoption Agreement. A Participant does not forfeit any portion of his/her Account Balance for any other reason or cause except as expressly provided by this Section 5.07 or as provided under Section 7.07.

5.08 [RESERVED]

5.09 TREATMENT OF NONVESTED AMOUNTS. All Employer Contributions for a Participant, to the extent not vested, will be credited to a separate account for recordkeeping purposes and treated as made to a contract to which Code §403(c) (or another applicable provision of the Code) applies. On or after the date on which the Participant's interest in the separate account becomes nonforfeitable, the contract shall be treated as a Code §403(b) Annuity Contract if: (1) no election has been made under Code §83(b) with respect to the contract; (2) the Participant's interest in the separate account has been subject to a substantial risk of forfeiture before becoming nonforfeitable; (3) contributions subject to different vesting schedules have been maintained in separate accounts; and (4) the separate account at all times satisfied the requirements of Code §403(b) except for the nonforfeitability requirement in Code §403(b)(1)(C). If only a portion of the Participant's interest in a separate account becomes nonforfeitable in a year, then that portion of the contract will be considered a Code §403(b) Annuity Contract and the remaining forfeitable portion will be considered a separate contract to which Code §403(c) (or another applicable provision of the Code) applies. Each contribution (and Earnings thereon) that is subject to a different vesting schedule must be maintained in a separate account for the Participant. The phrase "separate account" used in this Section refers to recordkeeping entries, and does not require the maintenance of a separate account or Annuity Contract.

5.10 EMPLOYEE CONTRIBUTIONS. A Participant who is either fully or partially vested in his or her Employer Contributions will not forfeit any of those contributions merely as the result of a distribution of all or any portion of the Participant's Employee Contributions.

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ARTICLE 6. DISTRIBUTIONS

6.01 TIMING OF DISTRIBUTION. Except as otherwise provided in Section 6.01(A), if the Participant is entitled to a distribution, the Vendor will commence distribution of a Participant's Vested Account Balance in accordance with this Article 6 after the Participant's request on a form prescribed by the Plan or the Vendor. The Vendor may make Plan distributions on any administratively practicable date during the Plan Year, consistent with the Investment Arrangement Documentation.

(A) Relationship between Plan and Investment Arrangement Documentation. This Article 6, together with the corresponding Adoption Agreement elections applies to set forth the permissible distributable events and timing. If the Documentation for a particular Investment Arrangement does not provide for a particular distributable event, then such a distribution is unavailable from that Investment Arrangement. For example, if the Plan allows for hardship distributions, and all Investment Arrangements under the Plan except one permit hardship distributions, then hardship distributions are not available from that one Investment Arrangement. By contrast, if the Plan does not allow hardship distributions, then they are not available under any Investment Arrangement in the Plan, regardless of the Investment Arrangement Documentation. Any distribution is subject to the terms of the applicable Investment Arrangement Documentation.

(B) Entitlement to distribution. A Participant is entitled to a distribution after Severance of Employment at the time specified in the Investment Arrangement Documentation, or, if later, the time specified in the Adoption Agreement. If the Investment Arrangement Documentation does not specify the timing of distributions after Severance of Employment, the Participant is entitled to a distribution within an administratively reasonable period following Severance of Employment. The failure of a Participant to request a distribution shall be deemed to be an election to defer a distribution. The Plan will make distributions following the Participant's death in accordance with Section 6.01(C). A Participant is entitled to a distribution prior to Severance of Employment under the rules of Section 6.01(D) in accordance with the Employer's elections in the Adoption Agreement. However, the Plan will not make a distribution which would violate Section 6.01(E).

(C) Distribution upon Death. In the event of the Participant's death (whether death occurs before or after Severance from Employment), the Plan Administrator will direct the Vendor, in accordance with this Section 6.01(C) and subject to Section 6.02, to distribute to the Participant's Beneficiary the Participant's Vested Account Balance remaining in the Investment Arrangement at the time of the Participant's death.

(1) **Single payment.** If the Participant's Vested Account Balance does not exceed $5,000, the Vendor will distribute the balance without regard to Section 6.04. The distribution will be made in a lump sum (which will be a Cash-Out Distribution if the Participant's Account Balance is not 100% Vested on death) unless the Plan's distribution form provides otherwise. If the Participant's Vested Account Balance exceeds $5,000, the Vendor will distribute the balance subject to Sections 6.02, 6.03, and 6.04.

(D) In-Service Distribution. The Employer in its Adoption Agreement must elect the distribution election rights, if any, a Participant has prior to his/her Severance from Employment ("in-service distribution").

(1) **Vesting/other conditions.** If a Participant receives an in-service distribution as to a partially-Vested Account, and the Participant has not incurred a Forfeiture Break in Service, the Plan Administrator will apply the vesting provisions of Section 5.03(C). The Employer in its Adoption Agreement may elect to limit any in-service distribution only to Participants who are 100% vested or to apply other conditions.

(2) **Participant election.** A Participant must make any permitted in-service distribution election under this Section 6.01(D) in writing and on a form prescribed by the Plan or the Vendor which specifies the percentage or dollar amount of the distribution and the Participant's Plan Account to which the election applies.

(3) **Frequency, timing and form.** The Investment Arrangement Documentation may limit the frequency, timing, and form of in-service distributions.

(4) **Hardship.** See Section 6.07 regarding requirements for distributions based on hardship.

(5) **Rollover Contributions; Employee Contributions.** A Participant may elect to receive an in-service distribution of his/her Accounts attributable to Rollover Contributions and Employee Contributions subject to Sections 6.01(D)(2) and (3), except as the Employer provides otherwise in Appendix B to its Adoption Agreement. Distribution of a Rollover Contribution or Employee Contribution is subject to Section 6.04 if Section 6.04 otherwise applies to the Participant.

(6) **Distribution events for non-Elective Deferral Accounts in Annuity Contracts.** The Employer in its Adoption Agreement may elect to permit an in-service distribution of any Account in an Annuity Contract other than an Elective Deferral Account upon a Participant's attainment of a stated age, after a fixed number of years, or based on some other specified event. Such amounts are not Restricted Balances unless such amounts are QNEC Accounts.

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(7) **In-Plan Roth Rollover Contributions.** Except as otherwise elected in Appendix B to the Adoption Agreement, if the Employer in its Adoption Agreement elects under Section 3.08(E) to permit In-Plan Roth Rollover Contributions, (a) all Accounts (except a Roth Account) from which the Participant could then receive a distribution are eligible for an In-Plan Roth Rollover attributable to otherwise distributable amounts; (b) all Accounts (except a Roth Account) which may not be distributed are eligible for an In-Plan Roth Rollover attributable to otherwise nondistributable amounts; (c) a Participant may distribute and roll over his/her Plan loan in an In-Plan Roth Rollover, but without changing the loan repayment schedule; (d) any amount may be distributed in an In-Plan Roth Rollover with no minimum; (e) a Participant may receive In-Service Distributions from his/her In-Plan Roth Rollover Account under the same conditions as the Participant's Roth Elective Deferral Account; and (f) In-Service Distributions which are eligible for an In-Plan Roth Rollover are limited to those which are available for other types of distributions. If the Employer in Appendix B to its Adoption Agreement provides for In-Service Distributions which are limited to In-Plan Roth Rollovers, the Employer in Appendix B to its Adoption Agreement may permit distribution of an additional amount solely for the purpose of federal or state income tax withholding for the Participant's anticipated tax obligations regarding the amount includible in the Participant's gross income by reason of the In-Plan Roth Rollover (and the amount withheld for income taxes). The Plan Administrator may limit the amount of the 100% withholding distribution to the amount the Plan Administrator reasonably determines is sufficient to satisfy the Participant's federal and/or state income tax liability relating to the Plan distribution. This Section 6.01(D)(7), other than clause (b), is effective no sooner than September 28, 2010. Clause (b) is effective no earlier than January 1, 2013.

(8) **EACA permissible withdrawal.** If the Employer maintains the Plan as an EACA as defined under Section 3.02(B) and the Employer elects in its Adoption Agreement to allow permissible withdrawals, a Participant who has Automatic Deferrals under the EACA may elect to withdraw all the Automatic Deferrals (and allocable Earnings) as a permissible withdrawal. However, if the Employer elects in its Adoption Agreement to limit the group of Participants who are eligible for the permissible withdrawal, only a Participant who is a member of that eligible group may make the election to withdraw, in accordance with the provisions of Section 3.02(B)(2).

(9) **Pre-2009 Annuity Contracts.** If an Annuity Contract an Insurance Company issued before January 1, 2009 provides for In-Service Distributions other than those described in the Adoption Agreement, then amounts held in that Annuity Contract may only be distributed in-service in accordance with its terms.

(10) **Qualified Reservist Distribution ("QRD").** The Employer in its Adoption Agreement may elect to permit in-service distribution of Elective Deferrals as a Qualified Reservist Distribution, or QRD. A QRD means a qualified reservist distribution as defined under Code §72(t)(2)(G)(iii). A QRD is any distribution to an individual who is ordered or called to active duty after September 11, 2001, if: (A) the distribution is from the Elective Deferral Account; (B) the individual was (by reason of being a member of a reserve component, as defined in section 101 of title 37, United States Code) ordered or called to active duty for a period in excess of 179 days or for an indefinite period; and (C) the Plan makes the distribution during the period beginning on the date of such order or call, and ending at the close of the active duty period.

(E) 403(b) Distribution Restrictions (other than those described in (D)(6) above).

(1) **Limitation.** A Participant may not receive a distribution of the Participant's Restricted Balances except in the event of: (a) the Participant's death, Disability, Severance of Employment or attainment of age 59 1/2; (b) except with regard to Employer Contributions under a Custodial Account and QNECs, hardship in accordance with Section 6.07; (c) Plan termination, as provided for in Section 9.05, (d) Excess Deferrals described in Section 4.10(A)(2), (e) corrective distributions under Article 4 or Section 7.08, or otherwise permitted by the Code, or (f) as may otherwise be provided by law and in IRS Guidance. This limitation will be applied in conformance with Treas. Reg. §§1.403(b)-6(c) and (d). Also see Sections 6.05 relating to domestic relations orders and 7.05(G) relating to IRS levies.

(2) **Definition of "Restricted Balances."** A Participant's Restricted Balances are the Participant's Elective Deferral Account under an Annuity Contract, all Accounts under a Custodial Account (or transferred from a Custodial Account) and QNEC Account. Restricted balances do not include (a) Employer Contribution Accounts in an Annuity Contract which were not transferred from a Custodial Account; or (b) any Accounts consisting of Employee Contributions or Rollover Contributions and Earnings thereon; or (c) pre-1989 Elective Deferral contributions and pre-1989 earnings thereon to an Annuity Contract that are separately accounted for.

(F) Mandatory Distributions. The Employer in its Adoption Agreement may elect to have the Plan make Mandatory Distributions. A Mandatory Distribution is a Plan-required distribution to or for a Participant without the Participant's consent upon Severance from Employment, other than a distribution based on the Participant's death or on account of plan termination. A Mandatory Distribution may not exceed the amount the Employer elects in its Adoption Agreement or such lesser amount that may be specified in the Investment Arrangement. In applying the elected Mandatory Distribution amount, the Plan Administrator will include or exclude a Participant's Rollover Contributions Account as the Employer elects in its Adoption Agreement. A Mandatory Distribution does not include the remaining balance of any installment distribution which has already commenced. The Employer will notify the Vendor within a reasonable period of time of each Participant's Severance from Employment. The Vendor, upon notification by the Employer, will distribute a Participant's Mandatory Distribution in a lump sum within a

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reasonable period of time after notification by the Employer of the Participant's Severance from Employment. The provisions of this Section 6.01(F) do not impair the Participant's right to receive a distribution of the Participant's Vested Account Balance under other Plan provisions prior to receipt of the Mandatory Distribution. If the Vendor Documentation provides for Mandatory Distributions, those provisions shall apply to Investment Arrangements held by the Vendor as though elected by the Employer in its Adoption Agreement. See Section 6.08 regarding direct rollovers and automatic rollovers.

(G) FICA Replacement ("3121") Plan Contributions. If this election applies in the Adoption Agreement, prior to Death or Severance from Employment, distributions (including hardships) may not be made from the Participant's Account Balance that is attributable to the amounts contributed to satisfy the FICA replacement contributions (7.5% of the Participant's Compensation up to the applicable year's Taxable Wage Base).

6.02 REQUIRED MINIMUM DISTRIBUTIONS. The Plan will comply with the minimum distribution requirements of Code §401(a)(9) in accordance with the terms governing each Investment Arrangement, unless and to the extent otherwise permitted by law and in regulations or other rules of general applicability published by the IRS. For purposes of applying the distribution rules of Code §401(a)(9), each Investment Arrangement is treated as an individual retirement account (IRA) and distributions shall be made in accordance with the provisions of Treas. Reg. §1.408-8, except as provided in Treas. Reg. §1.403(b)-6(e). "RMD" refers to a required minimum distribution amount the Plan must distribute pursuant to those rules.

6.03 METHOD OF DISTRIBUTION. Subject to any contrary requirements imposed by the Plan or the Adoption Agreement, a Participant or a Beneficiary may elect distribution under any method permitted in the Investment Agreement Documentation. If the Investment Agreement Documentation does not specify, the Participant or Beneficiary may elect to receive payment in the method or methods specified in the Adoption Agreement. If the Participant receives an annuity, the annuity must be nontransferable and otherwise must comply with the Plan terms. This Section 6.03 does not apply to the extent provided in Section 6.01(A).

(A) Account Types/Sourcing Elections. Subject to the Vendor's record keeping requirements, if a Participant who will receive a partial distribution of his/her Plan Account has both a Roth Deferral Account (or some other Account with tax basis) and one or more pre-tax Accounts including a Pre-Tax Deferral Account, the Plan operationally will determine the Account source(s) from which the Vendor will make the distribution. The Plan also may permit the affected Participant to elect the Account source(s) of the Participant's distribution unless such elections are contrary to the Code or the Vendor's record keeping requirements. This Section (A) as to election of Account sources from among multiple sources does not apply to the extent that a Participant is eligible under the Plan terms to receive a distribution only from one specific Account source.

6.04 ANNUITY DISTRIBUTIONS TO PARTICIPANTS AND TO SURVIVING SPOUSES.

(A) Qualified Joint and Survivor Annuity (QJSA). This Section 6.04 does not apply unless the Employer chooses to apply some or all of it in the Adoption Agreement. If this Section does apply, the Vendor will distribute a married or unmarried Participant's Vested Account Balance in the form of a QJSA (or in the form of a QOSA described in Section 6.04(A)(8)), unless the Participant, and spouse if the Participant is married, waive the QJSA in accordance with this Section 6.04(A).

(1) **Definition of QJSA if married.** If, as of the Annuity Starting Date, the Participant is married (even if the Participant has not been married throughout the one year period ending on the annuity starting date), a QJSA is an immediate annuity which is purchasable with the Participant's Vested Account Balance and which provides a life annuity for the Participant and a survivor annuity payable for the remaining life of the Participant's surviving spouse equal to at least 50% of the amount of the annuity payable during the life of the Participant.

(2) **Definition of QJSA if not married.** If, as of the Annuity Starting Date, the Participant is not married, a QJSA is an immediate life annuity for the Participant which is purchasable with the Participant's Vested Account Balance.

(3) **Modification of QJSA benefit.** An individual Investment Arrangement or the Employer in Appendix B to its Adoption Agreement may specify a different percentage (more than 50% but not exceeding 100%) for the survivor annuity.

(4) **Definitions of life/survivor annuity.** A life annuity means an annuity payable to the Participant in equal installments for the life of the Participant that terminates upon the Participant's death. A survivor annuity means an annuity payable to the Participant's surviving spouse in equal installments for the life of the surviving spouse that terminates upon the death of the surviving spouse.

(5) **QJSA notice/timing.** At least 30 days and not more than 180 days before the Participant's Annuity Starting Date, the Plan must provide the Participant a written explanation of the terms and conditions of the QJSA, the Participant's right to make, and the effect of, an election to waive the QJSA benefit, the rights of the Participant's spouse regarding the waiver election and the Participant's right to make, and the effect of, a revocation of a waiver election.

(6) **Waiver frequency and timing.** The Plan does not limit the number of times the Participant may revoke a waiver of the QJSA or make a new waiver during the election period. The Participant (and his/her spouse, if the Participant is married), may revoke an election to receive a particular form of benefit at any time until the Annuity Starting Date.

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(7) **Married Participant waiver.** A married Participant's QJSA waiver election is not valid unless: (a) the Participant's spouse (to whom the survivor annuity is payable under the QJSA), after the Participant has received the QJSA notice, has consented in writing to the waiver election, the spouse's consent acknowledges the effect of the election, and a notary public or the Plan Administrator (or his/her representative) witnesses the spouse's consent; (b) the spouse consents to the alternative form of payment designated by the Participant or to any change in that designated form of payment; and (c) unless the spouse is the Participant's sole primary Beneficiary, the spouse consents to the Participant's Beneficiary designation or to any change in the Participant's Beneficiary designation.

(a) **Effect of spousal consent/blanket waiver.** The spouse's consent to a waiver of the QJSA is irrevocable, unless the Participant revokes the waiver election. The spouse may execute a blanket consent to the Participant's future payment form election or Beneficiary designation, if the spouse acknowledges the right to limit his/her consent to a specific designation but, in writing, waives that right.

(b) **Spousal consent not required.** The Plan will accept as valid a waiver election which does not satisfy the spousal consent requirements if it is established to the satisfaction of the Plan Administrator that: (i) the Participant does not have a spouse, (ii) the spouse cannot be located, (iii) the Participant is legally separated or has been abandoned (within the meaning of applicable state law) and the Participant has a court order to that effect, or (iv) other circumstances exist under which ERISA excuses the spousal consent requirement (even though the Plan is not subject to ERISA). If the Participant's spouse is legally incompetent to give consent, the spouse's legal guardian (even if the guardian is the Participant) may give consent.

(8) **Qualified Optional Survivor Annuity (QOSA).** A Participant who elects to waive the QJSA form of benefit is entitled to elect the QOSA at any time during the applicable QJSA election period. The QJSA notice will explain the terms and conditions of the QOSA. The QJSA provisions of Section 6.04(A) apply to a QOSA the Participant elects pursuant to this Section 6.04(A)(8).

(a) **Definition of QOSA.** A QOSA is an Annuity Contract: (i) for the life of the Participant with a Survivor Annuity for the life of the spouse which is equal to the Applicable Percentage of the amount of the annuity which is payable during the joint lives of the Participant and the spouse; and (ii) which is the actuarial equivalent of a single annuity for the life of the Participant. A QOSA also includes any annuity in a form having the effect of an annuity described in the preceding sentence.

(b) **Definition of Applicable Percentage.** For purposes of this Section 6.04(A)(8), the Applicable Percentage is based on the Survivor Annuity percentage under the Plan's QJSA. If the Survivor Annuity percentage is less than 75%, then the Applicable Percentage is 75%. If the Survivor Annuity percentage is greater than or equal to 75%, the Applicable Percentage is 50%.

(c) **No spousal consent requirement for QOSA.** A Participant may elect a QOSA without spousal consent.

(B) Qualified Preretirement Survivor Annuity (QPSA). If a married Participant dies prior to his/her Annuity Starting Date, the Plan Administrator will direct the Vendor to distribute a portion of the Participant's Vested Account Balance to the Participant's surviving spouse in the form of a QPSA, unless the Participant has a valid waiver election in effect or unless the Participant and his/her spouse were not married throughout the one year period ending on the date of the Participant's death.

(1) **Definition of QPSA.** A QPSA is an annuity which is purchasable with 50% of the Participant's Vested Account Balance (determined as of the date of the Participant's death) and which is payable for the life of the Participant's surviving spouse.

(2) **Modification of QPSA.** An individual Investment Arrangement or the Employer in its Adoption Agreement may elect not to apply the one-year marriage rule requirement as described in Section 6.04(H) or may specify a different percentage (more than 50% but not exceeding 100%) for the QPSA.

(3) **Ordering rule.** The value of the QPSA is attributable to Employer Contributions, to Pre-Tax Deferrals, and to Roth Deferrals in the same proportion as the Participant's Vested Account Balance is attributable to those contributions.

(4) **Disposition of remaining balance.** The portion of the Participant's Vested Account Balance not payable as a QPSA is payable to the Participant's Beneficiary, in accordance with the remaining provisions of this Article 6.

(5) **Surviving spouse elections.** If the Participant's Vested Account Balance which the Vendor would apply to purchase the QPSA exceeds $5,000, the Participant's surviving spouse may elect to have the Vendor commence payment of the QPSA at any time following the date of the Participant's death, but not later than Section 6.02 requires, and may elect any of the forms of payment described in Section 6.03, in lieu of the QPSA. In the absence of an election by the surviving spouse, the Plan Administrator must direct the Vendor to distribute the QPSA on the earliest administratively practicable date following the close of the Plan Year in which the latest of the following events occurs: (a) the

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Participant's death; (b) the date the Plan Administrator receives notification of or otherwise confirms the Participant's death; (c) the date the Participant would have attained Normal Retirement Age; or (d) the date the Participant would have attained age 62.

(6) **QPSA notice/timing.** The Plan must provide a written explanation of the QPSA to each married Participant within the following period which ends last: (a) the period beginning on the first day of the Plan Year in which the Participant attains age 32 and ending on the last day of the Plan Year in which the Participant attains age 34; (b) a reasonable period after an Employee becomes a Participant; (c) a reasonable period after Section 6.04 of the Plan becomes applicable to the Participant; or (d) a reasonable period after the Plan no longer satisfies the requirements for a fully subsidized benefit. A "reasonable period" described in clauses (b), (c) and (d) is the period beginning one year before and ending one year after the applicable event. If the Participant separates from Service before attaining age 35, clauses (a), (b), (c) and (d) do not apply and the Plan must provide the QPSA notice within the period beginning one year before and ending one year after the Separation from Service. The QPSA notice must describe, in a manner consistent with IRS Guidance, the terms and conditions of the QPSA and of the waiver of the QPSA, comparable to the QJSA notice required under Section 6.04(A)(5).

(7) **Waiver frequency and timing.** The Plan does not limit the number of times the Participant may revoke a waiver of the QPSA or make a new waiver during the election period. The election period for waiver of the QPSA ends on the date of the Participant's death. A Participant's QPSA waiver election is not valid unless the Participant makes the waiver election after the Participant has received the QPSA notice and no earlier than the first day of the Plan Year in which he/she attains age 35. However, if the Participant incurs a Separation from Service prior to the first day of the Plan Year in which he/she attains age 35, the Plan Administrator will accept a waiver election as to the Participant's Account Balance attributable to his/her Service prior to his/her Separation from Service. In addition, if a Participant who has not incurred a Separation from Service makes a valid waiver election, except for the age 35 Plan Year timing requirement above, the Plan Administrator will accept that election as valid, but only until the first day of the Plan Year in which the Participant attains age 35.

(8) **Spousal consent to waiver.** A Participant's QPSA waiver is not valid unless the Participant's spouse (to whom the QPSA is payable) satisfies or is excused from the consent requirements as described in Section 6.04(A)(7)(b), except the spouse need not consent to the form of benefit payable to the designated Beneficiary. The spouse's consent to the waiver of the QPSA is irrevocable, unless the Participant revokes the waiver election. The spouse also may execute a blanket consent as described in Section 6.04(A)(7)(a).

(C) Effect of Waiver. If the Participant has in effect a valid waiver election regarding the QJSA or the QPSA, the Vendor will distribute the Participant's Vested Account Balance in accordance with Sections 6.01, 6.02 and 6.03.

(D) Loan Offset. The Plan will reduce the Participant's Vested Account Balance by any security interest (pursuant to any offset rights authorized by Section 6.06) held by the Plan or Vendor under the Investment Arrangement by reason of a Participant loan, to determine the value of the Participant's Vested Account Balance distributable in the form of a QJSA or QPSA, provided the loan satisfied the spousal consent requirement described in Section 7.06(D).

(E) Effect of QDRO. For purposes of applying this Article 6, a former spouse (in lieu of the Participant's current spouse) is the Participant's spouse or surviving spouse to the extent provided under a QDRO described in Section 6.05. The provisions of this Section 6.04 apply separately to the portion of the Participant's Vested Account Balance subject to a QDRO and to the portion of the Participant's Vested Account Balance not subject to the QDRO.

(F) Vested Account Balance Not Exceeding $5,000. The Vendor must distribute in a lump sum, a Participant's Vested Account Balance which the Vendor otherwise under Section 6.04 would apply to provide a QJSA or QPSA benefit, where the Participant's Vested Account Balance does not exceed $5,000.

(G) [Reserved]

(H) One-Year Marriage Rule. The Employer in its Adoption Agreement will elect whether to apply the "one-year marriage rule". If the Employer elects to apply the one-year marriage rule, a Participant is not considered married unless the Participant and his/her spouse were married throughout the one year period ending on the date of the Participant's death.

6.05 DISTRIBUTIONS UNDER A QDRO. Notwithstanding any other provision of this Plan, the Vendor, in accordance with the direction of the Plan Administrator, must comply with the provisions of a QDRO, as defined in Code §414(p)(1)(A), which is issued with respect to the Plan.

(A) Distribution at any Time. This Plan specifically permits distribution to an alternate payee under a QDRO at any time, irrespective of whether the Participant has attained his/her earliest retirement age (as defined under Code §414(p)(4)(B)) under the Plan. However, a distribution to an alternate payee prior to the Participant's attainment of earliest retirement age is available only if: (1) the QDRO specifies distribution at that time or permits an agreement between the Plan and the alternate payee to authorize an earlier distribution; and (2) if the present value of the alternate payee's benefits under the Plan exceeds $5,000, and

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the QDRO requires the alternate payee's consent to any distribution occurring prior to the Participant's attainment of earliest retirement age, the alternate payee gives such consent.

(B) Plan Terms Otherwise Apply. Except as to timing of distribution commencement under Section 6.05(A), nothing in this Section 6.05 gives a Participant or an alternate payee a right to receive a type or form of distribution, to receive any option or to increase benefits in a manner that the Plan does not permit.

(C) QDRO Procedures. The Plan Administrator must establish reasonable procedures to determine the qualified status of a domestic relations order (as defined under Code §414(p)(1)(B) and Section 1.58).

(1) **Notices and order status.** Upon receiving a domestic relations order, the Plan Administrator promptly will notify the Participant and any alternate payee named in the order, in writing, of the receipt of the order and the Plan's procedures for determining the qualified status of the order. Within a reasonable period of time after receiving the domestic relations order, the Plan Administrator must determine the qualified status of the order and must notify the Participant and each alternate payee, in writing, of the Plan Administrator's determination. The Plan Administrator must provide notice under this Section 6.05(C)(1) by mailing to the individual's address specified in the domestic relations order, or in a manner consistent with DOL regulations. If the order is not determined to be a QDRO, then no amounts will be paid pursuant to the order to the alternate payee.

(2) **Interim amounts payable.** If any portion of the Participant's Vested Account Balance is payable under the domestic relations order during the period the Plan Administrator is making its determination of the qualified status of the domestic relations order, the Plan Administrator must maintain a separate accounting of the amounts payable. If the Plan Administrator determines the order is a QDRO within 18 months of the date amounts first are payable following receipt of the domestic relations order, the Plan Administrator will direct the Vendor to distribute the payable amounts in accordance with the QDRO. If the Plan Administrator does not make its determination of the qualified status of the order within the 18-month determination period, the Plan Administrator will direct the Vendor to distribute the payable amounts in the manner the Plan would distribute if the order did not exist and will apply the order prospectively if the Plan Administrator later determines the order is a QDRO.

(3) **Segregated Account.** To the extent it is not inconsistent with the provisions of the QDRO, the Plan Administrator under Section 7.04(A)(2)(c) may direct the Vendor to segregate the QDRO amount in a segregated investment account. The Vendor will make any payments or distributions required under this Section 6.05 by separate benefit checks or other separate distribution to the alternate payee(s).

6.06 DEFAULTED LOAN – TIMING OF OFFSET. If a Participant or a Beneficiary defaults on a Plan loan, the Plan will determine the timing of the reduction (offset) of the Participant's Vested Account Balance in accordance with this Section 6.06, the Plan's loan policy and Code §72(p) and regulations thereunder.

(A) Offset if Distributable Event. If the Participant has defaulted and met a distributable event under the Code, the Vendor, at the time of the loan default, may offset the Participant's Vested Account Balance by the lesser of the amount in default (including accrued interest) or the Plan's security interest in that Vested Account Balance.

(B) Restricted Accounts. To the extent the loan is attributable to the Participant's Restricted Balances, the Vendor will not offset the Participant's Vested Account Balance prior to the earlier of the date the Participant incurs a Severance from Employment, Disability, or the date the Participant attains age 59 1/2. Consistent with its loan policy, the Plan also may offset a Participant's defaulted loan upon Plan termination, provided the Participant's Account Balance is distributable upon Plan termination.

6.07 HARDSHIP DISTRIBUTIONS. Hardship distributions are permitted under the Plan to the extent permitted by the Adoption Agreement. However, in no event will a hardship distribution be available under an Investment Arrangement which does not provide for hardship distributions. Any hardship distribution will comply with the standards in Section 6.07(A) and comply with the operational rules in Section 6.07(B). Section 6.07(C) contains definitions which apply to hardship distributions.

(A) Standards. All hardship distributions must comply with Treas. Reg. §1.401(k)-1(d)(3). If the Employer elects in its Adoption Agreement to use the hardship (safe harbor), then hardship distributions will conform to the safe harbor need and safe harbor necessity rules. A hardship distribution from an Investment Arrangement attributable to a Participant's Elective Deferrals is limited to the aggregate dollar amount of the Participant's Elective Deferrals under the Investment Arrangement (and may not include any income thereon), reduced by the aggregate dollar amount of the distributions previously made to the participant from the Investment Arrangement.

(B) Operational rules.

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(1) **Deferral suspension.** To the extent a hardship distribution to a Participant must comply with the safe harbor necessity rules, the Participant will not be able to make Elective Deferrals or Employee Contributions under the Plan during the 6-month period beginning on the date the Participant receives the hardship distribution. The Plan Administrator or the Vendor may adopt a uniform policy that such a suspension will have the effect of revoking the Participant's Salary Reduction Agreement; however, the Participant must have the effective opportunity to enter into a new Salary Reduction Agreement effective after the expiration of the 6-month suspension period.

(2) **Information sharing.** The Employer and the Vendors will exchange information to the extent necessary to implement hardship provisions. If a hardship distribution to a Participant conforms to the safe harbor necessity rules, the Vendor will notify the Employer of the distribution so the Employer can implement the restriction in Section 6.07(B)(1). If the hardship distribution does not comply with the safe harbor necessity rules (because it complies with Treas. Reg. §1.401(k)-1(d)(3)(iii)(B)), the party responsible for approving the distribution must obtain information from the Employer and other Vendors to determine the amount of any plan loans and rollover accounts that are available to the Participant under the Plan to satisfy the financial need. See also Section 9.07 regarding information sharing.

(3) **Beneficiary hardship distribution.** A hardship distribution on account of a hardship need of the Participant's Beneficiary is available unless otherwise elected in the Adoption Agreement.

(C) Definitions.

(1) **Safe harbor need.** A distribution conforms to the safe harbor need rules if it is for a purpose described in Treas. Reg. §1.401(k)-1(d)(3)(iii)(B), as modified by Q&A 5 of Notice 2007-7 (relating to beneficiary hardship distributions) or other IRS guidance.

(2) **Safe harbor necessity.** A distribution conforms to the safe harbor necessity rules if the amount of the distribution does not exceed the amount of the Participant's immediate and heavy financial need and the distribution otherwise complies with Treas. Reg. §1.401(k)-1(d)(3)(iv)(E).

(D) Ordering. If the Plan permits a hardship distribution from more than one Account type, the Plan (or the Participant in a form that the Plan provides for this purpose), subject to the Investment Arrangement Documentation, may determine any ordering of a Participant's hardship distribution from the hardship distribution eligible Accounts, including ordering as between the Participant's Pre-Tax Deferral Account and Roth Deferral Account, if any, provided that any ordering is consistent with any restriction on hardship distributions under this Section 6.07.

6.08 DIRECT ROLLOVER OF ELIGIBLE ROLLOVER DISTRIBUTIONS.

(A) Election. A Participant (including for this purpose, a former Employee) may elect, at the time and in the manner prescribed by the Vendor, to have any portion of his/her Eligible Rollover Distribution from the Plan paid directly to an Eligible Retirement Plan specified by the Participant in a Direct Rollover. For purposes of this Section 6.08, a Participant includes as to their respective interests: (1) a Participant's surviving spouse, (2) the Participant's spouse or former spouse who is an alternate payee under a QDRO, or (3) any other Beneficiary of a deceased Participant who is a Designated Beneficiary under Treas. Reg. §1.401(a)(9)-4.

(B) Rollover and Withholding Notice. At least 30 days and not more than 180 days prior to the distribution of an Eligible Rollover Distribution, the Plan must provide a written notice (including a summary notice as permitted under applicable IRS Guidance) explaining to the distributee the rollover option, the applicability of mandatory 20% federal withholding to any amount not directly rolled over, and the recipient's right to roll over within 60 days after the date of receipt of the distribution ("rollover notice"). A recipient of an Eligible Rollover Distribution (whether he/she elects a Direct Rollover or elects to receive the distribution), also may elect to receive distribution at any administratively practicable time which is earlier than 30 days (but more than seven days if Section 6.04 applies) following receipt of the rollover notice. The provisions of this Sections 6.08(B) do not apply to distributions to a Beneficiary described in Section 6.08(A)(3).

(C) [Reserved]

(D) Automatic Rollover. In the event of a Mandatory Distribution described in Section 6.01(F) greater than $1,000 to a Participant (or such lesser amount as the Vendor may determine or the Employer elects in its Adoption Agreement), if the Participant does not elect to have such distribution paid directly to an Eligible Retirement Plan the Participant specifies in a Direct Rollover or to receive the distribution directly, then the Vendor will pay the distribution in a Direct Rollover to an Individual Retirement Plan. In applying this Section 6.08(D), the Vendor will aggregate a Participant's Roth Deferral and Pre-Tax Deferral Accounts if each Account Balance exceeds $200. If either the Roth Deferral Account or the Pre-Tax Deferral Account is less than $200, the Vendor will apply this Section 6.08(D) only to the other Account and will not aggregate the Account Balance under $200 with the other Account Balance.

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(1) **Determination of Mandatory Distribution amount – Rollovers count.** The Vendor, in determining whether a Mandatory Distribution is greater than $1,000 for purposes of this Section 6.08(D), will include the portion of the Participant's distribution attributable to any Rollover Contribution, regardless of the Employer's Adoption Agreement election to include or exclude Rollover Contributions in defining a Mandatory Distribution.

(2) **Beneficiaries, alternate payees and termination.** The automatic rollover provisions of this Section 6.08(D) do not apply to payees described in Section 6.08(A)(1), (2), or (3) or to distributions to a Participant upon Plan termination.

(E) Limitation on Roth Rollovers. If a Participant wishes to roll over his/her Roth Deferral Account by a 60-day indirect rollover, the Participant may roll over only the taxable portion of the distribution to a Roth account in another plan. However, a Participant may use the 60-day rule to roll over the entire Roth Deferral Account to a Roth IRA.

(F) Definitions. The following definitions apply to this Section 6.08:

(1) **Direct Rollover.** A Direct Rollover is a payment by the Plan to the Eligible Retirement Plan the distributee specifies in his/her Direct Rollover election or in the case of an automatic rollover, to the individual retirement plan that the Plan designates.

(2) **Eligible Retirement Plan.** An Eligible Retirement Plan is an individual retirement plan, an annuity plan described in Code §403(a), a qualified trust described in Code §401(a), an arrangement described in Code §403(b), or an eligible deferred compensation plan described in Code §457(b) sponsored by a governmental employer which accepts the Participant's or alternate payee's Eligible Rollover Distribution. However, with regard to a Participant's Roth Deferral Account, an Eligible Retirement Plan is a Roth IRA described in Code §408A, a Roth account in another plan which permits Roth deferrals. In the case of a Beneficiary described in Section 6.08(A)(3), an Eligible Retirement Plan is limited to an individual retirement plan that has been established on behalf of the Beneficiary as an inherited IRA (within the meaning of Code §408(d)(3)(C)).

(3) **Eligible Rollover Distribution.** An Eligible Rollover Distribution is any distribution of all or any portion of the Participant's Vested Account Balance, except: (a) any distribution which is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of the Participant or the joint lives (or joint life expectancies) of the Participant and the Participant's designated beneficiary, or for a specified period of ten years or more; (b) any RMD under Section 6.02; (c) the portion of any distribution which is not includible in gross income (determined without regard to the exclusion for net unrealized appreciation with respect to employer securities); (d) any hardship distribution; (e) any distribution which otherwise would be an Eligible Rollover Distribution, but where the total distributions to the Participant during that calendar year are reasonably expected to be less than $200; (f) any corrective distribution of excess amounts under Code §§402(g), 401(k), 401(m), and/or 415(c) and income allocable thereto; (g) any loans that are treated as deemed distributions under Code §72(p) (h) dividends paid on employer securities described in Code §408(k); (i) the costs of life insurance coverage (P.S. 58 costs); (j) prohibited allocations treated as deemed distributions under Code §409(p); and (k) permissible withdrawals from an EACA described in Code §414(w). For purposes of clause (e), a Participant's Roth Deferral Account is deemed to constitute a separate plan that is subject to a separate $200 limit. A portion of a distribution shall not fail to be an Eligible Rollover Distribution merely because the portion consists of after-tax employee contributions which are not includible in gross income. However, such portion may be transferred only to (i) an individual retirement account or annuity described in Code §§408(a) or 408(b) or (ii) a qualified plan described in Code §§401(a) or 403(a), or (iii) a tax-sheltered annuity described in Code §403(b) that agrees to separately account for amounts so transferred, including separately accounting for the portion of such distribution which is includible in gross income and the portion of such distribution which is not so includible.

(4) **Individual Retirement Plan.** An Individual Retirement Plan is an individual retirement plan described in Code §408(a) or an individual retirement annuity described in Code §408(b).

6.09 REPLACEMENT OF $5,000 AMOUNT. An individual Investment Arrangement or the Employer in Appendix B to its Adoption Agreement may specify that as to any or all places in the Plan, including in Section 3.08, Article 6, or Section 9.05(C) where a $5,000 amount appears, a lesser amount will apply. However, the Adoption Agreement provides a specific election with regard to the limit on Mandatory Distributions under Section 6.01(F) and that limit will apply to those distributions.

6.10 SEVERANCE FROM EMPLOYMENT. For purposes of Article 6, Severance from Employment or Separation from Service occurs on any date on which an Employee ceases to be an Employee of an Eligible Employer, even though the Employee may continue to be employed either (A) by another entity that is a Related Employer if that other entity is not an entity that can be an Eligible Employer or (B) in a capacity that is not employment with an Eligible Employer. However, an Employee has not suffered a Severance from Employment if the Employee transfers from one Code §501(c)(3) organization to another §501(c)(3) organization that is a Related Employer or if an Employee transfers from one Public School to another Public School of the same State employer. An Employee does not have a Severance from Employment if, in connection with a change of employment, the Employee's new employer maintains the Plan with respect to the Employee. For example, a new employer maintains a plan with respect to an Employee by continuing or assuming sponsorship of the plan or by accepting a transfer of Plan assets and liabilities with respect to the Employee.

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6.11 DEEMED SEVERANCE DISTRIBUTIONS. The Employer in its Adoption Agreement will elect whether to permit a deemed severance distribution. If the Employer elects to permit a deemed severance distribution, then notwithstanding Section 1.27(A), if a Participant performs service in the uniformed services (as defined in Code §414(u)(12)(B)) on active duty for a period of more than 30 days, the Participant will be deemed to have a Severance from Employment solely for purposes of distribution of amounts from Contribution Types the Employer has selected in the Adoption Agreement. If a Participant elects to receive a distribution on account of this deemed severance, and the distribution includes any of the Participant's Elective Deferrals, then the individual may not make Elective Deferrals or Employee Contributions to the Plan during the 6-month period beginning on the date of the distribution. If a Participant would be entitled to a distribution on account of a deemed severance, and a distribution on account of another Plan provision (such as a QRD), then the other Plan provision will control and the 6-month suspension will not apply.

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ARTICLE 7. ADMINISTRATIVE PROVISIONS

7.01 EMPLOYER ADMINISTRATIVE PROVISIONS.

(A) Information to Plan Administrator. The Employer must supply current information to the Plan Administrator, including the name, date of birth, date of employment, Compensation, leaves of absence, Years of Service and date of Separation from Service of each Employee who is, or who will be eligible to become, a Participant under the Plan, together with any other information which the Plan Administrator considers necessary to properly administer the Plan. The Plan Administrator will supply to the Vendors the information necessary for the administration of their Investment Arrangements and for overall Plan coordination. The Employer's records as to the current information the Employer furnishes to the Plan Administrator are conclusive as to all persons. Each Participant shall provide at the time of initial enrollment, and later if there are any changes, any information necessary or advisable for the administration of the Plan, including any information required under the terms governing an Investment Arrangement holding any part of the Participant's Account Balance.

(B) Plan Contributions. The Employer is solely responsible to determine the proper amount of any Employer Contributions it makes to the Plan and for the timely deposit to the Investment Arrangement of the Employer Contributions, Employee Contributions, and Elective Deferrals.

(C) Employer Action. The Employer must take any action under the Plan in accordance with applicable Plan provisions and with proper authority such that the action is valid and binding upon the Employer.

(D) No Responsibility for Others. The Employer has no responsibility or obligation under the Plan to Employees, Participants or Beneficiaries for any act (unless the Employer also serves in such capacities) required of the Plan Administrator, a Vendor, or any other service provider to the Plan.

(E) Indemnity of Certain Fiduciaries. Unless prohibited by State law, the Employer will indemnify, defend and hold harmless the Plan Administrator from and against any and all loss resulting from liability to which the Plan Administrator may be subjected by reason of any act or omission (except willful misconduct or gross negligence) in its official capacities in the administration of this Plan, including attorneys' fees and all other expenses reasonably incurred in the Plan Administrator's defense, in case the Employer fails to provide such defense. The Plan Administrator and the Employer may execute a written agreement further delineating the indemnification agreement of this Section 7.01(E). The indemnification provisions of this Section 7.01(E) do not extend to any Vendor (including where the Vendor under Section 1.72 is serving as the Plan Administrator), third party administrator, or other Plan service provider unless so provided in a written agreement (including Investment Arrangement Documentation) executed by such persons and the Employer.

(F) [Reserved]

(G) [Reserved]

7.02 PLAN ADMINISTRATOR.

(A) Expenses. The Employer or the Plan will pay all reasonable expenses of the Plan Administrator, in accordance with Section 7.04(C)(2).

(B) Resignation and Removal. If one or more persons other than the Employer are serving as Plan Administrator, such person(s) will serve until they resign by written notice to the Employer or until the Employer removes them by written notice. In case of a vacancy in the position of Plan Administrator, the Employer will exercise any and all of the powers, authority, duties and discretion conferred upon the Plan Administrator pending the filling of the vacancy.

(C) General Powers and Duties. To the extent not formally or informally delegated to another party pursuant to Section 7.02(F), the Plan Administrator has the following general powers and duties which are in addition to those the Plan otherwise accords to the Plan Administrator:

(1) **Eligibility/benefit determination.** To determine the rights of eligibility of an Employee to participate in the Plan, all factual questions that arise in the course of administering the Plan, the value of a Participant's Account Balance (based on the value of the Investment Arrangement assets, as determined by the Vendor) and the Vested percentage of each Participant's Account Balance.

(2) **Rules/policies.** To adopt rules of procedure and regulations or policies the Plan Administrator considers reasonable or necessary for the proper and efficient administration of the Plan, provided the rules are not inconsistent with the terms of the Plan, the Code or the Investment Arrangement. The Plan Administrator may, but is not required to reduce such rules, regulations or policies to writing. The Plan Administrator at any time may amend or terminate prospectively any Plan policy without the requirement of a formal Plan amendment. The Plan Administrator also may create and modify

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from time to time an administrative checklist which is not part of the Plan, but which is for the purpose of tracking certain plan operational features and to facilitate proper administration of the Plan.

(3) **Construction/enforcement.** To construe and enforce the terms of the Plan and the rules and regulations and policies the Plan Administrator adopts, including discretion to interpret the basic plan document, the Adoption Agreement and any document related to the Plan's operation.

(4) **Distribution/valuation.** To direct the Vendor regarding the crediting and distribution of an Investment Arrangement and to establish additional Valuation Dates and direct the Vendor to conduct interim valuations as of such Valuation Dates.

(5) **Claims.** To review and render decisions regarding a claim for (or denial of a claim for) a benefit under the Plan.

(6) **Information to Employer.** To furnish the Employer with information which the Employer may require for tax or other purposes.

(7) **Service providers.** To engage the service of agents whom the Plan Administrator may deem advisable to assist it with the performance of its duties.

(8) **Investment Manager.** If the Plan Administrator is the Named Fiduciary, to engage the services of an Investment Manager or Managers, each of whom will have full power and authority to manage, acquire or dispose (or direct the Vendor with respect to acquisition or disposition) of any Plan asset under such Manager's control.

(9) **Funding.** The Plan Administrator will review, not less often than annually, all pertinent Employee information and Plan data in order to establish the funding policy of the Plan and to determine the appropriate methods of carrying out the Plan's objectives. The Plan Administrator must communicate periodically, as it deems appropriate, to the Vendor and to any Plan Investment Manager the Plan's short-term and long-term financial needs for the coordination of the Plan's investment policy with Plan financial requirements.

(10) **Records.** To maintain Plan records and records of the Plan Administrator's activities as necessary or appropriate for the proper administration of the Plan.

(11) **Tax returns and other filings.** To file with IRS as may be required, the Plan's informational tax return and to make such other filings as the Plan Administrator deems necessary or appropriate.

(12) **Notices and disclosures.** To give and to make to Participants and to other parties all Plan related notices and disclosures required under the Code.

(13) **Overpayment.** As may be required or appropriate, to seek return from a Participant or Beneficiary of any distributed amount which exceeds the distributable Vested Account Balance (or exceeds the amount which otherwise should have been distributed) and to allocate any recovered overpayment in accordance with the Plan terms.

(14) **Catch-all.** To make any other determinations and undertake any other actions the Plan Administrator in its discretion believes are necessary or appropriate for the administration of the Plan (except to the extent that the Employer provides express contrary direction) and to otherwise administer the Plan in accordance with the Plan terms.

(D) 403(b) Plan Salary Deferrals. The Plan Administrator may adopt such policies regarding Elective Deferrals as it deems necessary or appropriate to administer the Plan. The Plan Administrator also will prescribe a Salary Reduction Agreement form for use by Participants. However, a Vendor may prescribe forms or policies necessary or appropriate to administering Elective Deferrals to the Vendor's Investment Arrangement.

(E) Limitations on Plan Administrator Responsibility.

(1) **Acts of others.** The Plan Administrator has no responsibility or obligation under the Plan to Participants or Beneficiaries for any act (unless the Plan Administrator also serves in such capacities) required of the Employer, the Vendor, or any other service provider to the Plan.

(2) **Plan contributions.** The Plan Administrator, if not the Employer, is not responsible to collect any required Plan contribution or to determine the correctness of any Employer contribution.

(3) **Reliance on information.** The Plan Administrator and the Vendors in administering the Plan are entitled to, but are not required to rely upon, information which a Participant, Beneficiary, Vendor, the Employer, a Plan service provider or representatives thereof provide.

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(F) Allocation of Responsibilities. Persons to whom administrative functions have been allocated and the specific functions allocated to such persons shall be identified in Appendix D to the Adoption Agreement. Service agreements and other records or information pertaining to the administration of the Plan may be included or incorporated by reference in the Appendix. The Appendix will also include a list of all the Vendors of Investment Arrangements approved for use under the Plan, including sufficient information to identify the approved Investment Arrangements. The Appendix may be modified from time to time. A modification of Appendix D to the Adoption Agreement is not an amendment of the Plan. Persons identified in Appendix D to the Adoption Agreement to whom administrative functions have been delegated shall have all power and authority of the Plan Administrator to the extent necessary or appropriate to perform those functions.

7.03 DIRECTION OF INVESTMENT.

(A) Employer direction of Investment. The Employer has the right to select the Investment Arrangements made available under the Plan unless an Investment Manager is doing so.

(B) Participant Direction of Investment. The Participant generally has the responsibility to invest his/her Plan Account unless the Plan Administrator or the Participant appoint an Investment Manager to invest the Plan Accounts. The Plan Administrator may impose reasonable administrative conditions on the Participants' ability to direct their Account investments. For purposes of this Section 7.03(B), a Participant includes a Beneficiary where the Beneficiary has succeeded to the Participant's Account and where the Plan Administrator's policy affords the Beneficiary the same (or different) self-direction rights as a Participant.

(1) **Vendor authorization and procedures.** The Vendor only will accept direction from each Participant (or from the Participant's properly appointed independent investment adviser or financial planner) in the form or in the manner that the Plan provides or otherwise approves for this purpose. The Plan may establish procedures relating to Participant direction of investment under this Section 7.03(B) as are not inconsistent with the Plan Administrator's policy regarding Participant direction, including procedures or conditions for electronic transfers or for changes in investments by Participants or by their appointed independent advisers or planners.

(2) **Participant loans.** As part of the loan policy the Plan establishes under Section 7.06, the Plan under Section 7.06(E) may treat a Plan loan made to a Participant as a Participant direction of investment.

(3) **Investment services programs.** The Plan may permit Participants to appoint an Investment Manager or Managers, which may be a Vendor or an affiliate thereof, to render investment allocation services, investment advice or management services (collectively, an "investment services program") to the appointing Participants.

(C) Direction Consistent with Plan. To constitute a proper direction, any direction of investment given to a Vendor under the Plan must be in accordance with the Plan terms.

7.04 ACCOUNT ADMINISTRATION, VALUATION AND EXPENSES.

(A) Maintenance of Accounts. The Plan Administrator will maintain, or direct the Vendors to maintain, a separate Account, or multiple Accounts, in the name of each Participant to reflect the Participant's Account Balance under the Plan. The Plan Administrator will make its allocations of Earnings or request the Vendors to make its allocations, to the Accounts of the Participants as necessary to maintain proper Plan records: (a) in accordance with the contribution source under Section 7.04(A)(1); (b) in accordance with Section 3.06 allocation conditions; (c) consistent with the Plan Administrator's establishment of investment account types under Section 7.04(A)(2); and (d) consistent with the Employer's Adoption Agreement elections as to method of allocation of Earnings under Section 7.04(B)(4).

(1) **By contribution source.** The Plan, or Vendor, as necessary for the proper administration of the Plan, will establish Plan Accounts for each Participant to reflect his/her Accounts attributable to the following contribution sources and the Earnings attributable thereto: Pre-Tax Deferrals, Roth Deferrals, in-plan Roth rollovers, Employee Contributions, Mandatory Employee Contributions, Matching Contributions, Nonelective Contributions, QNECs and Rollover Contributions (including Roth and pre-tax amounts).

(2) **By investment account type.** The Plan, as necessary for the proper administration of the Plan, will establish separate Accounts for each Participant to reflect his/her investment account types as described below:

(a) **Group Account.** A group Account is an Account which for investment purposes is not a segregated Account or an individual Account. A group Account includes a group Investment Arrangement. If any or all Plan investment Accounts are grouped, each Participant's Account has an undivided interest in the assets comprising the group Account. In a group Account, the value of each Participant's Account Balance consists of that proportion of the net worth (at fair market value) of the Investment Arrangement which the net credit balance in his/her Account (exclusive of the cash value of incidental benefit insurance contracts) bears to the total net credit balance in the Accounts (exclusive of the cash value of the incidental benefit insurance contracts) of all Participants plus the cash surrender value of any incidental benefit insurance contracts held by the Vendor on the Participant's life.

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As of each Valuation Date, the Plan Administrator must reduce a Participant's Accounts for any forfeiture arising from Section 5.07 after the Plan Administrator has made all other allocations, changes or adjustments to the Account. In a group Account, the Vendor titles the Investment Arrangement in the name of the Plan.

(b) **Individual Accounts.** An individual Account is an Account that is established and maintained for a Participant to invest in one or more Investment Arrangements in which other Participants do not have any interest. A Participant may have one or more individual Accounts in addition to group or segregated Accounts. An individual Account is credited and charged with the Earnings under Section 7.04(B)(4). As of each Valuation Date, the Plan Administrator must reduce an individual Account for any forfeiture arising from Section 5.07 after the Plan Administrator has made all other allocations, changes or adjustments to the Account. In an individual Account, the Vendor titles the Investment Arrangement in the name of the Participant or the Plan. The Plan Administrator may prohibit investment of funds in individual Accounts to the extent that those funds are not 100% Vested.

(c) **Segregated Accounts.** A segregated Account is an Account the Plan Administrator establishes and maintains or directs the Vendor to establish and maintain for a Participant: (i) to facilitate installment payments under Section 6.03; (ii) to hold a QDRO amount under Section 6.05; (iii) to prevent a distortion of Plan Earnings allocations; or (iv) for such other purposes as the Plan Administrator may direct. A segregated Account receives all income it earns and bears all expense or loss it incurs. The Vendor will invest the assets of a segregated Account consistent with the purpose for which the Vendor established the Account. As of each Valuation Date, the Plan Administrator must reduce a segregated Account for any forfeiture arising under Section 5.07 after the Plan Administrator has made all other allocations, changes or adjustments to the Account.

(3) **Value of Account/distributions.** The value of a Participant's Account is equal to the sum of all contributions, Earnings and other additions credited to the Account, less all distributions (including distributions to Beneficiaries and to alternate payees and also including disbursement of Plan loan proceeds), expenses and other charges against the Account as of a Valuation Date or other relevant date. For purposes of a distribution under the Plan, the value of a Participant's Account Balance is its value as of the Valuation Date immediately preceding the date of the distribution.

(B) Allocation of Earnings. This Section 7.04(B) applies solely to the allocation of Earnings of the Investment Arrangement. Any references in this Section 7.04(B) to the Plan Administrator include a Vendor. The Plan Administrator will allocate Employer Contributions and Participant forfeitures, if any, in accordance with Article 3.

(1) **Allocate as of Valuation Date.** As of each Valuation Date, the Plan Administrator must adjust Accounts to reflect Earnings since the last Valuation Date.

(2) **Definition of Valuation Date.** The Valuation Date or Dates applicable to a given Investment Arrangement will be as specified in the Investment Arrangement Documentation.

(3) **Definition of Valuation Period.** The Valuation Period is the period beginning on the day after the last Valuation Date and ending on the current Valuation Date.

(4) **Allocation methods.** The Vendor will allocate Earnings to the Participant Accounts in accordance with the Investment Arrangement Documentation.

(C) Plan Expenses. The Plan Administrator must determine whether a particular Plan expense is a settlor expense which the Employer must pay.

(1) **Employer election as to non-settlor expenses.** The Employer will direct the Plan Administrator as to whether the Employer will pay any or all non-settlor reasonable Plan expenses or whether the Plan must bear the expense.

(2) **Allocation of Plan expense.** As to any and all non-settlor reasonable Plan expenses, including Vendor fees, which the Employer determines that the Plan will pay, the Plan Administrator has discretion: (i) to determine the method of allocating reasonable Plan expenses that are charged to the Plan as a whole; (ii) to determine which reasonable Plan expenses the Plan will charge to an individual Participant's Account; and (iii) to adopt an expense policy regarding the foregoing. The Plan Administrator must exercise its discretion under this Section 7.04(C)(2) in a reasonable, uniform manner. Subject to the terms of the Investment Arrangement Documentation, the Plan Administrator will direct the Vendor to pay from the Investment Arrangement or to charge to the overall Plan or to particular Accounts the expenses under this Section 7.04(C)(2) in accordance with the Plan Administrator's election of expense charging method or policy.

(a) **Charge to overall Plan.** If the Plan Administrator charges a Plan expense to the Accounts of all Participants, the Plan Administrator may allocate the Plan expense either pro rata in relation to the total balance in each Account on the date the expense is allocated (or as of the most recent Valuation Date) or per capita (an equal amount) to each Participant's Account.

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(b) **Charge to individual Participant Accounts.** The Plan Administrator if provided by the Investment Arrangement Documentation, may charge a Participant's Account for any reasonable Plan expenses directly related to that Account, including, but not limited to the following categories of fees or expenses: distribution, loan, QDRO, "lost Participant" search, account maintenance, brokerage accounts, expedited check delivery, investment management (including registered investment advisors' fees) and benefit calculations. The Plan Administrator may charge a Participant's Account for the reasonable expenses incurred in connection with the maintenance of or a distribution from that Account even if the charging of such expenses would result in the elimination of the Participant's Account or in the Participant's not receiving an actual distribution. However, if the actual Account expenses exceed the Participant's Account Balance, the Plan Administrator will not charge the Participant outside of the Plan for such excess expenses.

(c) **Participant's direct payment of investment expenses.** The Plan Administrator may permit Participants to pay directly to the service provider, outside the Plan, Plan expenses such as investment management fees, provided such expenses: (i) would be properly payable either by the Employer or the Plan and are not "settlor" expenses payable exclusively by the Employer; (ii) are not paid in fact by the Employer or by the Plan; and (iii) are not intrinsic to the value of the Plan assets as described in Rev. Rul. 86-142 or in any successor ruling. This Section 7.04(C)(2)(c) does not permit a Participant to reimburse the Plan for expenses the Plan previously has paid. To the extent a Participant does not pay an expense the Participant may pay according to this Section 7.04(C)(2)(c), the Plan Administrator will charge the expense under Sections 7.04(C)(2)(a) or 7.04(C)(2)(b) in accordance with the Plan Administrator's expense policy.

(d) **Charges to former Employee-Participants.** The Plan Administrator may charge reasonable Plan expenses to the Accounts of former Employee-Participants, even if the Plan Administrator does not charge Plan expenses to the Accounts of current Employee-Participants. The Plan Administrator may charge the Accounts of former Employee-Participants by applying one of the Section 7.04(C)(2)(a) or (b) methods.

(D) Fee Recapture Account. The Plan Administrator in its discretion may use a Fee Recapture Account to pay non-settlor Plan Expenses and may allocate funds in the Fee Recapture Account (or excess funds therein after payment of Plan Expenses) as Earnings. The Plan Administrator will exercise its discretion in a reasonable manner. The Employer, in Appendix B to its Adoption Agreement, may specify a particular method the Plan Administrator will use to allocate excess funds in the Fee Recapture Account. A Fee Recapture Account is an account designated to receive amounts which a Plan service provider receives in the form of 12b-1 fees, sub-transfer agency fees, shareholder servicing fees or similar amounts (also known as "revenue sharing"), which the service provider receives from a source other than the Plan and which the service provider may remit to the Plan.

(E) Late Trading and Market Timing Settlement. In the event the Plan becomes entitled to a settlement from a mutual fund or other investment relating to late trading, market timing or other activities, the Plan Administrator will allocate the settlement proceeds to Participants and Beneficiaries in a reasonable manner as the Plan Administrator may determine.

7.05 PARTICIPANT ADMINISTRATIVE PROVISIONS.

(A) Beneficiary Designation. A Participant from time to time may designate, in writing, any person(s) (including a trust or other entity), contingently or successively, to whom the Vendor will pay all or any portion of the Participant's Vested Account Balance (including any life insurance proceeds payable to the Participant's Account) in the event of death. A Participant also may, to the extent the Vendor permits, designate the form and method of distribution of his/her Account to the Beneficiary. The Plan (or Vendor) will prescribe the form for the Participant's written designation of Beneficiary and, upon the Participant's filing the form with the Plan (or Vendor) the form effectively revokes all designations filed with the Plan (or Vendor) prior to that date by the same Participant. This Section 7.05(A) also applies to the interest of a deceased Beneficiary or a deceased alternate payee where the Beneficiary or alternate payee has designated a Beneficiary. Delivery of a Beneficiary Designation to a Vendor affects only distributions from the Investment Arrangement(s) that Vendor provides. In the event of a conflict between a beneficiary designation provided to the Plan Administrator and a beneficiary designation provided to a Vendor, the Vendor's designation will control the distribution of the Vendor's Investment Arrangements.

(1) **Automatic revocation of spousal designation.** A divorce decree revokes the Participant's prior designation, if any, of his/her spouse or former spouse as his/her Beneficiary under the Plan unless: (a) the decree or a QDRO provides otherwise; (b) the Employer provides otherwise in Appendix B to its Adoption Agreement; or (c) prohibited under state law. This Section 7.05(A)(1) applies solely to a Participant whose divorce becomes effective on or after the date the Employer executes this Plan unless the Plan is a Restated Plan and the prior Plan contained a provision to the same effect.

(2) **Coordination with QJSA/QPSA requirements.** If Section 6.04 applies to the Participant, this Section 7.05 does not impose any special spousal consent requirements on the Participant's Beneficiary designation unless the Participant waives the QJSA or QPSA benefit. If the Participant waives the QJSA or QPSA benefit without spousal consent to the Participant's Beneficiary designation: (a) any waiver of the QJSA or of the QPSA is not valid; and (b) if the Participant dies prior to his/her Annuity Starting Date, the Participant's Beneficiary designation will apply only to the portion of the death benefit which is not payable as a QPSA. Regarding clause (b), if the Participant's surviving spouse is a primary

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Beneficiary under the Participant's Beneficiary designation, the Vendor will satisfy the spouse's interest in the Participant's death benefit first from the portion which is payable as a QPSA.

(3) **Limitation on beneficiary designation of married Participants.** This Section 7.05(A)(3) applies only if the Employer has elected in its Adoption Agreement to apply this provision and has not elected to apply the joint and survivor annuity rules of Section 6.04. The Beneficiary designation of a married Participant is not valid unless the Participant's spouse consents (in a manner described in Section 6.04(A)(7)) to the Beneficiary designation. The spousal consent requirement in this Section 7.05(A)(3) does not apply if the Participant's spouse is the Participant's sole primary Beneficiary. Operationally, the Employer may waive this limitation for Participants who have been married less than one year at the time of the Participant's death.

(4) **Limitation on frequency of Beneficiary changes.** A Participant may change his/her Beneficiary in accordance with this Section 7.05(A) as often as the Participant wishes.

(5) **Definition of spouse.** The Employer in Appendix B to its Adoption Agreement may define the term "spouse." That definition shall apply for all Plan purposes other than Section 6.02 related to requited minimum distributions.

(B) Default Beneficiary. If: (i) a Participant fails to name a Beneficiary in accordance with Section 7.05(A); or (ii) the Beneficiary (and all contingent or successive Beneficiaries) whom the Participant designates predeceases the Participant, are invalid for any reason, or disclaim the Participant's Vested Account Balance and the disclaimers have been accepted as valid, then the Vendor (subject to any contrary provision in Appendix B to the Adoption Agreement) will distribute the Participant's Vested Account Balance in accordance with the Investment Arrangement Documentation.

(C) Administration of Default Provision. The Employer in Appendix B to its Adoption Agreement may specify a different list or ordering of the list of default beneficiaries. The Employer in Appendix B to its Adoption Agreement may define the term "spouse" under Section 7.05(B)(1). In the absence of such a definition, the Plan Administrator will interpret and apply the term "spouse" in a manner which is consistent with the Code provisions relating to retirement plans.

(D) Death of Beneficiary. If the Beneficiary survives the Participant, but dies prior to distribution of the Participant's entire Vested Account Balance, the Vendor will distribute the remaining Vested Account Balance to the Beneficiary's estate unless: (1) the Participant's Beneficiary designation provides otherwise; (2) the Beneficiary has properly designated a beneficiary; or (3) the Employer provides otherwise in Appendix B to its Adoption Agreement. A Beneficiary only may designate a beneficiary for the Participant's Account Balance remaining at the Beneficiary's death, if the Participant has not previously designated a successive contingent beneficiary and the Beneficiary's designation otherwise complies with the Plan terms.

(E) Simultaneous Death of Participant and Beneficiary. If a Participant and his/her Beneficiary should die simultaneously, or under circumstances that render it difficult or impossible to determine who predeceased the other, then unless the Participant's Beneficiary designation otherwise specifies, the Plan will presume conclusively that the Beneficiary predeceased the Participant.

(F) Incapacitated Participant or Beneficiary. If, in the opinion of the Plan Administrator, a Participant or Beneficiary entitled to a Plan distribution is not able to care for his/her affairs because of a mental condition, a physical condition, or by reason of age, the Vendor will make the distribution to the Participant's or Beneficiary's guardian, conservator, custodian (including under a Uniform Transfers or Gifts to Minors Act) or to his/her attorney-in-fact or to other legal representative upon furnishing satisfactory evidence of such status. The Plan Administrator and the Vendor do not have any liability with respect to payments so made and neither the Plan Administrator nor the Vendor has any duty to make inquiry as to the competence of any person entitled to receive payments under the Plan.

(G) Assignment or Alienation. Except for Plan Loans (Section 7.06) and as provided in Section 6.05 relating to domestic relations orders, and in ERISA §206(d) relating to certain voluntary, revocable assignments, judgments and settlements (even though the Plan is not subject to ERISA), neither a Participant nor a Beneficiary may anticipate, assign or alienate (either at law or in equity) any benefit provided under the Plan, and the Vendor will not recognize any such anticipation, assignment or alienation. Except as provided by law, a benefit under the Plan is not subject to attachment, garnishment, levy, execution or other legal or equitable process. Without regard to distribution restrictions otherwise provided herein, the Plan Administrator may pay from a Participant's or Beneficiary's Accumulated Benefit the amount that the Plan Administrator finds is lawfully demanded under a levy issued by the Internal Revenue Service with respect to that Participant or Beneficiary or is sought to be collected by the United States Government under a judgment resulting from an unpaid tax assessment against the Participant or Beneficiary.

(H) [Reserved]

(I) Claims Procedure for Denial of Benefits. The Plan Administrator may adopt a claims procedure which will apply to claims under the Plan. In the absence of such a procedure, the Investment Arrangement Documentation may provide for a claims procedure which will apply to the Investment Arrangement.

(J) Inability to Determine Beneficiary. In the event that the Plan Administrator (or Vendor with respect to the Account Balance under its Investment Arrangement) is unable to determine the identity of a Participant's Beneficiary under circumstances

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of competing claims or otherwise, the Plan (or Vendor) may file an interpleader action seeking an order of the court as to the determination of the Beneficiary. The Plan Administrator, the Vendor and other Plan fiduciaries may act in reliance upon any proper order issued under this Section 7.05(J) in maintaining, distributing or otherwise disposing of a Participant's Account under the Plan terms, to any Beneficiary specified in the court's order.

7.06 PLAN LOANS.

(A) Loan Policy. Subject to the terms of the Investment Arrangement Documentation, if the Adoption Agreement permits Participant Loans, the Plan Administrator may establish, amend or terminate, a policy for making Plan loans (including collateralized loans made by an Annuity Provider under the Annuity Contract), if any, to Participants and to Beneficiaries. If the Plan Administrator adopts a loan policy, the loan policy must be in writing. The policy must include: (i) the identity of the person or positions authorized to administer the Participant loan program; (ii) the procedure for applying for a loan; (iii) the criteria for approving or denying a loan; (iv) the limitations, if any, on the types and amounts of loans available; (v) the procedure for determining a reasonable rate of interest; (vi) the types of collateral which may secure the loan; (vii) the events constituting default and the steps the Plan will take to preserve Plan assets in the event of default; and (viii) acceptable methods for repayment of the loan. A loan policy the Plan Administrator adopts under this Section 7.06 is part of the Plan, except that the Plan Administrator may amend or terminate the policy without regard to Section 9.02.

(B) Requirements for Plan Loans. The Vendor may make a Plan loan to a Participant or to a Beneficiary in accordance with the loan policy and the Investment Arrangement Documentation, subject to the following requirements: (1) the loan policy satisfies the requirements of this Section 7.06; (2) the loan bears a reasonable rate of interest; (3) the loan provides for a fixed repayment schedule (except that the loan policy may suspend loan payments pursuant to Code §414(u)(4) or other Code provisions); (4) the default provisions of the note permit offset of the Participant's Vested Account Balance only at the time when the Participant has a distributable event under the Plan, but without regard to whether the Participant consents to distribution as otherwise may be required under Section 6.01; (5) the amount of the loan does not exceed (at the time the Plan extends the loan) the present value of the Participant's Vested Account Balance in the Vendor's Investment Arrangement; and (6) the loan has repayment safeguards to which a prudent lender would adhere. The Vendor may impose additional restrictions on loans, provided such terms are consistent with the Code.

(C) Default as Distributable Event. The loan policy (or the Investment Arrangement and documentation) may provide a Participant's loan default is a distributable event under the terms of the Plan with respect to the defaulted amount, irrespective of whether the Participant otherwise has incurred a distributable event at the time of default, except as to amounts which the Participant used to secure his/her loan and which remain subject to distribution restrictions under Section 6.01(E) which may not be distributed in-service at the time of default.

(D) [Reserved]

(E) Treatment of Loan as Participant-Directed. The Plan Administrator, to the extent provided in a written loan policy and consistent with Section 7.03(B) and the terms of the Investment Arrangement Documentation, will treat a Plan loan made to a Participant as a Participant-directed investment, even if the Plan otherwise does not permit a Participant to direct his/her Account investments. Where a loan is treated as a directed investment and is not treated as a contract loan, the borrowing Participant's Account alone shares in any interest paid on the loan, and the Account alone bears any expense or loss it incurs in connection with the loan. The Vendor may retain any principal or interest paid on the borrowing Participant's loan in a segregated Account (as described in Section 7.04(A)(2)(c)) on behalf of the borrowing Participant until the Vendor deems it appropriate to add the loan payments to the Participant's Account under the Plan. If the loan is treated as a contract loan, interest will be credited in accordance with the Investment Arrangement and loan documentation.

(F) [Reserved]

(G) Coordination; Code §72(p). To minimize the instances in which Participants have taxable income as a result of loans from the Plan, the Plan Administrator will take such steps as may be appropriate to coordinate the limitations on loans set forth in Code §72(p), including the collection of information from Vendors, and transmission of information requested by any Vendor, concerning the outstanding balance of any loans made to a Participant under the Plan or any other plan of the Employer. The Plan Administrator will also take such steps as may be appropriate to collect information from Vendors, and transmit information to any Vendor, concerning any failure by a Participant to repay timely any loans made to a Participant under the Plan or any other plan of the Employer. The Vendors will cooperate with the Plan Administrator in providing information needed under this Section 7.06(G). No loan to any Participant or Beneficiary can be made to the extent that such loan when added to the outstanding balance of all other loans to the Participant or Beneficiary would exceed the lesser of (a) $50,000 reduced by the excess (if any) of the highest outstanding balance of loans during the one year period ending on the day before the loan is made, over the outstanding balance of loans from the Plan on the date the loan is made, or (b) one-half the present value of the nonforfeitable accrued benefit of the Participant. For the purpose of the above limitation, all loans from all plans of the Employer and Related Employers are aggregated. Any loan shall by its terms require that repayment (principal and interest) be amortized in level payments, not less frequently than quarterly, over a period not extending beyond five years from the date of the loan, except that if such loan is used to acquire a dwelling unit which within a reasonable time (determined at the time the loan is made) will

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be used as the principal residence of the Participant, the amortization period shall not extend beyond a commercially reasonable period from the date of the loan.

7.07 LOST PARTICIPANTS. If the Plan is unable to locate any Participant or Beneficiary whose Account becomes distributable under the Plan (a "lost Participant"), the Plan Administrator will apply the provisions of this Section 7.07 consistent with the Investment Arrangement Documentation. The provisions of this Section 7.07 no longer apply if the Plan, prior to taking action to dispose of the lost Participant's Account under Section 7.07(A)(2) or 7.07(B)(2), receives a distribution election from the Participant.

(A) Ongoing Plan. The provisions of this Section 7.07(A) apply if the Plan is ongoing.

(1) **Attempt to Locate.** The Plan must conduct a reasonable and diligent search for the Participant, using one or more of the search methods described in Section 7.07(C).

(2) **Failure to locate/disposition of Account.** If a lost Participant remains un-located after six months following the date the Plan first attempts to locate the lost Participant using any of the search methods described in Section 7.07(C), the Plan may forfeit the lost Participant's Account, provided the Account is not subject to the Automatic Rollover rules of Section 6.08(D). If the Plan forfeits the lost Participant's Account, the forfeiture occurs at the end of the above-described 6-month period and the Plan will allocate the forfeiture in accordance with Section 3.07. The Plan under this Section 7.07(A)(2) will forfeit the entire Account of the lost Participant, including Elective Deferrals and Employee Contributions.

(3) **Subsequent restoration of forfeiture.** If a lost Participant whose Account was forfeited thereafter at any time but before the Plan has been terminated makes a claim for his/her forfeited Account, the Plan will restore the forfeited Account to the same dollar amount as the amount forfeited, unadjusted for Earnings occurring subsequent to the forfeiture. The Plan will make the restoration in the Plan Year in which the lost Participant makes the claim, first from the amount, if any, of Participant forfeitures the Plan otherwise would allocate for the Plan Year, and then from the amount or additional amount the Employer contributes to the Plan for the Plan Year. The Employer in Appendix B to its Adoption Agreement may modify the order of priority of the sources of restoration described in the previous sentence. The Plan will distribute the restored Account to the lost Participant not later than 60 days after the close of the Plan Year in which the Plan restores the forfeited Account.

(B) Terminating plan. The provisions of this Section 7.07(B) apply if the Plan is terminating.

(1) **Attempt to locate.** The Plan, to attempt to locate a lost Participant when the Plan is terminating, must conduct a reasonable and diligent search for the Participant. The Plan Administrator may use its discretion in determining the search method or methods.

(2) **Failure to locate/disposition of Account.** If a lost Participant remains un-located after a reasonable period the Plan Administrator will distribute the Participant's Account under Sections 7.07(B)(2)(a), (b) or (c) as applicable.

(a) **No Annuity Contract/no other 403(b) Plan.** If the terminating Plan does not provide an Annuity Contract as an investment option and the Employer does not maintain another 403(b) Plan, the Plan Administrator will distribute the lost Participant's Account in an Automatic Rollover to an individual retirement plan under Section 6.08(D), unless the Plan determines it is impracticable to complete an Automatic Rollover or is unable to locate an individual retirement plan provider willing to accept the rollover distribution. In such event, the Plan may: (i) distribute the Participant's Account to an interest-bearing insured bank account the Plan establishes in the Participant's name; or (ii) distribute the Participant's Account to the unclaimed property fund of the state of the Participant's last known address.

(b) **Plan provides Annuity Contract/no other 403(b) Plan.** If the terminating Plan provides for an Annuity Contract as an investment option and the Employer does not maintain another 403(b) Plan, the Plan Administrator will distribute an Annuity Contract payable to the lost Participant for delivery to the Participant's last known address reflected in the Plan's records.

(c) **Employer maintains another 403(b) Plan.** If the Employer maintains another 403(b) Plan, the Plan Administrator may (in lieu of taking the actions described in Sections 7.07(B)(2)(a) or (b)) transfer the lost Participant's Account to the other 403(b) Plan.

(C) Search methods. The search methods described in this Section 7.07 are: (1) provide a distribution notice to the lost Participant at the Participant's last known address by certified or registered mail; (2) check with other employee benefit plans of the Employer that may have more up-to-date information regarding the Participant's whereabouts; (3) identify and contact the Participant's designated Beneficiary; (4) use free Internet search tools; and (5) use a commercial locator service, credit reporting agencies, other Internet tools or other search method. Regarding search methods (2) and (3) above, if the Plan encounters privacy concerns, the Plan may request that the Employer or other plan fiduciary (under (2)), or the designated Beneficiary (under (3)), contact the Participant or forward a letter requesting that the Participant contact the Plan. The purpose of this Section is to reflect

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DOL Guidance regarding locating missing or unresponsive Participants as of the date the Plan was written, which have changed over time.

(D) Uniformity. The Plan will apply Section 7.07 in a reasonable and uniform manner, but in determining a specific course of action as to a particular Account, the Plan reasonably may take into account differing circumstances such as the amount of a lost Participant's Account, the expense in attempting to locate a lost Participant, the Plan's ability to establish and the expense of establishing a rollover IRA, and other factors.

(E) Expenses of search. The Plan, in accordance with Section 7.04(C)(2)(b), may charge to the Account of a Participant the reasonable expenses incurred under this Section 7.07 and which are associated with the Participant's Account, without regard to whether or when the Plan actually locates or makes a distribution to the Participant.

(F) Alternative Disposition. The Plan under Sections 7.07(A) or (B) operationally may dispose of a lost Participant's Account in any reasonable manner which is not inconsistent with the Code. The Plan Administrator or a Vendor may adopt a policy under this Section 7.07 as it deems reasonable or appropriate to administer the Accounts of lost Participants. To the extent a Vendor adopts a policy, that policy will apply to Investment Arrangements of this Plan which the Vendor administers, and the terms and administration of the Policy must be uniform among such Investment Arrangements. The Plan also may administer lost Participant Accounts consistent with the Code which is contrary to any provision of Section 7.07.

7.08 PLAN CORRECTION. The Plan Administrator in conjunction with the Employer may undertake such correction of Plan failures as the Plan Administrator deems necessary, including correction to preserve tax qualification of the Plan under Code §403(b). Without limiting the Plan Administrator's authority under the prior sentence, the Plan Administrator, as it determines to be reasonable and appropriate, may undertake or assist the Employer in undertaking correction of Plan document, operational, demographic and employer eligibility failures under a method described in the Plan or under the Employee Plans Compliance Resolution System ("EPCRS") or any successor program to EPCRS. The Plan Administrator may correct an operational failure by distributing from the Plan Elective Deferrals, including Earnings, and the Plan Administrator may forfeit any Matching Contributions, including Earnings, attributable to the distributed Elective Deferrals or any other Matching Contribution which a Participant has not otherwise accrued.

7.09 PLAN COMMUNICATIONS, INTERPRETATION AND CONSTRUCTION.

(A) Plan Administrator's Discretion. The Plan Administrator has total and complete discretion to interpret and construe the Plan and to determine all questions arising in the administration, interpretation and application of the Plan. Any determination the Plan Administrator makes under the Plan is final and binding upon any affected person.

(B) Written Communications. All Plan notices and all Participant or Beneficiary notices, designations, elections, consents or waivers must be in writing (which under Section 7.09(C) may include an electronic communication) and made in a form the Plan specifies or otherwise approves. Any person entitled to notice under the Plan may waive the notice or shorten the notice period as permitted by law.

(C) Use of Electronic Media. The Plan using any electronic medium may give or receive any Plan notice, communicate any Plan policy, conduct any written Plan communication, satisfy any Plan filing or other compliance requirement and conduct any other Plan transaction to the extent permissible under the Code. A Participant, a Participant's spouse, or a Beneficiary, may use any electronic medium to provide any Beneficiary designation, election, notice, consent or waiver under the Plan, to the extent allowed by the Code. Any reference in this Plan to a "form," a "notice," an "election," a "consent," a "waiver," a "designation," a "policy" or to any other Plan-related communication includes an electronic version.

(D) Evidence. Anyone, including the Employer, required to give data, statements or other information relevant under the terms of the Plan ("evidence") may do so by certificate, affidavit, document or other form which the person to act in reliance may consider pertinent, reliable and genuine, and to have been signed, made or presented by the proper party or parties. The Plan Administrator and the Vendors are protected fully in acting and relying upon any evidence described under the immediately preceding sentence.

(E) Plan Terms Binding. The Plan is binding upon the Employer, Plan Administrator, Vendors (to the extent no changes are made to the Plan after it is provided to the Employer or Vendor), and all other service providers to the Plan, upon Participants, Beneficiaries and all other persons entitled to benefits, and upon the successors and assigns of the foregoing persons. As to a Vendor, see Section 8.01(B).

(F) Employment Not Guaranteed. Nothing contained in this Plan, or any modification or any amendment to the Plan, or in the creation of any Account, or with respect to the payment of any benefit, gives any Employee, Participant or any Beneficiary any right to employment or to continued employment by the Employer, or any legal or equitable right against the Employer, the Plan Administrator or any employee or agent thereof, except as expressly provided by the Plan.

(G) Word Usage. Words used in the masculine also apply to the feminine where applicable, and wherever the context of the Plan dictates, the plural includes the singular and the singular includes the plural. Titles of Plan and Adoption Agreement sections are for reference only.

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(H) State Law. The law of the state of the Employer's principal place of business will determine all questions arising with respect to the provisions of the Plan. The Employer, in Appendix B to its Adoption Agreement, may elect to apply the law of another state.

(I) Parties to Litigation. A Participant or a Beneficiary is not a necessary party or required to receive notice of process in any court proceeding involving the Plan, an Investment Arrangement or any fiduciary of the Plan. Any final judgment entered in any such proceeding will be binding upon the Employer, the Plan Administrator, affected Vendors, Participants and Beneficiaries and upon their successors and assigns provided that the Vendor has been properly served and has had opportunity to litigate the issue.

(J) Fiduciaries Not Insurers. The Plan Administrator and the Employer in no way guarantee the Investment Arrangements from loss or depreciation. The Employer does not guarantee the payment of any money which may be or becomes due to any person from an Investment Arrangement. The liability of the Employer, the Plan Administrator and a Vendor to make any payment from the Investment Arrangement at any time and all times is limited to the then available assets of the Account.

(K) Construction/Severability. The Plan, the Adoption Agreement, the Investment Arrangements and all other documents to which they refer, will be interpreted consistent with and to preserve tax qualification of the Plan under Code §403(b). Any provision which a court (or other entity with binding authority to interpret the Plan) determines to be inconsistent with such construction and interpretation is deemed severed and is of no force or effect, and the remaining Plan terms will remain in full force and effect.

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ARTICLE 8. PLAN FUNDING

8.01 INVESTMENT ARRANGEMENTS/INCORPORATION OF TERMS.

(A) Alternative Investment Arrangements. The Plan may be funded by means of one or more Custodial Accounts or Annuity Contracts. The Employer will specify in Appendix D to its Adoption Agreement the Annuity Contracts and Custodial Accounts available under the Plan.

(1) **Multiple vehicles.** The Plan may provide more than one Investment Arrangement within the single Plan.

(2) **Selection of specific funding.** The Employer in its sole discretion will designate from time to time the specific Investment Arrangements which are available as Plan investments. The Employer may change such designation at any time.

(3) **Nonforfeitability.** An Investment Arrangement must be nonforfeitable under Code §403(b)(1)(C), except as otherwise provided herein (such as the vesting provisions of Article 5).

(4) **Group trust.** As permitted under the Code, Plan assets under a Custodial Account may be invested in a group trust with assets held by tax qualified plans or individual retirement plans. Notwithstanding any contrary provision in the Plan, the Plan Administrator may transfer, unless restricted in writing by the Custodian, Plan assets to a group trust that is operated or maintained exclusively for the commingling and collective investment of monies provided that the funds in the group trust consist exclusively of trust assets held under plans qualified under Code §403(b), Code §401(a), individual retirement accounts that are exempt under Code §408(e), and eligible Governmental Plans under Code §457(b). For purposes of valuation, the value of the interest maintained by the Plan in such group trust will be the fair market value of the portion of the group trust held for the Plan, determined in accordance with generally recognized valuation procedures. This authorization applies solely to a group trust fund exempt from taxation under Code §501(a) and the trust agreement of which satisfies the requirements of Revenue Ruling 81-100 (as modified and clarified by Revenue Ruling 2004-67), or any successor thereto. The provisions of the group trust fund agreement, as amended from time to time, are by this reference incorporated within this Plan, subject to the limitations contained herein. The provisions of the group trust fund will govern any investment of Plan assets in that fund. For purposes of this Section 8.01(A)(4), a trust includes a custodial account which is treated as a trust under Code §401(f).

(B) Incorporation of Terms. The Plan under this Section 8.01(B) incorporates the provisions of the Investment Arrangement Documentation. To the extent that any of these incorporated provisions conflict with the remaining Plan terms (including references to Investment Arrangements), the Plan provisions will prevail. In the event of any conflict between the terms of this Plan and the terms of any document that is made a part of the Plan, the Plan Administrator shall resolve the conflict. In the event of any conflict between the terms of this Plan and the terms of any portion of any document that is not a part of the Plan, the Plan provisions shall control.

8.02 CONTRIBUTION TIMING.

(A) General. The Employer will make its contributions to the Investment Arrangement within a period that is not longer than is reasonable for the proper administration of the Plan.

(B) Elective Deferrals. The Employer will transmit Elective Deferrals to an Investment Arrangement within a reasonable period of time following the date the Employer withholds the Elective Deferrals from the Participant's Compensation.

8.03 ANNUITY CONTRACT.

(A) Defined. An Annuity Contract is defined in 1.06, subject to the additional rules of this Section 8.03.

(1) **Transition Rule.** An Annuity Contract issued under a State maintained Plan established on or before May 17, 1982, need not comply with the requirement that the contract issuer be qualified to issue annuities in a State.

(B) Prohibition on Life Insurance and Other Insurance. An Annuity Contract may not consist of a life insurance contract under Code §7702, an endowment contract, a health or accident insurance contract, nor a property, casualty, or liability insurance contract. This limitation does not apply to a contract issued before September 24, 2007.

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8.04 CUSTODIAL ACCOUNT.

(A) Defined. A Custodial Account is defined in Section 1.14, as established under a Custodial Agreement, subject to the additional rules of this Section 8.04.

(B) Limitation on Investment Assets/Other Limitations. All assets held in the Custodial Account must be invested in stock of one or more regulated investment companies as defined in Code §851(a).

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ARTICLE 9. ADDITIONAL PROVISIONS

9.01 EXCLUSIVE BENEFIT. Except as provided under Section 3.01(E), the Employer does not have any beneficial interest in any asset of an Investment Arrangement and no part of any asset in an Investment Arrangement may ever revert to or be repaid to the Employer, either directly or indirectly; nor, prior to the satisfaction of all liabilities with respect to the Participants and their Beneficiaries under the Plan, may any part of the corpus or income of the Investment Arrangement, or any asset of the Investment Arrangement, be (at any time) used for, or diverted to, purposes other than the exclusive benefit of the Participants or their Beneficiaries and for defraying reasonable expenses of administering the Plan.

9.02 AMENDMENT.

(A) Permitted Amendments. The Employer, consistent with this Section 9.02 and other applicable Plan provisions, has the right, at any time to amend the Plan as follows:

(1) **Adoption Agreement.** To restate or amend the elective provisions of the Adoption Agreement (changing an existing election or making a new election) in any manner the Employer deems necessary or advisable;

(2) **Code §415.** To add in Appendix B to its Adoption Agreement overriding language to satisfy Code §415 because of the required aggregation of multiple 403(b) plans; and

(3) **Interim Amendments.** To make such good faith amendments as the Employer considers necessary to keep the Plan in compliance with the Code.

(B) Amendment Formalities.

(1) **Writing.** The Employer must make all Plan amendments in writing. Each amendment must specify the amendment execution date and, if different from its execution date, must specify the date as of which the amendment is either retroactively or prospectively effective.

(2) **Restatement.** An Employer may amend its Plan by means of a complete restatement of its Adoption Agreement. To restate its Plan, the Employer must complete, and the Employer must execute and date, a new Adoption Agreement or a replacement plan document.

(3) **Amendment (without restatement).** An Employer may amend its Plan without completion of a new Adoption Agreement by either: (a) completion and substitution of one or more Adoption Agreement pages including a new Adoption Agreement Execution Page executed and dated by the Employer; or (b) other written instrument amending the Adoption Agreement executed and dated by the Employer.

(4) **Operational discretion and policy not an amendment.** A Plan amendment does not include the Plan Administrator's exercise of any operational discretion the Plan accords to the Plan Administrator, including but not limited to, the Plan Administrator's adoption, modification or termination of any policy, rule or regulation in accordance with the Plan or any change to an administrative checklist, or other ancillary documents described in Section 1.04 which are part of the Plan, other than the Adoption Agreement and the basic plan document.

(5) **Signatory Employer authority.** If the Plan has Participating Employers, only the Signatory Employer need execute any Plan amendment under this Section 9.02. See Section 1.29(A).

(C) Impermissible Amendment/Protected Benefits.

(1) **Exclusive benefit/no reversion.** The Employer may not amend the Plan to permit any of an Investment Arrangement (other than as required to pay taxes and reasonable administrative expenses) to be used for or diverted to purposes other than for the exclusive benefit of the Participants and Beneficiaries. An amendment may not cause any portion of the Investment Arrangement to revert to the Employer or to become the Employer's property.

(2) **Alteration of Plan Administrator or Vendor duties.** The Employer may not amend the Plan in any manner which affects the powers duties or responsibilities of the Plan Administrator, or of a Vendor without the written consent of the affected party.

(3) **No cut-backs.** An amendment (including the adoption of this Plan as a restatement of an existing plan) may not decrease a Participant's Account Balance.

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(D) Practitioner Amendments. The Practitioner may amend any part of the Plan. For purposes of Practitioner amendments, the mass submitter shall be recognized as the agent of the Practitioner. If the Practitioner does not adopt the amendments made by the mass submitter, it will no longer be based on the mass submitter Plan.

9.03 VOLUME SUBMITTER PRACTITIONER AMENDMENTS.

(A) General. The Practitioner, without the Employer's consent, may amend the Plan (including any Adoption Agreement), from time to time on behalf of Employers who have previously adopted the Plan: (1) to conform the Plan to any changes to the Code, and other IRS Guidance (including adoption of model, sample or other required good faith amendments that specifically provide that their adoption will not cause such plan to be individually designed); or (2) to make corrections to prior approved plans that may be applied to all employers who adopted the Plan. The Practitioner, also may amend the Plan (including any Adoption Agreement), from time to time effective as to employers who have not yet adopted the Plan. The Practitioner's mass submitter may act as the agent of the Practitioner in adopting amendments.

(B) Notice to Employers. The Practitioner must make reasonable and diligent efforts to ensure adopting Employers have actually received and are aware of all Practitioner generated Plan amendments and that such Employers complete and sign new Adoption Agreements when necessary.

(C) Prohibited Amendments. Except under Section 9.03, the Practitioner may not amend the Plan in any manner which would modify any adopting Employer's Plan existing Adoption Agreement election without the Employer's written consent. In addition, the Practitioner may not amend the Plan in any manner which would violate Section 9.02(C).

(D) Practitioner limitations. A Practitioner may no longer amend the Plan as to any adopting Employer as of the date: (1) the Employer amends its Plan in a manner as would result in the type of plan not permitted under the Volume Submitter program; or (2) the IRS notifies the Practitioner that the Plan is being treated as an individually designed plan.

9.04 FROZEN PLAN.

(A) Employer Action to Freeze. The Employer subject to Section 9.02(C) and by proper Employer action has the right, at any time, to suspend or discontinue all contributions under the Plan and thereafter to continue to maintain the Plan as a Frozen Plan (subject to such suspension or discontinuance) until the Employer terminates the Plan. During any period while the Plan is frozen, the Plan Administrator will continue to: (1) allocate forfeitures, if any, in accordance with Section 3.07, irrespective of when the forfeitures occur under Section 5.07; and (2) operate the Plan in accordance with its terms other than those related to the making and allocation of additional (new) contributions.

(B) Not a Termination. A resolution or an amendment to discontinue all future contributions, but otherwise to continue maintenance of this Plan, is not a Plan termination for purposes of Section 9.05.

9.05 PLAN TERMINATION.

(A) Employer Action to Terminate. The Employer, subject to Section 9.02(C) and by proper Employer action, has the right, at any time, to terminate this Plan. Unless otherwise required under state law, the Employer has no obligation or liability whatsoever to maintain the Plan for any specific length of time and may terminate the Plan or discontinue contributions under the Plan at any time without liability hereunder for any such discontinuance. The Plan will terminate upon the first to occur of the following:

(1) **Specified date.** The Effective Date of termination specified by proper Employer action; or

(2) **Employer no longer exists.** The Effective Date of dissolution or merger of the Employer, unless a successor makes provision to continue the Plan, in which event the successor must substitute itself as the Employer under this Plan.

(B) [Reserved]

(C) General Procedure upon Termination. Upon termination of the Plan, the distribution provisions of Article 6 remain operative, with the following exceptions and subject to any restrictions in the Investment Arrangement Documentation:

(1) **Distribution; transfer.** The Vendor may distribute the Participant's Vested Account Balance to him/her in a lump sum as soon as administratively practicable after the Plan terminates. Alternatively, if the Employer maintains any other 403(b) plan, the Plan Administrator to facilitate Plan termination may direct the Vendor to transfer the Account of a Participant to the other 403(b) plan.

(2) **Plan Termination Distribution.** For purposes of the Plan termination requirements, the Plan may treat the delivery of a fully paid Annuity Contract as a distribution.

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(D) [Reserved]

(E) 403(b) Plan Distribution Restrictions. A Participant's Restricted Balances are distributable on account of Plan termination, as described in this Section 9.05, only if: (i) the Employer (including any Related Employer, determined as of the Effective Date of Plan termination) does not maintain an Alternative 403(b) Plan and the Plan distributes the Participant's entire Vested Account Balance in a lump sum; or (ii) the Participant otherwise is entitled under the Plan to a distribution of his/her Vested Account Balance.

(1) **Definition of Alternative 403(b) Plan.** An Alternative 403(b) Plan is another 403(b) Plan to which the Employer makes contributions during the period beginning on the date of Plan termination and ending 12 months after distribution of all assets from the terminating Plan. However, a plan is not an Alternative 403(b) Plan if less than 2% of the Employees eligible to participate in the terminating Plan as of the termination date are eligible to participate (beginning 12 months prior to and ending 12 months after the Plan's termination Effective Date and distribution of all of the assets of the terminated Plan) in the potential Alternative 403(b) Plan.

(F) Continuing Investment Arrangement Documentation. A Vendor's Investment Arrangement Documentation will continue in effect until the Vendor has distributed all of the benefits under the Investment Arrangement. On each Valuation Date, the Plan will credit any part of a Participant's Account Balance retained in the Investment Arrangement with its share of Earnings.

(G) Lost Participants. The Vendor will distribute the Accounts of lost Participants in a terminating Plan in accordance with the Plan Administrator's direction under Section 7.07(B) or as the Investment Arrangement Documentation may provide.

(H) Vesting. Upon either full or partial termination of the Plan, an affected Participant's right to his/her Account Balance is 100% Vested, irrespective of the Vested percentage which otherwise would apply under Article 5.

9.06 MERGER/DIRECT TRANSFER.

(A) Authority. Subject to the terms of the Investment Arrangements, the Plan Administrator possesses the specific authority to enter into merger agreements or direct transfer of assets agreements with another 403(b) Plan, including an elective transfer, and to accept the direct transfer of plan assets, or to transfer plan assets, as a party to any such agreement. The limitations of this Section 9.06 do not apply to rollovers described in Sections 3.08 or 6.08. Except as provided in Sections 9.06(G) and (H), the Plan may not accept a transfer or merger from, or make a transfer or merger to, a qualified plan or a plan described in Code §457(b).

(B) Regulatory Requirements.

(1) **Contract exchange within same plan.** Except as the Employer otherwise elects in Appendix B to its Adoption Agreement, a Participant (or Beneficiary) may exchange one 403(b) Investment Arrangement for another Investment Arrangement then authorized to receive ongoing contributions under the Plan provided the exchange satisfies the following conditions: (1) the Participant's Accumulated Benefit immediately after the exchange at least equals the Participant's Accumulated Benefit immediately before the exchange; and (2) to the extent the exchanged Investment Arrangement is subject to 403(b) Distribution Restrictions, the other Investment Arrangement imposes distribution restrictions no less stringent than those imposed by the exchanged Investment Arrangement.

(2) **Plan-to-plan transfer.** A plan-to-plan transfer is permissible, if the transfer satisfies the following conditions: (1) the Participant (or Beneficiary) subject to the transfer is an employee or former employee of the employer providing the receiving plan; (2) the transferor plan provides for transfers; (3) the receiving plan provides for the receipt of transfers; (4) the Participant's Accumulated Benefit after the transfer at least equals the Participant's Accumulated Benefit before the transfer; (5) to the extent the transferred Investment Arrangement is subject to 403(b) Distribution Restrictions, the receiving plan imposes distribution restrictions no less stringent than those imposed on the transferor plan; and (6) if the transfer does not constitute a complete transfer of the Participant's interest in the transferor plan, the transferee plan treats the amount transferred as a continuation of a pro rata portion of the Participant's interest in the transferor plan (*e.g.*, a pro rata interest in any Employee Contributions). This Plan expressly prohibits such transfers except to the extent the Employer provides otherwise in Appendix B to its Adoption Agreement. The Plan Administrator may require such documentation from the other plan as it deems necessary to effectuate the transfer in accordance with the requirements of this Section and Treas. Reg. §1.403(b)-10(b)(3) and to confirm that any other plan involved in the transfer satisfies Code §403(b).

(3) **Contract exchange to Vendor which is not part of the Plan.** A Participant (or Beneficiary) may exchange one 403(b) Investment Arrangement for an Investment Arrangement not provided under the Plan, if the exchange satisfies the following conditions: (1) the Vendor agrees to assume the responsibilities of a Vendor hereunder; (2) the Participant's Accumulated Benefit immediately after the exchange at least equals the Participant's Accumulated Benefit immediately before the exchange; (3) to the extent the exchanged Investment Arrangement is subject to 403(b) Distribution

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Restrictions, the other Investment Arrangement imposes distribution restrictions no less stringent than those imposed by the exchanged Investment Arrangement; (4) the Employer has not prohibited the exchange in Appendix B to its Adoption Agreement; and (5) the Employer and the Vendor enter into an Information Sharing Agreement, as defined in Section (C). Unless otherwise specified in Appendix B to the Adoption Agreement, the Plan provides for and permits such exchanges with any Vendor which agrees to assume the responsibilities of a Vendor hereunder and enters into an Information Sharing Agreement.

(C) Information Sharing Agreement. An Information Sharing Agreement should provide for the exchange of the following information:

(1) **403(b) matters.** Information necessary for the resulting Investment Arrangement, or any other Investment Arrangement under the Plan, to satisfy Code §403(b), including the following: (i) the Employer providing information as to whether the Participant's employment with the Employer is continuing, and notifying the Vendor when the Participant has had a Severance from Employment; (ii) the Vendor notifying the Employer of any hardship withdrawal; and (iii) the Vendor providing information to the Eligible Employer or other Vendors concerning the Participant's or Beneficiary's 403(b) contracts or Custodial Accounts or qualified employer plan benefits (to enable a Vendor to determine the amount of any Plan loans and rollover accounts that are available to the Participant under the Plan in order to satisfy the financial need under the hardship withdrawal rules):

(2) **Reporting matters.** Information necessary for the Plan Administrator and Vendor to satisfy any reporting, disclosure, or federal or state withholding obligations related to the Investment Arrangement; and

(3) **Other matters.** Information necessary in order for the resulting Investment Arrangement and any other Investment Arrangement under the Plan for the Participant to satisfy other tax requirements, including the following: (i) the amount of any plan loan that is outstanding to the Participant in order for a Vendor to determine whether an additional plan loan satisfies the loan limitations, so that any such additional loan is not a deemed distribution under Code §72(p)(1); and (ii) information concerning the Participant's or Beneficiary's after-tax Employee contributions in order for a Vendor to determine the extent to which a distribution is includible in gross income.

(D) Administration of Transferred Amount. The Vendor will hold, administer and distribute the transferred assets as a part of the Investment Arrangement.

(E) Pre-Participation Transfers. The Vendor may accept a direct transfer of plan assets on behalf of an Employee prior to the date the Employee satisfies the Plan's eligibility conditions or prior to reaching the Entry Date. If the Vendor accepts such a direct transfer of plan assets, the Plan Administrator and the Vendor must treat the Employee as a limited Participant as described in Section 3.08(C).

(F) Elective Transfer/Protected Benefits. The Plan ("transferee plan") will not fail to satisfy the requirements of Section 9.06 because the Plan does not provide some or all of the forms of distribution (including the timing of distribution forms) previously available under another 403(b) Plan ("transferor plan") to the extent that: (1) the transferee plan receives a direct transfer of the Participant's Account Balance under the transferor plan, or the transferee plan results from a merger or other transaction that has the effect of a direct transfer, including consolidations of benefits attributable to different employers within a multiple employer plan; (2) the terms of both plans authorize the transfer; (3) the transfer occurs following a Participant's voluntary election made after the Participant has received a notice describing the consequences of making the election; and (4) the transferee plan permits the Participant to receive a distribution of his/her account balance in the form of a single sum distribution, if permitted under the terms of the Investment Arrangement.

(G) Transfers to Purchase Service Credit. If the Employer elects in Appendix B to its Adoption Agreement and if permitted by the terms of the Investment Arrangement, the Plan Administrator upon Participant request may instruct the Vendor to transfer an amount from the Participant's 403(b) Plan Account to a governmental Defined Benefit Plan in which he/she participates for: (1) the purchase of permissive service (as defined in Code §415(n)(3)(A)) under such plan; or (2) the repayment of a cash-out distribution (as defined in Code §415(k)(3)). In the case of a FICA Replacement "3121" plan, a transfer may only be made after the Participant has had a Severance from Employment.

9.07 INFORMATION SHARING.

Each Vendor and the Plan Administrator shall exchange such information as may be necessary to satisfy Code §403(b) or other requirements of applicable law. In the case of a Vendor which is not eligible to receive contributions under the Plan (including a Vendor which has ceased to be a Vendor eligible to receive contributions under the Plan and a Vendor holding assets under the Plan), the Employer shall keep the Vendor informed of the name and contact information of the Plan Administrator in order to coordinate information necessary to satisfy Code §403(b) or other requirements of applicable law. If any Vendor ceases to be eligible to receive contributions under the Plan, the Employer will offer to enter into an Information Sharing Agreement as described in Section 9.06(C) to the extent the Employer's contract with the Vendor does not already provide for the exchange of information described in therein.

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ARTICLE 10. MULTIPLE EMPLOYER PLAN

10.01 ELECTION/OVERRIDING EFFECT. This Article 10 applies only to the extent described in Paragraphs (A) or (B) below. If this Article 10 does apply, then the rules of Code §413(c) and the related Treasury Regulations (which are incorporated by reference) will apply to the adopting Employer and each Participating Employer. The provisions of Article 10, if in effect, supersede any contrary provisions in the Plan or the Employer's Adoption Agreement. *Note: The IRS has not reviewed the provisions of this Article 10, and the Employer cannot rely on the Advisory Letter with regard to the validity of these provisions.*

(A) Election. If the Employer elects in its Adoption Agreement that the Plan is a Multiple Employer Plan, then the provisions of this Article 10 will apply as of the Effective Date the Employer elects in its Adoption Agreement. If an Employer that is not a Related Employer becomes a Participating Employer, then this Article 10 will apply effective as of the date the Employer specifies in its participation agreement.

(B) Automatic Effect. If a Related Employer is a Participating Employer, and thereafter ceases to be a Related Employer (but is still a Participating Employer), then the provisions of this Article 10 will apply thereafter until the Plan is no longer maintained by a Participating Employer which is not a Related Employer.

10.02 DEFINITIONS. The following definitions apply to this Article 10 and supersede any conflicting definition in the Plan.

(A) Employee. Employee means any Employee of a Participating Employer.

(B) Lead Employer. The Lead Employer means the Signatory Employer to the Adoption Agreement Execution Page, and does not include any Related Employer or Participating Employer except as described in the next sentence. If the Adoption Agreement designates that Article 10 applies pursuant to Section 10.01(A), the Lead Employer will be a Participating Employer unless otherwise specified in a separate agreement. The Lead Employer has the same meaning as the Signatory Employer for purposes of making Plan amendments and other purposes as described in Section 1.29(A) regardless of whether the Lead Employer is also a Participating Employer under this Article 10. As to the right of a Lead Employer to terminate the participation of a Participating Employer, see Section 10.09.

(C) Participating Employer. A "Participating Employer" is an Eligible Employer which, with the consent of the Lead Employer, executes a Participation Agreement to the Adoption Agreement. A Participating Employer is an Employer for all purposes of the Plan except as provided in Section 1.29. A Participating Employer may, but need not be a Related Employer.

10.03 PARTICIPATING EMPLOYER ELECTIONS. In its Adoption Agreement, the Lead Employer will specify: (A) whether a Participating Employer may modify any of the Adoption Agreement elections; (B) which elections the Participating Employer may modify; and (C) any restrictions on the modifications. Such elections and modifications must be reflected on the Participation Agreement the Participating Employer signs. See Section 1.51.

10.04 HCE STATUS. The Plan Administrator will determine HCE status under Section 1.39 separately with respect to each Participating Employer.

10.05 TESTING.

(A) Separate Status. The Plan Administrator will perform the universal availability requirement of Section 2.01(A) separately for each Participating Employer, with respect to the Employees of that Participating Employer. For this purpose, the Employees of a Participating Employer, and their allocations and Accounts, will be treated as though they were in a separate plan. Any Plan correction under Section 7.08 will only affect the Employees of the Participating Employer.

(B) Transition Year. This Section 10.05(B) applies if as a result of a transaction or similar event a Participating Employer ceases to be a Related Employer in the middle of a Plan Year. In such a situation the Plan Administrator may perform the tests described in Section 10.05(A) as though (1) the Plan Year consisted of two Plan Years, before and after the transaction; or (2) on the basis of a single Plan Year, taking all for each Participating Employer the Employees of Related Employers before the transaction, and disregarding Employees who are not Employees of Related Employers after the transaction.

(C) Joint Status. The Plan Administrator will perform the following tests for the Plan as whole, without regard to an Employee's employment by a particular Participating Employer:

(1) **Annual Additions Limit.** Applying the Annual Additions Limit in Section 4.05(B).

(2) **Elective Deferral Limit.** Applying the Elective Deferral Limit in Section 4.10(A).

(3) **Catch-Up Limit.** Applying the limit on Catch-Up Deferrals in Section 3.02(D) or 3.02(E).

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10.06 COMPENSATION.

(A) Separate Determination. For the following purposes, described in this Section 10.06(A), the Plan Administrator will determine separately a Participant's Compensation for each Participating Employer. Under this determination, except as provided below, Compensation from a Participating Employer includes Compensation paid by a Related Employer of that Participating Employer.

(1) **[Reserved]**

(2) **Allocations.** Application of allocations under Article 3. However, the Employer's Adoption Agreement elections control the extent to which Compensation for this purpose includes Compensation of Related Employers.

(3) **HCE determination.** The determination of an Employee's status as an HCE.

(B) Joint Status. For all Plan purposes other than those described in Section 10.06(A) but not limited to determining the Annual Additions Limit in Section 4.05(B), Compensation includes all Compensation paid by or for any Participating Employer or Related Employer.

10.07 SERVICE. An Employee's Service includes all Hours of Service and Years of Service with any and all Participating Employers and their Related Employers. An Employee who terminates employment with one Participating Employer and immediately commences employment with another Participating Employer has not incurred a Separation from Service or a Severance from Employment.

10.08 COOPERATION AND INDEMNIFICATION.

(A) Cooperation. Each Participating Employer agrees to timely provide to the Plan Administrator upon request all information the Plan Administrator deems necessary. Each Participating Employer will cooperate fully with the Plan Administrator, the Lead Employer, and with Plan fiduciaries and other proper Plan representatives in maintaining the qualified status of the Plan. Such cooperation will include payment of such amounts into the Plan, to be allocated to Employees of the Participating Employer, which are reasonably required to maintain the tax-qualified status of the Plan.

(B) Indemnity. Each Participating Employer will indemnify and hold harmless the Plan Administrator, the Lead Employer, the Plan, other Plan fiduciaries, other Participating Employers, Participants and Beneficiaries, and as applicable, their subsidiaries, officers, directors, shareholders, employees, and agents, and their respective successors and assigns, against any cause of action, loss, liability, damage, cost, or expense of any nature whatsoever (including, but not limited to, attorney's fees and costs, whether or not suit is brought, as well as all IRS Plan disqualification, fiduciary breach or other sanctions, compliance fees or penalties) arising out of or relating to: (1) the Participating Employer's noncompliance with any of the Plan's terms or requirements; or (2) the Participating Employer's intentional or negligent act or omission with regard to the Plan, including the failure to provide accurate, timely information requested by the Plan Administrator.

10.09 INVOLUNTARY TERMINATION. The Lead Employer may terminate the participation of any Participating Employer (hereafter, "Terminated Employer") in this Plan. If the Lead Employer acts under this Section 10.09, the following will occur:

(A) Notice. The Lead Employer will give the Terminated Employer a notice of the Lead Employer's intent to terminate the Terminated Employer's status as a Participating Employer of the Plan. The Lead Employer will provide such notice not less than 30 days prior to the Effective Date of termination unless the Lead Employer determines that the interests of Plan Participants requires earlier termination.

(B) Spin-off. The Lead Employer will establish a new 403(b) Plan, using the provisions of this Plan with any modifications contained in the Terminated Employer's Participation Agreement, as a guide to establish a new 403(b) Plan (the "Spin-off Plan"). The Lead Employer will direct the Vendors to transfer (in accordance with the rules of Treas. Reg. §1.403(b)-10(b)) the Accounts of the Employees of the Terminated Employer to the Spin-off Plan. The Terminated Employer will be the Employer, Plan Administrator, and sponsor of the Spin-off Plan. The Lead Employer may charge the Terminated Employer or the Accounts of the Employees of the Terminated Employer with the reasonable expenses of establishing the Spin-off Plan.

(C) Transfer. The Terminated Employer, in lieu of the Lead Employer's creation of the Spin-off Plan under Section 10.09(B), may elect a transfer under this Section 10.09(C) to effect the termination of its status as a Participating Employer. To elect this alternative, the Terminated Employer must give notice to the Lead Employer of its choice, and must supply any documentation which the Lead Employer reasonably may require as soon as is practical and before the Effective Date of termination. If the Lead Employer has not received such notice and any required documentation within ten (10) days prior to the stated date of termination, the Lead Employer may proceed with the Spin-off Plan under Section 10.09(B). The Lead Employer will direct the transfer (in accordance with the rules of Treas. Reg. §1.403(b)-10(b)) of the Accounts of the Employees of the Terminated Employer to a 403(b) plan the Terminated Employer maintains. The Terminated Employer must deliver to the Lead Employer in writing such identifying and other relevant information regarding the transferee plan and must provide such assurances as the Lead Employer may reasonably require that the transferee plan is a 403(b) plan.

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(D) Participants. The Employees of the Terminated Employer will cease to be eligible to accrue additional benefits under the Plan with respect to Compensation paid by the Terminated Employer, as of the Effective Date of the termination. To the extent that these Employees have accrued but unpaid contributions as of such Effective Date, the Terminated Employer will pay such amounts to the Plan or to the Spin-off Plan no later than 30 days after the Effective Date of termination, unless the Terminated Employer has elected the transfer alternative under Section 10.09(C).

(E) Consent. By its execution of the Participation Agreement, the Terminated Employer specifically consents to the provisions of this Article 10, and in particular, this Section 10.09 and agrees to perform its responsibilities with regard to the Spin-off Plan, if necessary.

10.10 VOLUNTARY TERMINATION. A Participating Employer (hereafter "Withdrawing Employer") may voluntarily withdraw from participation in the Plan at any time. If and when a Withdrawing Employer wishes to withdraw, the following will occur:

(A) Notice. The Withdrawing Employer will inform the Lead Employer and the Plan Administrator of its intention to withdraw from the Plan. The Withdrawing Employer must give the notice not less than 30 days prior to the Effective Date of its withdrawal.

(B) Procedure. The Withdrawing Employer and the Lead Employer will agree upon procedures for the orderly withdrawal of the Withdrawing Employer from the Plan. Such procedures, as they relate to the Accounts of the Employees of the Withdrawing Employer, may include any alternative described in Section 10.09.

(C) Costs. The Withdrawing Employer will bear all reasonable costs associated with withdrawal and transfer under this Section 10.10.

(D) Participants. The Employees of the Withdrawing Employer will cease to be eligible to accrue additional benefits under the Plan as to Compensation paid by the Withdrawing Employer, as of the Effective Date of withdrawal. To the extent that such Employees have accrued but unpaid contributions as of such Effective Date, the Withdrawing Employer will contribute such amounts to the Plan or the Spin-off Plan promptly after the Effective Date of withdrawal, unless the Accounts are transferred to a 403(b) plan the Withdrawing Employer maintains.

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RESOLUTION

UNIVERSITY TOTAL BUDGET FOR 2019-2020

BE IT RESOLVED, the University of South Alabama Board of Trustees approves the 2019-2020 University of South Alabama Budget, and

BE IT FURTHER RESOLVED, the University of South Alabama Board of Trustees approves the 2019-2020 Budget as a continuation budget for 2020-2021 in order to be in compliance with bond trust indenture requirements if the budget process cannot be completed prior to beginning the 2020-2021 fiscal year.

UNIVERSITY OF SOUTH ALABAMA

MEMORANDUM

Finance and Administration

DATE: September 11, 2019

TO: President Tony G. Waldrop

FROM: G. Scott Weldon

SUBJECT: Resolution for University Budget for 2019-2020

Attached is the Resolution for the University Total Budget for 2019-2020. With your approval, we will place this item on the agenda for the September 13, 2019, Board of Trustees meeting.

Attachment



UNIVERSITY OF SOUTH ALABAMA
BUDGET
2019-2020

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UNIVERSITY OF SOUTH ALABAMA
2019-2020 BUDGET SUMMARY
TOTAL CURRENT FUNDS

	2019-2020 BUDGET			2018-2019 BUDGET
	UNRESTRICTED	**RESTRICTED**	**TOTAL**	
REVENUES:				
TUITION AND FEES	$ 163,422,192	$	$ 163,422,192	$ 171,726,975
STATE APPROPRIATIONS	118,298,665		118,298,665	111,073,800
FEDERAL GRANTS AND CONTRACTS	5,155,082	37,100,000	42,255,082	38,460,832
STATE AND LOCAL GRANTS AND CONTRACTS	571,943	8,400,000	8,971,943	7,621,943
PRIVATE GIFTS, GRANTS AND CONTRACTS	5,355,100	5,200,000	10,555,100	11,423,100
SALES AND SERVICES OF EDUCATIONAL ACTIVITIES	6,689,683		6,689,683	8,163,500
USA HEALTH	673,712,266		673,712,266	583,091,246
AUXILIARY SERVICES	23,178,825		23,178,825	23,151,131
OTHER SOURCES	9,230,099	6,300,000	15,530,099	14,152,663
TOTAL REVENUES	1,005,613,855	57,000,000	1,062,613,855	968,865,190
EXPENDITURES AND MANDATORY TRANSFERS:				
EDUCATIONAL AND GENERAL:				
INSTRUCTION	114,283,397	7,900,000	122,183,397	122,197,804
RESEARCH	5,899,178	16,600,000	22,499,178	18,991,487
PUBLIC SERVICE	3,059,129	4,700,000	7,759,129	7,992,947
ACADEMIC SUPPORT	31,427,727		31,427,727	30,322,947
STUDENT SERVICES	32,103,045	1,000,000	33,103,045	32,391,978
INSTITUTIONAL SUPPORT	25,677,709		25,677,709	27,386,114
OPERATION AND MAINTENANCE OF PLANT	34,128,803		34,128,803	32,815,702
SCHOLARSHIPS	24,380,913	29,100,000	53,480,913	53,215,948
EDUCATIONAL AND GENERAL EXPENDITURES	270,959,901	59,300,000	330,259,901	325,314,927
MANDATORY TRANSFERS FOR:				
PRINCIPAL AND INTEREST	20,180,784		20,180,784	20,308,939
LOAN FUND MATCHING GRANTS	150,000		150,000	150,000
TOTAL EDUCATIONAL AND GENERAL	291,290,685	59,300,000	350,590,685	345,773,866
USA HEALTH (INCLUDING DEBT SERVICE OF $11,719,554):	654,694,614		654,694,614	602,051,565
AUXILIARY SERVICES:				
EXPENDITURES	17,242,991		17,242,991	16,853,558
MANDATORY TRANSFERS FOR:				
PRINCIPAL AND INTEREST	5,554,471		5,554,471	6,070,310
TOTAL AUXILIARY SERVICES	22,797,462		22,797,462	22,923,868
TOTAL EXPENDITURES AND MANDATORY TRANSFERS	968,782,761	59,300,000	1,028,082,761	970,749,299
OTHER TRANSFERS AND ADDITIONS/(DEDUCTIONS):				
RENEWALS AND REPLACEMENTS	(27,269,108)		(27,269,108)	(8,038,541)
OTHER TRANSFERS	(9,561,986)	2,300,000	(7,261,986)	9,922,650
NET INCREASE (DECREASE) IN FUND BALANCES	$ -	$ -	$ -	$ -

UNIVERSITY OF SOUTH ALABAMA
2019-2020 BUDGET SUMMARY
UNRESTRICTED CURRENT FUNDS

	OPERATIONS AND MAINTENANCE	COLLEGE OF MEDICINE	USA HEALTH	AUXILIARY SERVICES	2019-2020 BUDGET	2018-2019 BUDGET
REVENUES:						
TUITION AND FEES	$ 153,606,192	$ 9,816,000	$	$	$ 163,422,192	$ 171,726,975
STATE APPROPRIATIONS	72,370,597	30,984,835	14,943,233		118,298,665	111,073,800
FEDERAL GRANTS AND CONTRACTS	955,082	4,200,000			5,155,082	3,460,832
STATE AND LOCAL GRANTS AND CONTRACTS	366,349	205,594			571,943	521,943
PRIVATE GIFTS, GRANTS AND CONTRACTS	3,873,100	1,482,000			5,355,100	4,523,100
SALES AND SERVICES OF EDUCATIONAL ACTIVITIES	6,289,683	400,000			6,689,683	8,163,500
USA HEALTH			673,712,266		673,712,266	583,091,246
AUXILIARY SERVICES				23,178,825	23,178,825	23,151,131
OTHER SOURCES	7,130,099	2,100,000			9,230,099	7,652,663
TOTAL REVENUES	244,591,102	49,188,429	688,655,499	23,178,825	1,005,613,855	913,365,190
EDUCATIONAL AND GENERAL:						
INSTRUCTION	88,350,336	25,933,061			114,283,397	113,197,804
RESEARCH	2,969,178	2,930,000			5,899,178	5,491,487
PUBLIC SERVICE	2,000,000	1,059,129			3,059,129	2,892,947
ACADEMIC SUPPORT	25,229,113	6,198,614			31,427,727	30,322,947
STUDENT SERVICES	31,623,339	479,706			32,103,045	31,391,978
INSTITUTIONAL SUPPORT	21,478,002	4,199,707			25,677,709	27,386,114
OPERATION AND MAINTENANCE OF PLANT	26,963,091	7,165,712			34,128,803	32,815,702
SCHOLARSHIPS	23,158,413	1,222,500			24,380,913	23,915,948
EDUCATIONAL AND GENERAL EXPENDITURES	221,771,472	49,188,429			270,959,901	267,414,927
MANDATORY TRANSFERS FOR:						
PRINCIPAL AND INTEREST	20,180,784				20,180,784	20,308,939
LOAN FUND MATCHING GRANTS	150,000				150,000	150,000
TOTAL EDUCATIONAL AND GENERAL	242,102,256	49,188,429			291,290,685	287,873,866
USA HEALTH:						
EXPENDITURES AND MANDATORY TRANSFERS			654,694,614		654,694,614	602,051,565
AUXILIARY SERVICES:						
EXPENDITURES				17,242,991	17,242,991	16,853,558
MANDATORY TRANSFERS FOR PRINCIPAL AND INTEREST				5,554,471	5,554,471	6,070,310
TOTAL AUXILIARY SERVICES				22,797,462	22,797,462	22,923,868
TOTAL EXPENDITURES AND MANDATORY TRANSFERS	242,102,256	49,188,429	654,694,614	22,797,462	968,782,761	912,849,299
OTHER TRANSFERS AND ADDITIONS/(DEDUCTIONS):						
RENEWALS AND REPLACEMENTS	(1,700,000)		(25,132,317)	(436,791)	(27,269,108)	(8,038,541)
OTHER TRANSFERS	(788,846)		(8,828,568)	55,428	(9,561,986)	7,522,650
NET INCREASE (DECREASE) IN FUND BALANCES	$ -	$ -	$ -	$ -	$ -	$ -

UNIVERSITY OF SOUTH ALABAMA
2019-2020 BUDGET SUMMARY
RESTRICTED CURRENT FUNDS

	OPERATIONS AND MAINTENANCE	COLLEGE OF MEDICINE	2019-2020 BUDGET	2018-2019 BUDGET
REVENUES:				
FEDERAL GRANTS AND CONTRACTS	$ 29,000,000	$ 8,100,000	$ 37,100,000	$ 35,000,000
STATE AND LOCAL GRANTS AND CONTRACTS	6,900,000	1,500,000	8,400,000	7,100,000
PRIVATE GIFTS, GRANTS AND CONTRACTS	3,400,000	1,800,000	5,200,000	6,900,000
OTHER	4,500,000	1,800,000	6,300,000	6,500,000
TOTAL REVENUES	43,800,000	13,200,000	57,000,000	55,500,000
EXPENDITURES:				
EDUCATIONAL AND GENERAL:				
INSTRUCTION	6,400,000	1,500,000	7,900,000	9,000,000
RESEARCH	7,100,000	9,500,000	16,600,000	13,500,000
PUBLIC SERVICE	2,800,000	1,900,000	4,700,000	5,100,000
STUDENT SERVICES	1,000,000		1,000,000	1,000,000
SCHOLARSHIPS	28,600,000	500,000	29,100,000	29,300,000
TOTAL EXPENDITURES	45,900,000	13,400,000	59,300,000	57,900,000
OTHER TRANSFERS AND ADDITIONS/(DEDUCTIONS):				
OTHER TRANSFERS	2,100,000	200,000	2,300,000	2,400,000
NET INCREASE (DECREASE) IN FUND BALANCES	$ -	$ -	$ -	$ -

UNIVERSITY OF SOUTH ALABAMA
OPERATIONS AND MAINTENANCE
2019-2020 BUDGET
UNRESTRICTED CURRENT FUNDS

	2019-2020 BUDGET	2018-2019 BUDGET
REVENUES:		
TUITION AND FEES	$ 153,606,192	$ 159,960,975
ALLOCATION OF STATE APPROPRIATIONS	72,370,597	67,757,000
FEDERAL GRANTS AND CONTRACTS	955,082	710,832
STATE GRANTS AND CONTRACTS	366,349	316,349
PRIVATE GIFTS, GRANTS AND CONTRACTS	3,873,100	2,873,100
SALES AND SERVICES OF EDUCATIONAL ACTIVITIES	6,289,683	7,763,500
OTHER SOURCES	7,130,099	5,352,663
TOTAL REVENUES	244,591,102	244,734,419
EXPENDITURES AND MANDATORY TRANSFERS:		
EDUCATIONAL AND GENERAL:		
INSTRUCTION	88,350,336	88,015,482
RESEARCH	2,969,178	3,141,487
PUBLIC SERVICE	2,000,000	1,850,000
ACADEMIC SUPPORT	25,229,113	24,886,520
STUDENT SERVICES	31,623,339	29,361,944
INSTITUTIONAL SUPPORT	21,478,002	23,311,311
OPERATION AND MAINTENANCE OF PLANT	26,963,091	26,415,584
SCHOLARSHIPS	23,158,413	22,753,448
EDUCATIONAL AND GENERAL EXPENDITURES	221,771,472	219,735,776
MANDATORY TRANSFERS:		
PRINCIPAL AND INTEREST	20,180,784	19,908,496
LOAN FUND MATCHING GRANTS	150,000	150,000
TOTAL EXPENDITURES AND MANDATORY TRANSFERS	242,102,256	239,794,272
OTHER TRANSFERS AND ADDITIONS/(DEDUCTIONS):		
RENEWALS AND REPLACEMENTS	(1,700,000)	(2,200,000)
OTHER TRANSFERS	(788,846)	(2,740,147)
NET INCREASE (DECREASE) IN FUND BALANCES	$ -	$ -

UNIVERSITY OF SOUTH ALABAMA
COLLEGE OF MEDICINE
2019-2020 BUDGET
UNRESTRICTED CURRENT FUNDS

	2019-2020 BUDGET	2018-2019 BUDGET
REVENUES:		
TUITION AND FEES	$ 9,816,000	$ 11,766,000
ALLOCATION OF STATE APPROPRIATIONS	30,984,835	29,008,000
FEDERAL GRANTS AND CONTRACTS	4,200,000	2,750,000
STATE GRANTS AND CONTRACTS	205,594	205,594
PRIVATE GIFTS, GRANTS AND CONTRACTS	1,482,000	1,650,000
SALES AND SERVICES OF EDUCATIONAL ACTIVITIES	400,000	400,000
OTHER SOURCES	2,100,000	2,300,000
TOTAL REVENUES	49,188,429	48,079,594
EXPENDITURES AND MANDATORY TRANSFERS:		
EDUCATIONAL AND GENERAL:		
INSTRUCTION	25,933,061	25,182,322
RESEARCH	2,930,000	2,350,000
PUBLIC SERVICE	1,059,129	1,042,947
ACADEMIC SUPPORT	6,198,614	5,436,427
STUDENT SERVICES	479,706	2,030,034
INSTITUTIONAL SUPPORT	4,199,707	4,074,803
OPERATION AND MAINTENANCE OF PLANT	7,165,712	6,400,118
SCHOLARSHIPS	1,222,500	1,162,500
EDUCATIONAL AND GENERAL EXPENDITURES	49,188,429	47,679,151
MANDATORY TRANSFERS:		
PRINCIPAL AND INTEREST		400,443
TOTAL EXPENDITURES AND MANDATORY TRANSFERS	49,188,429	48,079,594
NET INCREASE (DECREASE) IN FUND BALANCES	$ -	$ -

UNIVERSITY OF SOUTH ALABAMA
USA HEALTH
2019-2020 BUDGET
UNRESTRICTED CURRENT FUNDS

	2019-2020 BUDGET	2018-2019 BUDGET
REVENUES:		
GROSS PATIENT REVENUES	$ 1,197,447,159	$ 938,318,407
CONTRACTUAL ADJUSTMENTS	549,863,416	391,207,159
OTHER ADJUSTMENTS	13,371,308	6,715,178
TOTAL DEDUCTIONS FROM REVENUES	563,234,724	397,922,337
NET PATIENT REVENUES	634,212,435	540,396,070
ALLOCATION OF STATE APPROPRIATIONS	14,943,233	14,308,800
MOBILE COUNTY HOSPITAL BOARD	17,811,652	17,291,204
MOBILE COUNTY INDIGENT CARE BOARD	422,457	375,000
MEDICAID DISPROPORTIONATE SHARE	11,850,000	12,257,913
OTHER REVENUES	9,415,722	12,771,059
TOTAL REVENUES	688,655,499	597,400,046
EXPENDITURES AND MANDATORY TRANSFERS:		
EXPENDITURES:		
NURSING SERVICES	161,199,490	123,013,376
PROFESSIONAL SERVICES	130,003,609	138,221,642
GENERAL DIVISION	26,212,015	22,620,380
ADMINISTRATIVE DIVISION	63,166,800	93,623,295
MEDICAL EDUCATION	21,006,340	20,699,116
AMBULATORY CLINICS	135,385,905	84,639,412
PROVISION FOR UNCOLLECTIBLE ACCOUNTS (NET OF RECOVERIES)	106,000,911	112,133,648
TOTAL EXPENDITURES	642,975,070	594,950,870
MANDATORY TRANSFERS FOR:		
PRINCIPAL AND INTEREST	11,719,544	7,100,695
TOTAL EXPENDITURES AND MANDATORY TRANSFERS	654,694,614	602,051,565
OTHER TRANSFERS AND ADDITIONS/(DEDUCTIONS):		
RENEWALS AND REPLACEMENTS	(25,132,317)	(5,534,385)
OTHER TRANSFERS	(8,828,568)	10,185,904
NET INCREASE (DECREASE) IN FUND BALANCES	$ -	$ -

UNIVERSITY OF SOUTH ALABAMA
AUXILIARY SERVICES
2019-2020 BUDGET
UNRESTRICTED CURRENT FUNDS

	HOUSING	DINING SERVICES	BOOKSTORE	PUBLICATIONS	2019-2020 BUDGET	2018-2019 BUDGET
REVENUES:						
RENTAL INCOME	$ 12,010,496	$	$	$	$ 12,010,496	$ 12,002,599
SALES				1,146,400	1,146,400	1,090,700
COMMISSION INCOME		8,570,969	1,030,400		9,601,369	9,639,272
OTHER INCOME	288,560	130,000	2,000		420,560	418,560
TOTAL REVENUES	12,299,056	8,700,969	1,032,400	1,146,400	23,178,825	23,151,131
EXPENDITURES:						
SALARIES AND WAGES	2,018,547	117,885	18,900		2,155,332	2,151,537
EMPLOYEE BENEFITS	406,095	47,154	7,560		460,809	484,779
OTHER EXPENDITURES	4,811,996	7,954,054	460,897	1,399,903	14,626,850	14,217,242
TOTAL EXPENDITURES	7,236,638	8,119,093	487,357	1,399,903	17,242,991	16,853,558
NET OPERATING INCOME	5,062,418	581,876	545,043	(253,503)	5,935,834	6,297,573
TRANSFERS AMONG FUNDS - ADDITIONS/(DEDUCTIONS):						
MANDATORY TRANSFERS:						
PRINCIPAL AND INTEREST	(4,867,254)	(450,685)	(236,532)		(5,554,471)	(6,070,310)
NON-MANDATORY TRANSFERS:						
RENEWALS AND REPLACEMENTS	(195,164)	(116,627)	(125,000)		(436,791)	(304,156)
OTHER TRANSFERS		(14,564)	(183,511)	253,503	55,428	76,893
TOTAL TRANSFERS	(5,062,418)	(581,876)	(545,043)	253,503	(5,935,834)	(6,297,573)
NET INCREASE (DECREASE) IN FUND BALANCES	$ -	$ -	$ -	$ -	$ -	$ -

UNIVERSITY OF SOUTH ALABAMA
STATE APPROPRIATIONS
EDUCATION TRUST FUND

2019-2020	2018-2019
$ 118,298,665	$ 111,073,800

RESOLUTION

SALARY INCREASE

WHEREAS, the University has continued to sustain positive momentum in achieving its mission through careful management and the united efforts of its employees, and

WHEREAS, the proposed 2019-2020 fiscal year budget is a balanced budget made possible by ongoing diligent management of finances, improved patient-care revenues and an increase in State appropriations, and

WHEREAS, this budget includes a three-percent, across-the-board increase for eligible current salaried and hourly University General Division and USA Health staff employees and an average three-percent merit increase for all eligible University General Division faculty and University General Division and USA Health administrative employees hired prior to June 1, 2019, and

WHEREAS, this salary increase would be effective December 1, 2019, for monthly paid employees, and November 24, 2019, for bi-weekly paid employees, and subject to the standard University personnel guidelines and procedures and other adjustments as approved by the President, and

WHEREAS, this salary increase would apply to all eligible employees of the University of South Alabama, including those in the University General Division and USA Health,

THEREFORE, BE IT RESOLVED, the Board of Trustees of the University of South Alabama hereby approves a three-percent, across-the-board increase as described herein, for all eligible current salaried and hourly staff employees and an average three-percent merit increase for all eligible faculty and administrative employees hired prior to June 1, 2019.

UNIVERSITY OF SOUTH ALABAMA

MEMORANDUM

Finance and Administration

DATE: September 11, 2019

TO: President Tony G. Waldrop

FROM: G. Scott Weldon

SUBJECT: Resolution for Salary Increase

The University has a balanced budget for the 2019-2020 fiscal year. This was accomplished through careful budget management by our administrators, faculty and staff in the University General Division and the Health System. For the 2019-2020 fiscal year, we are also presenting a balanced budget that includes a proposed three-percent continuing salary increase, effective approximately December 1, 2019.

Attached to this memorandum is a proposed resolution to present to the Board of Trustees for this salary increase. If approved, this three-percent increase would be merit based for all eligible administrators and General Division faculty employed before June 1, 2019, and across the board for all eligible staff. This increase would be subject to the standard University personnel guidelines and procedures and other salary adjustments as approved by the President.

With your approval, this item will be added to the agenda for consideration by the Board of Trustees at its September 13, 2019, meeting.

Attachment

UNIVERSITY OF SOUTH ALABAMA

BOARD OF TRUSTEES

LONG-RANGE PLANNING COMMITTEE

University of South Alabama -- Scorecard 2019

Student Success and Access

One (1) Year FTFT* Undergraduate Retention Rate (FactBook 2015-2016/FactBook 2016-2017/FactBook 2017-2018)	73% 2014 Cohort	73% 2015 Cohort	78% 2016 Cohort	74% 2017 Cohort		81%	↓
Six (6) Year FTFT Graduation Rate (FactBook 2015-2016/FactBook 2016-2017/FactBook 2017-2018)	35% 2009 Cohort	38% 2010 Cohort	40% 2011 Cohort	44% 2012 Cohort		45%	↑
One (1) Year FTFT Undergraduate Retention Rate for Pell Eligible Students (IR Freshman Cohort Retention Report)	71% 2014 Cohort	69% 2015 Cohort	75% 2016 Cohort	71% 2017 Cohort		81%	↓
Student/Faculty Ratio (Common Data Set 2015-2016/Common Data Set 2016-2017/Common Data Set 2017-2018)	20:1 Fall 2015	20:1 Fall 2016	18:1 Fall 2017	18:1 Fall 2018		20:1	★
Percent of disciplines where USA scores above national average on license/exit tests**	85%	92%	82%	92%		90%	★

* FTFT= First Time Full Time Undergraduates

** Includes: Social Work, Audiology, Cardiorespiratory Care, Occupational Therapy, Paramedic, Physical Therapy, Physician Assistant Studies, Radiologic Sciences, Speech Pathology, Medicine, and Nursing (MSN, Accelerated, and Traditional tracks).

Research and Graduate Education

Metric	Baseline	2017 Data	2018 Data	2019 Data	2020 Data	2021 Target	Progress
Number of awards received from external agencies	283 FY 2015	300 FY 2016	298 FY 2017	323 FY 2018		336	↑
Number of students funded from external grants, gifts, or contracts	AY 2015	AY 2016	AY 2017	AY 2018			
- Undergraduate	208	185	230	245		251	↑
- Graduate	101	99	95	80		121	↓
Percentage of South Alabama projects involved in multidisciplinary sponsored research across college and department lines	6% FY 2015	13% FY 2016	9% FY 2017	5% FY 2018		15%	↓
Develop a new graduate degree program biennially- (FactBook 2015-2016-baseline FactBook 2016-2017- added *Sport Management / FactBook 2017-2018- added * Rehabilitation Sciences-Speech Language Pathology, MS Rehabilitation Sciences-Occupational Therapy, MS and Physical Therapy, M.S. for International Students)	47 Fall 2015	48 Fall 2016	48 Fall 2017	51 Fall 2018		49	★
Average of peer-reviewed publications, books, and juried works to full, associate, and assistant professors in the Humanities and Arts (*English, History, Modern and Classical Languages & Literature, Music, Philosophy, Theatre & Dance, and Visual Arts)	1.75 2015 Annual Report	3.28* 2016 Annual Report	3.10 2017 Annual Report	3.26 2018 Annual Report		3.4	↑

*The definition of juried works was adjusted in 2017.

University of South Alabama -- Scorecard 2019

University Community

Metric	Baseline	2017 Data	2018 Data	2019 Data	2020 Data	2021 Target	Progress
Number of unique service-learning courses	83 AY 2015	51 AY 2016	46 AY 2017	64 AY 2018		91	
Attendance at Music and Theater Events at the Laidlaw Performing Arts Center	9,818 AY 2015	8,987 AY 2016	10,838 AY 2017	11,178 AY 2018		10,482	
Attendance at Athletic Events	200,505 AY 2015	210,159 AY 2016	206,329 AY 2017	193,528 AY 2018		262,500	

Global Engagement

Metric	Baseline	2017 Data	2018 Data	2019 Data	2020 Data	2021 Target	Progress
The number of new non-resident international students enrolled (FactBook 2015-2016/FactBook 2016-2017/FactBook 2017-2018)	71 Fall 2017	N/A Global USA began Spring 2017	*Fall 2017 data used for Baseline.	76 Fall 2018		300 Fall 2020	
The number of countries and average number of new non-resident international students per country (I.R.) -Countries -Average number of students per country	Fall 2017 25 3	N/A Global USA began Spring 2017	*Fall 2017 data used for Baseline.	Fall 2018 27 3		Fall 2020 60 16	
Number of students earning the global engagement certificate (established Fall 2017)	NA	N/A begins Fall 2017	8	3		5	
Percentage of students participating in study abroad programs *actual number of students	1.58% *175 AY 2015	1.95% *226 AY 2016	2.15% *292 AY 2017	2.21% *298 AY 2018		3%	
Number of formal active collaborations with foreign universities as indicated by faculty/ student exchanges or research/scholarly collaborations	10 2015	18 2016	45 2018	61 2019		21	

*Percentage of students participating in study abroad programs including actual numbers.

University of South Alabama -- Scorecard 2019

Excellence in Healthcare					
Metric	Baseline CY17 Data	2019 CY18 Data	2020 CY19 Data	2021 Target	Progress
Eight (8) indicators of healthcare associated infections are within acceptable range (CW and UH)	5 within range	3 within range		6 within range	
Percentage of patients willing to recommend facility or providers					
Children's and Women's	83%	83%		85%	
University Hospital	76%	74%		80%	
USA Physicians Group	94%	93%		95%	
Percentage of Serious Safety Events (CW and UH)	3.0%	4.1%		2.5%	

Progress Icon Key							
Met/On target		On track to meet target		No change		Losing ground	

UNIVERSITY OF SOUTH ALABAMA

BOARD OF TRUSTEES

COMMITTEE

OF THE WHOLE

UNIVERSITY OF SOUTH ALABAMA
BOARD OF TRUSTEES

Evaluation and Compensation Committee

June 5, 2019
2:49 p.m.

A meeting of the Evaluation and Compensation Committee of the University of South Alabama Board of Trustees was duly convened by Mr. Mike Windom, Chair, on Wednesday, June 5, 2019, at 2:49 p.m. in the Board Room of the Frederick P. Whiddon Administration Building.

Members Present:	Alexis Atkins, Tom Corcoran, Arlene Mitchell, Jimmy Shumock and Mike Windom.
Member Absent:	Steve Furr.
Other Trustees:	Chandra Brown Stewart, Scott Charlton, Ron Graham, Ron Jenkins, Lenus Perkins, Margie Tuckson and Jim Yance.
Administration and Others:	Robert Berry, Lynne Chronister, Joel Erdmann, Monica Ezell, Paul Frazier, Mike Haskins, David Johnson, Nick Lawkis, John Marymont, Susan McCready (Faculty Senate), Mike Mitchell, Rod Rocconi, John Smith, Margaret Sullivan, Jean Tucker, Sahilee Waitman (SGA), Tony Waldrop and Scott Weldon.

The meeting came to order and the attendance roll was called. Mr. Windom thanked Committee members for their service and acknowledged the Committee's primary charge of conducting periodic evaluations of the University President, **ITEM 22**. He stated President Waldrop has welcomed regular performance evaluations and added that doing so fulfilled a SACSCOC (Southern Association of Colleges and Schools Commission on Colleges) requirement. He said the evaluation process recently completed was less extensive than those conducted previously and stated a recent Association of Governing Boards seminar on presidential evaluations had inspired a different approach for future evaluation processes in that objective criteria aligned with the strategic priorities would be added. He cited examples of how President Waldrop's service and activities were tied directly to the priorities and progress of the University. He stated the Committee would work in the coming months to identify reasonable criteria and would communicate a recommendation to the President and the entire Board.

For the interim and on behalf of the Committee, Mr. Windom attested that President Waldrop's performance over the year met or exceeded expectations. He further declared President Waldrop eligible for any general salary increase approved for University employees. He thanked President Waldrop for his leadership and President Waldrop credited the administrative team for the positive momentum of the University.

There being no further business, the meeting was adjourned at 2:55 p.m.

Respectfully submitted:

_____
Michael P. Windom, Chair

UNIVERSITY OF SOUTH ALABAMA
BOARD OF TRUSTEES

COMMITTEE OF THE WHOLE

June 5, 2019
2:55 p.m.

A meeting of the Committee of the Whole of the University of South Alabama Board of Trustees was duly convened by Mr. Jimmy Shumock, Vice Chair, on behalf of The Honorable Ken Simon, Chair *pro tempore*, on Wednesday, June 5, 2019, at 2:55 p.m. in the Board Room of the Frederick P. Whiddon Administration Building.

Members Present:	Alexis Atkins, Chandra Brown Stewart, Scott Charlton, Tom Corcoran, Ron Graham, Ron Jenkins, Arlene Mitchell, Lenus Perkins, Jimmy Shumock, Margie Tuckson, Mike Windom and Jim Yance.
Members Absent:	Steve Furr, Kay Ivey, Ken Simon and Steve Stokes.
Administration and Others:	Robert Berry, Lynne Chronister, Joel Erdmann, Monica Ezell, Paul Frazier, Mike Haskins, David Johnson, Nick Lawkis, John Marymont, Susan McCready (Faculty Senate), Mike Mitchell, Rod Rocconi, John Smith, Margaret Sullivan, Jean Tucker, Sahilee Waitman (SGA), Tony Waldrop and Scott Weldon.

The meeting came to order and the attendance roll was called. Mr. Shumock called for consideration of the minutes of meetings of the Committee of the Whole and Executive Committee held on March 15, 2019. On motion by Ms. Mitchell, seconded by Capt. Jenkins, the minutes were approved unanimously.

Mr. Shumock presented **ITEM 23**, a resolution authorizing dates of Board of Trustees meetings for the 2019-2020 academic year (to view copies of approved resolutions, policies and other authorizations, refer to the minutes of the June 6, 2019, meeting of the Board of Trustees). On motion by Mr. Corcoran, seconded by Mr. Yance, the Committee voted unanimously to recommend approval of the resolution by the Board of Trustees.

In accordance with the provisions of the Alabama Open Meetings Act, Mr. Shumock made a motion to convene an executive session for an anticipated duration of 15 minutes for the purpose of discussing pending or imminent litigation, **ITEM 24**. He stated Ms. Tucker, Senior University Attorney, had submitted the required written declaration for the minutes. Mr. Yance seconded and the Committee voted unanimously at 2:57 p.m. to convene an executive session following a brief recess, as recorded below:

AYES:
Ms. Atkins
Ms. Brown Stewart
Dr. Charlton
Mr. Corcoran
Mr. Graham
Capt. Jenkins

Ms. Mitchell
Mr. Perkins
Mr. Shumock
Ms. Tuckson
Mr. Windom
Mr. Yance

The Executive Session ended at 3:14 p.m. and the Committee meeting resumed in an open session. There being no further business, the meeting was adjourned at 3:15 p.m.

Respectfully submitted:

_____
James H. Shumock, Vice Chair

On behalf of:

_____
Kenneth O. Simon, Chair *pro tempore*

RESOLUTION

EXECUTIVE COMMITTEE OF THE BOARD OF TRUSTEES

WHEREAS, the Bylaws of the University of South Alabama Board of Trustees provide for the appointment by the Chair *pro tempore* of an Executive Committee, subject to the approval of the Board, for terms concurrent with the term of the Chair *pro tempore*, who shall serve as Chair of the Executive Committee,

THEREFORE, BE IT RESOLVED, the University of South Alabama Board of Trustees approves the appointment of the following named Trustees to serve on the Executive Committee for terms concurrent with the term of the current Chair *pro tempore*.

- Mr. James H. Shumock
- Ms. Arlene Mitchell
- Ms. Katherine Alexis Atkins
- Mr. E. Thomas Corcoran
- Dr. Steven P. Furr
- Hon. Kenneth O. Simon
- Mr. James A. Yance