UNIVERSITY OF SOUTH ALABAMA
BOARD OF TRUSTEES

MEETING AGENDA

SEPTEMBER 11, 2020
10:30 A.M.

FREDERICK P. WHIDDON ADMINISTRATION BLDG.
SUITE 130, BOARD ROOM

In compliance with University policies governing social distancing and other COVID-19 protocol, in-person attendance will be limited to Trustees.

Public access will be available via YouTube livestream (the link will be active on the following web page at approx. 10:15 a.m.):
https://www.southalabama.edu/departments/trustees/agendas/2020/

	Roll Call	
1	Approve:	Minutes
2	Report:	Board of Trustees Scholar
3	Approve:	Commendation of Melinda and Louis Mapp
4	Report:	University President
5	Report:	Faculty Senate President
6	Report:	Student Government Association President
7	Report:	KPMG Auditors
8	Report:	Independent Audit of the USA Foundation Consolidated Financial Statements and Disproportionate Share Hospital Funds Combined Financial Statements, Years Ended June 30, 2020 and 2019
9	Approve:	Office of Internal Audit Charter
10	Report:	Internal Audit
11	Report:	Endowment and Investments Performance
12	Report:	Development and Alumni Relations
13	Approve:	USA Health Hospitals Medical Staff Appointments and Reappointments for May, June and July 2020
14	Report:	USA Health and College of Medicine
15	Approve:	Speech, Expressive Activities, and Use of University Space, Facilities and Grounds Policy
16	Report:	Academic Affairs
17	Report:	Student Affairs
18	Report:	Research and Economic Development
19	Report:	Quarterly Financial Statements for the Nine Months ended June 30, 2020
20	Approve:	Contract Officers
21	Approve:	Employment Agreement Revisions
22	Approve:	University Total Budget for 2020-2021
23	Approve:	Amended Bylaws of the University of South Alabama Research and Technology Corporation
24	Approve:	Directors of the University of South Alabama Research and Technology Corporation
25	Report:	2020 Scorecard
26	Approve:	University Strategic Plan Extension
27	Approve:	Executive Session

UNIVERSITY OF SOUTH ALABAMA
BOARD OF TRUSTEES

REGULAR MEETING

September 11, 2020

10:30 a.m.

UNIVERSITY OF SOUTH ALABAMA
BOARD OF TRUSTEES

MEETING AGENDA

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UNIVERSITY OF SOUTH ALABAMA

MEMORANDUM

Board of Trustees

DATE: September 1, 2020

TO: USA Board of Trustees

FROM: Alexis Atkins
Secretary, Board of Trustees

SUBJECT: Meeting Minutes

Included herein are the unapproved minutes for the Board of Trustees meeting held on June 5, 2020. Please review this document for amendment or approval during the next meeting of the Board scheduled on September 11, 2020.

UNIVERSITY OF SOUTH ALABAMA
BOARD OF TRUSTEES

June 5, 2020
10:30 a.m.

A meeting of the University of South Alabama Board of Trustees was duly convened by Mr. Jimmy Shumock, Chair *pro tempore*, on Friday, June 5, 2020, at 10:30 a.m. by means of video conference. Public access was provided via YouTube livestream.

Members Participating:	Alexis Atkins, Chandra Brown Stewart, Scott Charlton, Tom Corcoran, Steve Furr, Ron Graham, Ron Jenkins, Arlene Mitchell, Lenus Perkins, Jimmy Shumock, Ken Simon, Steve Stokes, Margie Tuckson, Mike Windom and Jim Yance.
Not Participating:	Kay Ivey.
Administration & Guests:	Terry Albano, Owen Bailey, Lynne Chronister, John Cleary (Faculty Senate), Ken Davis, Kristin Dukes, Joel Erdmann, Monica Ezell, Mike Haskins, David Johnson, Rod Kanter (Bradley Arant), Andi Kent, John Marymont, Abe Mitchell, Mike Mitchell, Tia Nickens (SGA), Laura Schratt, John Smith, Margaret Sullivan, Tony Waldrop and Scott Weldon.

Chairman Shumock called the meeting came to order, discussed how the virtual meeting would proceed and thanked everyone for their participation. Following the attendance roll call, he stated an executive session would not be held and called for a motion to adopt an amended agenda excluding this item. On motion by Ms. Atkins, seconded by Mr. Windom, the Board voted unanimously to adopt a revised agenda.

Chairman Shumock called for adoption of the minutes of meetings of the Board of Trustees; Audit Committee; Development, Endowment and Investments Committee; Health Affairs Committee; Academic and Student Affairs Committee; Budget and Finance Committee; and Committee of the Whole held on March 6, 2020, as well as the minutes of an Executive Committee meeting held on March 26, 2020, **ITEM 1**. On motion by Ms. Atkins, seconded by Mr. Graham, the Board voted unanimously to adopt the minutes.

Chairman Shumock presented **ITEM 2** as follows. On motion by Mr. Perkins, seconded by Capt. Jenkins, the Board voted unanimously to approve the resolution:

RESOLUTION
BOARD MEETING SCHEDULE - 2020-2021

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 11, 2020
- Thursday, December 3, 2020
- Friday, March 5, 2021
- Friday, June 4, 2021

FURTHER, BE IT RESOLVED that the date of June 4, 2021, be designated as the annual meeting of the University of South Alabama Board of Trustees for 2020-2021.

Chairman Shumock called for presentation of **ITEM 3**, the President's Report. President Waldrop called for an update from Dr. Mitchell as Chair of South's Diversity and Inclusion Committee. Dr. Mitchell shared information on the virtual town hall *Let's Talk About America and George Floyd*, the latest in USA's *Courageous Conversations* series held on June 4. He gave background on the panelists who participated and stated more than 400 people viewed the live broadcast.

President Waldrop introduced and gave background on South's new Executive Director of Internal Audit and Chief Financial Compliance Officer, Ms. Laura Schratt. Ms. Schratt made brief remarks about her new role.

President Waldrop shared information on the University's Spring Commencement video that aired on YouTube on May 9, in which he addressed 2,181 graduates and conferred their degrees, and messages were delivered by from the academic deans and the 2019-2020 Student Government Association (SGA) President. He said close to 3,000 people watched the video debut and noted the possibility of recognizing the graduates on campus at a later date.

President Waldrop called on Provost Johnson, who announced that South students Mr. Richard Fu, an honors biomedical sciences major; Ms. Hannah Giannini, an honors chemistry major; Ms. Samantha Michlowitz, an honors meteorology major; and Mr. John Pomerat, a computer science major had been awarded prestigious Goldwater Scholarships for 2020. He stated they were among seven students selected in Alabama and among less than 400 students chosen nationwide. He added that USA was among just 16 universities in the country that had all four of its nominees selected, calling this a significant accomplishment. He shared details about the internal processes that help students prepare as Goldwater candidates.

President Waldrop advised of research activity related to the COVID-19 pandemic and the CARES Act, noting that, of 25 grant proposals submitted seeking $23 million in funding, $18 million had been awarded for 13 projects. He thanked Ms. Chronister for her leadership and work with the research faculty.

President Waldrop discussed plans to open campus effective with the 2020 fall semester. He stated a University Reopening Committee with several subcommittees met regularly to address a wide array of operational needs and added that the campus community could expect to receive information soon.

Chairman Shumock called for a report from Faculty Senate President Dr. John Cleary, **ITEM 4**. Dr. Cleary shared information about himself, suggested that the current environment would provide opportunities to promote leadership and shared governance, and thanked various South Alabama constituencies for their efforts during an unprecedented time, among which he recognized the SGA leadership for recent passage of a resolution addressing the need for racial equality. He stated the Faculty Senate and all faculty were working diligently to develop solutions in response to the pandemic crisis.

Chairman Shumock called for a report from SGA President Ms. Tia Nickens, **ITEM 5**. Ms. Nickens advised she was a secondary education major from Illinois. She reported that the SGA was adapt-

ting to the new environment and would be flexible in presenting programming focused on student engagement, basic needs and transparency for the coming academic year. She referenced a project to bridge the gap between student athletes and the general student body, as well as implementation of an initiative tracker on the web site to help students stay informed.

Chairman Shumock called for a report on the activities of the Division of Development and Alumni Relations, **ITEM 6**. Ms. Sullivan advised of close to $6.0 million raised for the Upward & Onward Campaign through June 1 of fiscal year 2020, and of just over $151.8 million secured throughout the campaign, exceeding the $150 million goal. She reported close to $60,000 raised for the USA Responds initiative created to address needs related to the coronavirus crisis. She discussed student needs stemming from the pandemic, as well as sources of emergency student support, such as is available through South Cares, one of four USA Responds appeals. She advised that fundraising activities were being restructured and referenced the recent *Local Goodness to Go* event that raised more than $97,000 in net proceeds in support of the new pediatric emergency room at Children's & Women's Hospital. She stated the remainder of the campaign would focus on scholarship growth through the Mitchell-Moulton Scholarship Initiative. She thanked the Stokeses for their continued leadership as Campaign Co-chairs.

Chairman Shumock called upon Mr. Bailey to present **ITEM 7** as follows. (To view approved policies and other authorized documents, refer to **APPENDIX A**). Mr. Bailey advised that the recommended medical staff bylaws revisions pertained to a policy on advanced practice providers. On motion by Ms. Atkins, seconded by Dr. Furr, the Board voted unanimously to approve the resolution:

RESOLUTION
USA HOSPITALS MEDICAL STAFF BYLAWS

WHEREAS, revisions to the USA Hospitals Medical Staff Bylaws and the associated policy on Advanced Practice Professionals, approved May 6, 2020, by the active voting General Medical Staff members via email and attached hereto, are recommended for approval by the Medical Executive Committees, and the Executive Committee of the University of South Alabama Hospitals,

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

Chairman Shumock asked Mr. Bailey to address **ITEM 8** as follows. Mr. Bailey explained that the new medical staff bylaws adopted by the Board in March 2020 required Board approval of medical staff privileges. He reminded the Trustees of the same requirement in the past under the previous bylaws. On motion by Ms. Brown Stewart, seconded by Mr. Yance, the Board voted unanimously to approve the resolution:

RESOLUTION
USA HOSPITALS MEDICAL STAFF APPOINTMENTS AND REAPPOINTMENTS FOR MARCH AND APRIL 2020

WHEREAS, the Medical Staff appointments and reappointments for March and April 2020 for the University of South Alabama Hospitals are recommended for Board approval by the Medical Executive Committees and the USA Health Credentialing Board,

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

As to **ITEM 9**, a report on the activities of USA Health and the College of Medicine, Dr. Marymont introduced Mr. Bailey, who shared information on a $3.9 million grant award from the Economic Development Administration that would be used to fund new generators at University Hospital. Mr. Bailey recognized the individuals who worked on securing this grant. He also recognized the entire USA Health team for the manner in which everyone responded to and prepared for the pandemic crisis, which brought about a decline in the hospital census, elective surgeries, emergency room utilization. He advised of a paid-time-off donation bank created to help employees impacted by the downturn and said approximately 4,000 hours had been donated to people in need. He talked about the increase of clinical telehealth visits and said hospital volumes had begun to improve. He shared details on a partnership with the City of Mobile that had provided COVID-19 testing to citizens. He and Dr. Marymont shared insight on funding for COVID-19 testing through the CARES Act and other sources.

A discussion took place on the University Police and procedures related to officer complaints and excessive force. Dr. Smith expressed confidence in Chief Aull's proactive supervision and training of USA officers. He stated Chief Aull was in regular communication with student groups and campus units. He said Chief Aull also founded a program for crisis intervention team training of police forces which had expanded in the region. Ms. Chronister advised of grant funding received for Chief Aull's training program, as well as received by faculty for relationships with the Mobile Police. She anticipated additional interest in research opportunities given the national focus on race relations.

Chairman Shumock called for consideration of **ITEM 10** as follows. Provost Johnson and Dr. Marymont discussed the rigorous review process to which tenure and promotion candidates were subject. On motion by Ms. Atkins, seconded by Dr. Stokes, the Board voted unanimously to approve the resolution:

RESOLUTION
TENURE AND PROMOTION

WHEREAS, in accordance with University policy, faculty applications for tenure and/or promotion 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, as a result of this review process, the individuals listed 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 these individuals, all effective August 15, 2020, except as noted herein.

COLLEGE OF ARTS AND SCIENCES:

Tenure:
- Jaclyn Bunch
- Kelly Dorgan
- Brian Dzwonkowski
- Philip Habel
- Jianing Han

Promotion to Associate Professor:
- Jaclyn Bunch
- Kelly Dorgan
- Brian Dzwonkowski
- Jianing Han
- Mohammad Hossain

Tenure continued:
- Mohammad Hossain
- Nemanja Kosovalic
- John Lanicci
- Andrew Lewis
- Jason Rinehart

Promotion to Senior Instructor:
- Christopher Cowley
- LaTonya Darby
- Tray Hamil

Promotion to Associate Professor continued:
- Nemanja Kosovalic
- Andrew Lewis
- Jason Rinehart

Promotion to Professor:
- Philip Habel
- Douglas Marshall
- W. Matthew Reichert
- Thomas Rowell
- Phillip Smith

MITCHELL COLLEGE OF BUSINESS:

Tenure:
- Huubinh Le

Promotion to Associate Professor:
- Huubinh Le

MITCHELL CANCER INSTITUTE:

Promotion to Associate Professor:
- Dr. Moh'D Khushman

Promotion to Professor:
- Dr. Jennifer Scalici

SCHOOL OF COMPUTING:

Tenure:
- David Bourrie

Promotion to Associate Professor:
- David Bourrie

COLLEGE OF EDUCATION AND PROFESSIONAL STUDIES:

Tenure:
- Yvette Getch
- Neil Schwarz

Promotion to Associate Professor:
- Neil Schwarz

Promotion to Professor:
- Yvette Getch

COLLEGE OF ENGINEERING:

Tenure:
- Na Gong
- Saeed Latif
- Carlos Montalvo
- Dhananjay Tambe
- Jinhui Wang

Promotion to Associate Professor:
- Saeed Latif
- Carlos Montalvo
- Dhananjay Tambe

MARX LIBRARY:

Tenure:
- Jia He

Promotion to Associate Librarian:
- Jia He

COLLEGE OF MEDICINE:

Tenure:
- Abu Bakr Al-Mehdi
- Thuy Phung (Effective June 5, 2020)
- Aishwarya Prakash

Promotion to Associate Professor:
- Gary Carnahan
- Nicolette Holliday
- Aishwarya Prakash

Promotion to Professor:
- Jonathon Audia
- Lynn Batten
- Paul Rider
- Jon Simmons
- Jon Simmons (Joint in Pharmacology)
- Seema Singh
- Mark Taylor
- David Weber

COLLEGE OF NURSING:

Promotion to Associate Professor:
- Rebecca Grave

Chairman Shumock called for presentation of **ITEM 11** as follows. Dr. Smith explained that modifications to dining operations were necessary for the safety of students and staff as a result of the COVID-19 pandemic. He stated the recommendation for an average 2.5 percent increase in meal plan rates effective with the 2020-2021 academic year would cover the cost of the modifications. He introduced College of Education and Special Programs Dean Dr. Andi Kent, who shared details on the Start South dual enrollment program for high school students set to launch in the 2020 fall semester and on the recommendation for a $166 per credit hour tuition rate for students enrolled. She stated the program would provide opportunities to strengthen relationships with high schools and may be a pipeline to boost freshmen enrollment. On motion by Ms. Atkins, seconded by Mr. Graham, the Board voted unanimously to approve the resolution:

RESOLUTION
TUITION, FEES AND HOUSING AND DINING RATES - 2020-2021

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

WHEREAS, Start South is a dual high school and college enrollment program that allows high school students to experience USA's highly qualified and talented faculty, and

WHEREAS, the Start South program is expected to strengthen relationships with local school districts while improving enrollment yield in those districts, and

WHEREAS, dining services must increase operational expectations and expenses due to the COVID-19 pandemic, and

WHEREAS, dining services will provide enhancements to operations, facilities, equipment, and technology in response to the COVID-19 pandemic,

THEREFORE, BE IT RESOLVED, the University of South Alabama Board of Trustees approves the recommended Start South tuition rate and the recommended dining rates for the academic year 2020-2021 as set forth in the attached schedules.

Chairman Shumock asked Dr. Smith to address **ITEM 12** as follows. Dr. Smith gave background on a recommendation to implement a policy requiring freshmen to live on campus in University-owned housing effective with the 2021 fall semester. He said South was one of three institutions statewide that did not currently require freshmen to live on campus. He referenced comprehensive data demonstrating that students who live on campus are more successful, have higher grade point averages, are more engaged and have higher rates of retention and graduation. He added that the policy allowed for certain exceptions. On motion by Dr. Charlton, seconded by Mr. Perkins, the Board voted unanimously to approve the resolution:

RESOLUTION
POLICY ON FRESHMEN ON-CAMPUS HOUSING REQUIREMENT

WHEREAS, the University of South Alabama ("USA") is committed to providing students with a vibrant, comprehensive and successful undergraduate student experience, and

WHEREAS, national studies show that students who live on campus are more successful, have higher grade-point averages, are more engaged, and have higher rates of retention and graduation, and

WHEREAS, consistent with the above-referenced national studies, students who live in University Housing at USA have higher grade-point averages, have a higher rate of first- to second-year retention, and are more likely to graduate within the six-year national average, and

WHEREAS, results from USA's annual resident student satisfaction survey indicate students who live on campus report a greater sense of integration with campus life and an enhanced feeling of "belonging" with the campus community, and

WHEREAS, the Board of Trustees believes it is in the best interest of the students at USA to enhance their opportunities for success by their integration into college and campus life,

THEREFORE, BE IT RESOLVED, the University of South Alabama Board of Trustees authorizes adoption of the policy that is attached hereto and incorporated herein, which requires, beginning in fall 2021, first-time freshmen enrolled in 12 or more hours at the University of South Alabama who graduated from high school within the preceding 12 months of enrolling to the University to live on campus in University Housing unless they are commuting from the permanent residence of a parent, grandparent, or legal guardian; are a military veteran; are married and/or have a dependent child or children in residence; or are granted an exception through the exemption process.

Chairman Shumock called on Mr. Weldon, who announced that Associate Vice President for Finance and Administration/University Treasurer Mr. Ken Davis would retire on September 1. He thanked Mr. Davis for close to 30 years of service to the University.

Mr. Weldon reported that, in addition to the South Cares appeal to help students impacted by the pandemic crisis, the University had distributed approximately $4.5 million in federal stimulus money to students in need. He added that approximately $1.2 million was still available and should be disbursed by the end of the month once student documentation is completed.

As to **ITEM 13**, the quarterly financial statements for the six months ended March 31, 2020, Mr. Weldon reported an increase in net position of approximately $15.2 million compared to that of $22 million reported for the quarter ended December 31, 2019. He stated the actual turnaround from December 2019 was approximately $20 million when considering that the March 2020 results included an investment loss of more than $13 million. He noted that over half of this investment loss had been recovered by the end of April 2020 and anticipated that the continued upward momentum of the market would be reflected in the financial results for May 2020.

Chairman Shumock asked Mr. Weldon to address **ITEM 14** as follows. Mr. Weldon explained that, while the University's existing cash position was strong, securing a line of credit was prudent should the University need to access additional cash due to developing pandemic unknowns. He introduced Mr. Albano, who reported that pricing negotiations with banking partners had taken place and that Hancock Whitney Bank had submitted the most competitive proposal. He and Mr. Weldon clarified that the resolution would authorize a $50 million line of credit and give the University authority to pursue an additional $50 million line of credit with Hancock Whitney Bank at no cost if needed in the future. Questions about the resolution and restrictions on the use of the proceeds were addressed. On motion by Mr. Perkins, seconded by Ms. Mitchell, the Board voted unanimously to approve the resolution:

A RESOLUTION AUTHORIZING
2020 REVOLVING LINE OF CREDIT FACILITY FROM HANCOCK WHITNEY BANK
AND OTHER REVOLVING LINE OF CREDIT FACILITIES

BE IT RESOLVED by the Board of Trustees (herein called the "Board") of the **UNIVERSITY OF SOUTH ALABAMA** (herein called the "University") as follows:

Section 1. (a) Findings. The Board has determined and hereby finds and declares that the following facts are true and correct:

(a) As a result of COVID-19 and the March 11, 2020 pandemic declaration by the World Health Organization, various state and local governments, businesses and entities, including without limitation institutions of higher education such as the University, took measures to limit travel, social interaction and other customary behavior to lessen the spread and impact of COVID-19, and health care institutions, such as the health care enterprise owned and operated by the University, experienced significant and unexpected demands to help treat those with COVID-19; and

(b) The full impact and extent of the response to CODIV-19 is still unknown, but entities in certain industries, particularly those involved in public education and healthcare, have determined to secure access to funds that may become necessary to cover operating and other expenses due to revenue delays or shortfalls, or increases in costs and expenses; and

(c) The Board has determined it necessary, wise and in the best interest of the University to secure a revolving line of credit from Hancock Whitney Bank, a Mississippi chartered banking corporation ("Hancock Whitney"), under which the University may obtain funds, from time to time, to cover working capital expenses for an initial term of one year and so long as the total principal amount

of the 2020 Revolving Line of Credit at any time does not exceed $50,000,000 (the "2020 Revolving Line of Credit"); and

(d) The terms respecting the 2020 Revolving Line of Credit are set forth in a Revolving Line of Credit Agreement dated June 11, 2020 between the University and Hancock Whitney, the form of which is attached as Exhibit I hereto (the "2020 Revolving Line of Credit Agreement"), which such agreement contains a form of Revolving Line of Credit Promissory Note (the "2020 Promissory Note") to evidence the University's obligation to pay the principal of and interest on all advances of funds from Hancock Whitney under the 2020 Revolving Line of Credit; and

(e) It is necessary, wise and in the public interest that the Board authorize and approve the 2020 Revolving Line of Credit Agreement and the 2020 Promissory Note, authorize certain officers of the University to execute and deliver such instruments on behalf of the University to Hancock Whitney, and, further, authorize certain officers of the University to execute extensions, amendments or other modifications of such instruments, all as more particularly set forth herein; and

(f) It is necessary, wise and in the public interest that the Board further authorize and approve the execution and delivery of one or more additional facilities that permit the University to secure up to an additional $50,000,000 line of credit if such officers determine the same necessary, wise and in the interest of the University, all as more particularly set forth herein.

Section 2. Authorization of 2020 Line of Credit Agreement and 2020 Promissory Note. (a) The Board does hereby authorize and approve the terms of the 2020 Line of Credit Agreement and the 2020 Promissory Note. The President of the University and the Vice President for Finance and Administration of the University, or either of them, are hereby authorized and directed to execute and deliver, on behalf of the University, the 2020 Revolving Line of Credit Agreement and the 2020 Promissory Note, together with such other notices, directions, requests, instruments or other documents as from time to time shall become necessary or desirable in furtherance of any of the transactions set forth in the 2020 Line of Credit Agreement or the 2020 Promissory Note. The Secretary of the Board is hereby authorized to affix the seal of the University on the 2020 Line of Credit Agreement and the 2020 Promissory Note, and to attest the same.

(b) The President of the University and the Vice President for Finance and Administration of the University, or either of them, are hereby further authorized and directed to execute and deliver, on behalf of the University, such amendments, modifications, restatements, or other instruments as shall be necessary or desirable to extend the term of the 2020 Line of Credit Agreement and 2020 Promissory Note, or either of them, and to reflect modified financing terms applicable to such renewed term (including, without limitation, to modify the definition "LIBOR Rate") and associated definitions (including, without limitation, the definition "Replacement Index") due to changes resulting from the LIBOR Rate being discontinued, no longer reported, or otherwise no longer available or useful, so long as:

(i) Such extended term is for a period of not greater than one year from the maturity date of the 2020 Promissory Note then in effect;

(ii) Such amendments, modifications, restatements or other instruments do not increase the Spread (as defined in the 2020 Line of Credit Agreement) to more than 200 basis points;

(iii) Such amendments, modifications, restatements or other instruments do not increase the Unused Fee to more than 20 basis points; and

(iv) The total term of the 2020 Line of Credit Agreement and 2020 Promissory Note, from the date of their initial delivery through the final maturity resulting from any such amendments, modifications, restatements, is not longer than three years.

Section 3. Authorization of Additional Line of Credit Facility. (a) The Board does hereby authorize and direct the President of the University and the Vice President for Finance and Administration of the University, or either of them, to negotiate, execute and deliver, on behalf of the University, such agreements, promissory notes or other instruments to secure an additional revolving line of credit facility of up to $50,000,000 (an "Additional Revolving Line of Credit Facility") if either such officer certifies in writing to the Secretary of the Board that it is necessary, wise and in the best interest of the University to secure access to additional funds to help cover costs, operations or expenses of the University; provided, the terms of such Additional Revolving Line of Credit Facility shall be substantially the same as those set forth in the 2020 Line of Credit Agreement and the 2020 Promissory Note, as such 2020 Line of Credit Agreement and such 2020 Promissory Note shall have been amended, modified or restated pursuant to Section 2(a) of this resolution at the time such Additional Revolving Line of Credit Facility is entered; and, provided further, that

(i) The initial term of such Additional Revolving Line of Credit Facility (including any such agreement and/or promissory note as shall evidence the same) is for a period of not longer than one year;

(ii) The spread over the base variable rate used to compute interest under such Additional Revolving Line of Credit Facility is not greater than 200 basis points; and

(iii) The unused fee applicable to such Additional Revolving Line of Credit Facility is not greater than 30 basis points.

The Secretary of the Board is hereby authorized to affix the seal of the University on any agreement, promissory note or other documentation evidencing the Additional Revolving Line of Credit, and to attest the same.

(b) The President of the University and the Vice President for Finance and Administration of the University, or either of them, are hereby further authorized and directed to execute and deliver, on behalf of the University, such amendments, modifications, restatements, or other instruments as shall be necessary or desirable to extend the term of any Additional Revolving Line of Credit Facility, so long as

(i) Such extended term is for a period of not greater than one year from the maturity date of the Additional Revolving Line of Credit Facility then in effect at the time of such extension;

(ii) The spread over the base variable rate used under the Additional Revolving Line of Credit Facility to compute interest is not greater than 200 basis points;

(iii) The unused fee applicable to such Additional Revolving Line of Credit Facility is not greater than 30 basis points; and

(iv) The total term of the Additional Revolving Line of Credit Facility, from the date of initial delivery of the promissory note or agreement evidencing the same through the final maturity resulting from any such amendments, modifications, restatements, is not longer than three years.

Section 4. General Authorization. The President of the University, the Vice President for Finance and Administration of the University, and the Secretary of the Board are hereby authorized to execute, seal and attest, as the case may be, such agreements, certifications, instruments or other documents, containing such terms as such officer or official shall approve, and to take such other actions as any of them may deem appropriate or necessary, for the consummation of the transactions covered by this resolution, the 2020 Revolving Line of Credit Facility (including the 2020 Revolving Line of Credit Agreement and the 2020 Promissory Note), and any Additional Revolving Line of Credit Facility (including any agreements, promissory notes or other instruments that evidence the same).

Chairman Shumock called on Mr. Albano for presentation of **ITEM 15**, a report on endowment and investment performance. Mr. Albano advised of a -2.89 percent return for the fiscal year through April 30, 2020, compared to the relative index performing at -1.14 percent, or an underperformance of 1.75 percent. He expressed confidence in the sound management of the portfolio despite the current results. He stated the annualized performance since inception was 4.98 percent versus the relative index of 3.89 percent, an outperformance of 1.07 percent. He presented a chart showing net invested capital of approximately $75.7 over the life of the endowment through April 30, 2020, profits totaling approximately $81.4 million, and a current market value of approximately $157.2 million, and shared insight on economic predictions and market movement.

Chairman Shumock called for consideration of **ITEM 16** as follows. Mr. Albano stated the proposal for adjusting the endowment cash allocation target from 0 – 5 percent as currently set forth by the Endowment Funds Investment Policies and Guidelines to 0 – 10 percent would give South greater flexibility during volatile times. Judge Simon and Mr. Yance agreed this action would reduce risk and increase cash availability. On motion by Ms. Mitchell, seconded by Judge Simon, the Board voted unanimously to approve the resolution:

RESOLUTION
REVISIONS TO THE UNIVERSITY'S ENDOWMENT FUNDS INVESTMENT POLICIES AND GUIDELINES

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

WHEREAS, the Board delegates certain investment authority to its 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 University's endowment funds according to the Guidelines approved by the Board, and

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

WHEREAS, the Guidelines state that cash is to be employed productively to provide liquidity and safety, and

WHEREAS, cash serves a crucial role during global economic changes for purposes of rebalancing and additional investing, and

WHEREAS, after due consideration, it is recommended that the Guidelines be amended to change the allowable range for the cash-asset allocation from 0 – 5 percent to 0 – 10 percent,

THEREFORE, BE IT RESOLVED, the Board of Trustees of the University of South Alabama hereby approves revisions to the Endowment Funds Investment Policies and Guidelines as agreed upon by the members of the Development, Endowment and Investments Committee.

Chairman Shumock called for other remarks. President Waldrop noted that this meeting was the last that Provost Johnson would attend in his current role. He said Provost Johnson would be recognized for service at a future Board meeting.

There being no further business, the meeting was adjourned at 12:03 p.m.

Attest to: Respectfully submitted:

Katherine Alexis Atkins, Secretary James H. Shumock, Chair *pro tempore*

APPENDIX A

UNIVERSITY OF SOUTH ALABAMA

DISCLOSURE OF INFORMATION ON PURCHASE OF REAL PROPERTY PURSUANT TO ALABAMA ACT 2014-133

PROPERTY ADDRESS:

5911 Waringwood Drive
Mobile, Alabama 36608
Key Number 489581

APPRAISAL INFORMATION:

No appraisal was obtained. The Mobile County Revenue Commission reported a 2020 Fair Market Value of $25,200.00 for the property.

CONTRACTS RELATED TO THE PURCHASE:

Attached as **"Exhibit A"**

PURCHASE TERMS:

Cash Purchase

SOURCES OF FUNDS USED IN THE PURCHASE:

Unrestricted Funds

USA PROPERTIES
775 N. University Blvd. | Suite 150 | Mobile, Alabama 36608-4548
TEL: (251) 460-6100 | FAX: (251) 461-1765 | SouthAlabama.edu

REAL ESTATE PURCHASE CONTRACT

The **University of South Alabama** ("Buyer"), a public body corporate of the State of Alabama, whose principal address is 307 University Boulevard North, AD-170, Mobile, AL 36688 ("Buyer's Address"), hereby agrees to buy and **Florence J. McCants** ("Seller"), whose principal address is 3920 Berwyn Drive South, Apartment 168, Mobile, AL 36608 ("Seller's Address"), hereby agrees to sell for the consideration and upon the terms hereinafter set forth, the real estate commonly known as:

5911 Waringwood Drive, Mobile, Alabama 36608
Parcel: R02 28 04 17 1 000 043.XXX (Key#: 489581)

Lot 5, Block 10 of Hillsdale Heights Subdivision according to plat thereof recorded in Map Book 10, Page 183, of the records in the office of the Judge of Probate, Mobile County, Alabama

TOGETHER WITH all rights, privileges, tenements, hereditaments and appurtenances thereunto belonging, or in anywise appertaining (the "Property").

ARTICLE I - Purchase Price and Condition of Property

1.1 The purchase price for the Property shall be THIRTY FOUR THOUSAND FME RLD *AND NO/100 DOLLARS* ($34,000.00 FME RLD) (the "Purchase Price") and shall be payable on the day of Closing ("Closing Date") by cash, cashier's check, certified check or wire transfer. Buyer shall pay the cost of acquiring a current title insurance policy for the benefit of Buyer, and the cost of document preparation, including a general warranty deed. Buyer further agrees to pay all taxes, fees, other closing and settlement costs.

1.2 Seller agrees that the proceeds of this sale shall be used to satisfy any and all outstanding mortgages and/or liens that exist on the Property at the Closing of this transaction (the "Closing") before any remaining proceeds from the sale are given to Seller.

ARTICLE II- Closing

2.1 Unless otherwise extended by the provisions of the Contract or by agreement in writing by the parties, the Closing shall be held within sixty (60) days of the signing of this Contract.

2.2 The Closing shall be held at the office of Guarantee Title Company, LLC located at 4300 Downtowner Blvd., Mobile, Alabama, 36609.

ARTICLE III - Possession

3.1 Possession shall be delivered to Buyer at Closing. Seller and Buyer acknowledge and agree that until the Closing Date, Seller shall have possession of the Property and shall continue to pay any and all expenses incurred by Seller, such as yard maintenance, and Seller agrees to indemnify and hold Buyer harmless from any and all costs associated with same. Seller shall be responsible for insuring the property during the period of Seller's possession. Buyer shall bear no responsibility for risk of loss prior to the time that Seller vacates the property.

ARTICLE IV - Deed and Other Documents

4.1 Seller shall convey the Property to Buyer by recordable General Warranty Deed (the "Deed"), conveying good and marketable title of record to the Property, in fee simple, free and clear of all liens and encumbrances except for the lien of real property taxes not yet due and payable, any existing easements of record, and other exceptions approved in writing by Buyer.

4.2 Seller shall execute and deliver with the Deed such other documents as may be required by any governmental entity or by the title insurance company as a condition to the issuance of its policy of title insurance in accordance with Article VI, including, but not limited to:

(a) The standard affidavit required by the title insurance company for the removal of the standard preprinted exceptions from the title insurance policy; and

(b) A Certificate of Non-Foreign Status or other evidence satisfactory to Buyer and the title insurance company confirming that Buyer is not required to withhold or pay to the Internal Revenue Service any part of the "amount realized" as such term is defined in the Internal Revenue Code of 1986, as amended, and the regulations promulgated pursuant thereto.

ARTICLE V - Title Insurance

5.1 Buyer shall order a title insurance commitment or preliminary title report issued by Guarantee Title Company (referred to as "Title Insurance Company") in which the Title Insurance Company commits that upon delivery and recordation of the Deed and other documents provided for in this Contract, it will issue, at its usual rate, a standard form ALTA owner's commitment with extended coverage or comparable form, insuring access to the Property and such other endorsements as Buyer may request (the "Policy"), insuring Buyer in the total amount of the Purchase Price, fee simple title to the Premises subject only to (a) the lien for real estate taxes not yet due and payable; (b) exceptions approved in writing

by Buyer; and/or (c) such liens as are to be released and discharged at the Closing. Seller agrees to provide to Buyer and the Title Insurance Company all title information in Seller's possession relating to the Property together with a copy of the most recent tax bills relating to the Property.

5.2 Without limiting the foregoing or being limited thereby, the standard exceptions for parties in possession, mechanics' and materialmen's liens and matters which would be disclosed by an accurate survey shall be eliminated from said Policy.

5.3 Seller shall bear all costs and expenses incurred in connection with the issuance of said title commitment, Policy and any endorsements thereto which are required to conform the Policy to the terms and conditions of this Contract.

5.4 If the title commitment or report shows any exceptions to title other than those referred to in Article 5.1 above, Buyer shall notify Seller in writing of the defects in title within ten (10) days after receipt of the title commitment (with copies of all documents referred to therein). Seller shall then have ten (10) days after receipt of such notice in which to cure such defects and furnish to Buyer satisfactory proof that such defects have been cured. Seller agrees to use its best efforts to cure such defects. If Seller fails or is unable to cure such title defects within such ten (10) day period or to obtain title insurance which will give affirmative coverage to Buyer against loss as a result of such title defects, Buyer shall have the option, to be exercised in its sole discretion, to (i) proceed with Closing of this transaction subject to such title defects, or (ii) terminate this Contract.

ARTICLE VI - Taxes and Assessments

6.1 Seller shall pay or credit against the Purchase Price all unpaid real estate taxes, including penalties and interest, for all tax years preceding the Closing Date, and shall credit a portion of such taxes for the tax year in which the Closing is held, prorated through the Closing Date. The proration of such taxes shall be based on a 365-day year and on the most recently available rate and valuation and the amount so computed and adjusted shall be final.

6.2 Seller shall pay any special assessments which (a) are a lien on the Property on the Closing Date, whether such assessments are past due, then due or thereafter to become due or (b) are not a lien but are then known and will be payable in whole or in part after the Closing Date.

ARTICLE VII - Utility Charges

7.1 Seller shall pay or credit on the Purchase Price all unpaid utility charges and all charges for services of any type furnished to the Property by all governmental agencies, public utilities and/or private utilities through the Closing Date.

ARTICLE VIII - Risk of Loss

8.1 The risk of loss, damage or destruction to the Property and any improvements thereon through condemnation, fire or otherwise shall be borne by Seller until the Closing.

ARTICLE IX - Conditions to Closing

9.1 Buyer's obligation to close this transaction is subject to the following conditions and covenants:

(a) Easements. Buyer may obtain at or prior to Closing all other easements or licenses deemed necessary by Buyer upon terms and conditions acceptable to Buyer. Seller agrees to reasonably cooperate with Buyer in obtaining any such easements or licenses.

(b) Survey. Buyer may obtain, at Buyer's sole cost, a certified ALTA survey, being a legal description, made by a licensed surveyor, showing the area, dimensions and location of the Property to the nearest monuments, streets, alleys or property, the location of all improvements, utilities and encroachments, and the location of all proposed and recorded easements against or appurtenant to the Property. If a survey is obtained and discloses any condition rendering the Property unusable, in Buyer's sole judgment, for the intended purpose of Buyer, Buyer may terminate this Contract with no penalty.

(c) Title Insurance. Buyer shall have obtained from Seller a satisfactory title insurance commitment or preliminary title report in accordance with Article V above.

(d) Seller's Performance. Seller shall have performed all terms, covenants and obligations required of Seller hereunder.

(e) Environmental Audit and Testing. Buyer, at Buyer's expense, may obtain a current satisfactory Phase I or Phase II Environmental Audit of the Property and any other environmental testing which Buyer deems reasonably necessary to evaluate potential environmental risks. If such audit or tests reveal the existence of any toxic

or hazardous waste, material or substance on, under or surrounding the Property, Buyer may terminate this Contract with no further liability to Seller.

(f) Satisfaction of all existing mortgages and/or liens.

(g) Termination of any and all leases on the property and removal of all contents held within any structures remaining.

ARTICLE X - Notices

10.1 Unless otherwise provided herein, all notices shall be in writing and shall be deemed effective upon the earlier of either (a) personal delivery (b) facsimile or (c) deposit in the U.S. Mail, marked Certified or Registered, return receipt requested, with postage prepaid to Seller at 3920 Berwyn Drive South, Apartment 168, Mobile, AL 36608, and to Buyer at 775 N. University Blvd., Suite 150, Mobile, AL 36608.

ARTICLE XI - Representations and Warranties

11.1 Seller represents, warrants and covenants to Buyer as to the following matters, and shall be deemed to remake all of the following representations, warranties and covenants as of the Closing Date.

(a) All covenants, conditions, restrictions, easements and similar matters affecting the Property have been complied with.

(b) There is no pending or threatened litigation, arbitration, administrative action or examination, claim, or demand whatsoever relating to the Property or the furnishings and equipment contained in the premises and sold as part of this Contract. No attachments, execution proceedings, liens, assignments or insolvency proceedings are pending, threatened or contemplated against Seller, the Property or the furnishings and equipment contained in the premises and sold as part of this Contract. Seller is not contemplating the institution of insolvency proceedings.

(c) Seller has no knowledge of any pending or contemplated eminent domain, condemnation, or other governmental or quasi-governmental taking of any part or all of the Property.

(d) Seller has not been notified of any possible future improvements by any public authority, any part of the cost of which might be assessed against any part of the Property.

(e) To the best of Seller's knowledge, Seller: (i) has not used the Property for the

storage, treatment, generation, production or disposal of any toxic or hazardous waste, material or substance nor does Seller have knowledge of such use by others; (ii) has not caused or permitted and has no knowledge of the release of any toxic or hazardous waste, material or substance on or off site of the Property; (iii) has not received any notice from any governmental authority or other agency concerning the removal of any toxic or hazardous waste, material or substance from the Property; and (iv) has disclosed to Buyer the location of all underground storage tanks on the Property (if any).

(f) No event has occurred with respect to the Property which would constitute a violation of any applicable environmental law, ordinance or regulation.

(g) The execution and delivery of this Contract has been duly authorized and validly executed and delivered by Seller, and will not (i) constitute or result in the breach of or default under any oral or written agreement to which Seller is a party or which affects the Property; (ii) constitute or result in a violation of any order, decree or injunction with respect to which either Seller and/or the Property is/are bound; (iii) cause or entitle any party to have a right to accelerate or declare a default under any oral or written agreement to which Seller is a party or which affects the Property; and/or (iv) violate any provision of any municipal, state or federal law, statutory or otherwise, to which either Seller or the Property may be subject.

11.2 As an inducement to Seller to enter into this Contract, Buyer represents that Buyer has the right, power and authority to purchase the Property in accordance with the terms and conditions of this Contract and that Buyer has validly executed and delivered this Contract.

11.3 Except as is expressly provided in this Contract, Buyer acknowledges that neither Seller nor any agent, attorney, employee or representative of Seller has made any representations as to the physical nature or condition of the Property.

ARTICLE XII – Termination, Default, and Remedies.

12.1 If Buyer fails or refuses to consummate the purchase of the Property pursuant to this Contract at the Closing or fails to perform any of Buyer's other obligations hereunder either prior to or at the Closing for any reason other than termination of this Contract by Buyer pursuant to a right so to terminate expressly set forth in this Contract or Seller's failure to perform Seller's obligations under this Contract, then the Seller, as Seller's sole and exclusive remedy, shall have the right to terminate this

Contract by giving written notice thereof to Buyer prior to or at the Closing, whereupon neither party hereto shall have any further rights or obligations hereunder.

12.2 If Seller fails or refuses to consummate the sale of the Property pursuant to this Contract at the Closing or fails to perform any of Seller's other obligations hereunder either prior to or at the Closing for any reason other than the termination of this Contract by Seller pursuant to a right so to terminate expressly set forth in this Contract, or Buyer's failure to perform Buyer's obligations under this Contract, then Buyer, as Buyer's sole and exclusive remedy, shall have the right to terminate this Contract by giving written notice thereof to Seller prior to or at the Closing, whereupon neither party hereto shall have any further rights or obligations hereunder.

ARTICLE XIII - Miscellaneous

13.1 This Contract shall inure to the benefit of and bind the parties hereto, their respective heirs, executors, administrators, personal and/or legal representatives, successors and assigns.

13.2 This Contract constitutes the entire agreement between the parties and there are no representations, oral or written, relating to the Property or to this transaction which have not been incorporated herein. Any agreement hereafter made shall be ineffective to change, modify or discharge this Contract in whole or in part unless such agreement is in writing and signed by the party against whom enforcement of any change, modification or discharge is sought.

13.3 The headings of the Articles hereof have been inserted for convenience only and shall in no way modify or restrict any provisions hereof or be used to construe any such provisions.

13.4 If two or more persons constitute the Seller, the word "Seller" shall be construed as if it reads "Sellers" throughout this Contract.

13.5 This Contract shall be construed, interpreted and enforced in accordance with the laws of the State of Alabama. The parties agree and acknowledge that the only forum for any claim against Buyer pursuant to this Agreement is the Alabama State Board of Adjustment.

13.6 This Contract may be executed in multiple counterparts, each of which shall be considered to be an original document.

13.7 ~~1.7~~ The Effective Date shall be the date of the last execution hereof.

13.8 Time is of the essence hereof.

13.9 Any condition or right of termination, cancellation or rescission granted by this Contract to Seller or Buyer may be waived by such party provided such waiver is in writing.

13.10 If the time period or date by which any right, option or election provided under this

Contract must be exercised, or by which any act required hereunder must be performed, or by which the Closing must be held, expires or occurs on a Saturday, Sunday, or legal or bank holiday, then such time period or date shall be automatically extended through the close of business on the next regularly scheduled business day.

13.11 If any provision of this Contract, or the application thereof to any person, place, or circumstance, shall be held by a court of competent jurisdiction to be invalid, unenforceable, or void, the remainder of this Contract and such provisions as applied to other persons, places, and circumstances shall remain in full force and effect.

ARTICLE XIV - Acceptance

14.1 In the event this Contract is not signed simultaneously by both parties, it shall be considered to be an offer made by the party first executing it. In such event this offer shall expire at 12:00pm NOON, Thursday, June 18, 2020 Central Daylight Time following the offer unless one copy of this Contract, executed by the party to whom this offer had been made, shall have been mailed (in accordance with Article X hereof) or personally delivered to the party making the offer.

ARTICLE XV – Broker Agency Disclosure: 34-27-8-(c)

The selling company is:	The listing company is:
USA Properties	**USA Properties**
TWO BLOCKS MAY BE CHECKED	**TWO BLOCKS MAY BE CHECKED**
☐ and is an Agent of the Seller ☒ and is an Agent of the Buyer ☐ and is an Agent of both Seller and Buyer acting as a limited ☐ and is assisting the ☐ Buyer ☒ Seller as a transaction broker. Buyer(s) initials: RAD _____	☐ and is an Agent of the Seller ☒ and is an Agent of the Buyer ☐ and is an Agent of both Seller and Buyer acting as a limited ☐ and is assisting the ☐ Buyer ☒ Seller as a transaction broker. Seller(s) initials: FMG _____

ARTICLE XVI – Broker Commissions

16.1 Both Buyer and Seller agree and understand that USA Properties is acting as an agent of the Buyer in this transaction and is solely assisting Seller as a transaction broker. Seller understands that Seller is under no obligation to pay a commission to USA Properties with respect to this transaction.

Signed by Buyer this 18th day of June, 2020.

BUYER:

UNIVERSITY OF SOUTH ALABAMA

By: _____

Robert K. Davis
University Treasurer

Signed by Seller(s) this 18th day of June, 2020.

SELLER:

Florence J. McCants

By: _____

Florence J. McCants

RESOLUTION

COMMENDATION OF MELINDA AND LOUIS MAPP

WHEREAS, Melinda and Louis Mapp have shown unwavering support of USA Health and its academic mission of helping citizens along the Gulf Coast and throughout South Alabama lead longer, healthier lives, and

WHEREAS, the Mapps' desire to provide for USA Health's most vulnerable patients at Children's & Women's Hospital resulted in the creation of the *Mapp Child and Family Life Program* and the *Louis and Melinda Mapp NICU Patient Support Fund*, advanced the establishment of the *Collins Carr Memorial Rooftop Garden* and the *Bridge Program,* and led to enhanced Children's Miracle Network activities, and

WHEREAS, the Mapps have strengthened this partnership through generous support of cancer research at the Mitchell Cancer Institute through its *Celebrate Hope*, *Salty Worm Brackish Classic* and *Delta Bash* events, and

WHEREAS, Melinda and Louis Mapps' support of fundraising events has expanded to include University Hospital's *A Night Honoring Heroes*, benefiting the region's sole Level 1 trauma center and source of unparalleled care for trauma, stroke and burn patients, and

WHEREAS, the Mapps' transformational impact on USA Health is magnified by Louis Mapp's generous commitment to volunteer service to the health system and its patients, including his participation as a simulated stroke patient during a SouthFlight helicopter transfer from Fairhope to the *Fanny R. Meisler Trauma Center* for the purpose of illustrating the lifesaving potential of rapid transport, and

WHEREAS, Louis Mapp invests time each week to work alongside healthcare professionals as a volunteer, serving USA's patients in the *Hollis J. Wiseman Neonatal Intensive Care Unit* and in University Hospital's Intensive Care Unit, and

WHEREAS, the Mapps share USA Health's vision to expand academic, world-class healthcare into Baldwin County, providing its citizens with the benefits of access to specialized care, training for healthcare providers and wellness programs, and

WHEREAS, the Mapps' most recent gift of eight acres of property located at the southeast corner of the intersection of Alabama highways 181 and 104 in Fairhope, valued at $2,090,000, will enable USA Health to establish a center for health services with an emphasis on health, wellness, nutrition and prevention,

THEREFORE, BE IT RESOLVED, the University of South Alabama Board of Trustees commends Melinda and Louis Mapp and the *Mapp Limited Partnership* for their extraordinary commitment to assuring that the citizens of Mobile and Baldwin counties have access to the highest quality of healthcare, and hereby names the new health services campus in Fairhope the *USA Health Mapp Family Campus*, and

BE IT FURTHER RESOLVED that the Board of Trustees extends profound thanks on behalf of the entire USA Health system and the University's faculty, students, and staff, as well as patients and families who will benefit for many years to come from the services and programs offered at the *USA Health Mapp Family Campus* and from the visionary philanthropy of Melinda and Louis Mapp.

UNIVERSITY OF SOUTH ALABAMA

MEMORANDUM

Development and Alumni Relations

DATE: August 12, 2020

TO: Tony Waldrop
President

FROM: Margaret M. Sullivan
Vice President for Development and Alumni Relations

SUBJECT: Louis and Melinda Mapp Resolution

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

This resolution commends the visionary philanthropy of Louis and Melinda Mapp and recognizes the generous gift of 8 acres of property in Baldwin County, which will be named the USA Health Mapp Family Campus. The value of the property gift is $2,090,000.

With your support, this commendation by the Board of Trustees will be a fitting and effective way of recognizing and appreciating the Mapp's extraordinary generosity.

attachment

Cc: Monica Ezell

UNIVERSITY OF SOUTH ALABAMA FOUNDATION

Consolidated Financial Statements as of and for the
Years Ended June 30, 2020 and 2019, and
Independent Auditors' Report

UNIVERSITY OF SOUTH ALABAMA
FOUNDATION

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Deloitte.

Deloitte & Touche LLP
420 North 20th Street
Suite 2400
Birmingham, AL 35205
USA

Tel:+1 205 321 6000
Fax:+1 205 322 2828
www.deloitte.com

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, 2020 and 2019, 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, 2020 and 2019, 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.

Deloitte + Touche LLP

August 6, 2020

UNIVERSITY OF SOUTH ALABAMA
FOUNDATION

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS OF JUNE 30, 2020 AND 2019
(Dollars in thousands)

	2020	2019
ASSETS		
CASH AND CASH EQUIVALENTS	$ 2,633	$ 1,520
INVESTMENTS AT FAIR VALUE:		
Equity securities	157,457	150,796
Timber and mineral properties	168,063	164,307
Real estate	53,455	61,508
Other	5,811	5,809
OTHER ASSETS	453	444
TOTAL	$387,872	$384,384
LIABILITIES AND NET ASSETS		
LIABILITIES:		
Accounts payable	$ 155	$ 135
Other liabilities	594	737
Total liabilities	749	872
NET ASSETS:		
Without donor restrictions	79,835	89,245
With donor restrictions	307,288	294,267
Total net assets	387,123	383,512
TOTAL	$387,872	$384,384

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, 2020
(Dollars in thousands)

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, GAINS, LOSSES, AND OTHER SUPPORT:			
Net realized and unrealized (losses) gains on investments	$ (3,741)	$ 14,488	$ 10,747
Rents, royalties, and timber sales	3,810	148	3,958
Interest and dividends	1,081	1,101	2,182
Gifts	1	5,294	5,295
Required match of donor contributions	(5)	5	-
Interfund interest	(350)	350	-
Other income	390		390
Net assets released from program restrictions (Note 9)	8,365	(8,365)	-
Total revenues, gains, losses, and other support	9,551	13,021	22,572
EXPENDITURES:			
Program services:			
Faculty support	2,632		2,632
Scholarships	1,114		1,114
Other academic programs	6,851		6,851
Total program services	10,597	-	10,597
Management and general	2,293		2,293
Other investment expense	1,546		1,546
Depletion expense	4,485		4,485
Depreciation expense	40		40
Total expenditures	18,961	-	18,961
(DECREASE) INCREASE IN NET ASSETS	(9,410)	13,021	3,611
NET ASSETS—Beginning of year	89,245	294,267	383,512
NET ASSETS—End of year	$ 79,835	$307,288	$387,123

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 Restriction	With Donor Restrictions	Total
REVENUES, GAINS, LOSSES, AND OTHER SUPPORT:			
Net realized and unrealized (losses) gains 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 STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019
(Dollars in thousands)

	2020	2019
OPERATING ACTIVITIES:		
Increase in net assets	$ 3,611	$ 9,302
Adjustments to reconcile increase in net assets to net cash used in operating activities:		
Net realized and unrealized gains on investments	(10,747)	(16,415)
Gift of equity securities	(3,625)	(3,188)
Depletion	4,485	3,170
Depreciation	40	40
Changes in operating assets and liabilities:		
Other assets	2	15
Accounts payable	20	(49)
Other liabilities	(143)	(56)
Net cash used in operating activities	(6,357)	(7,181)
INVESTING ACTIVITIES:		
Purchase of equity securities	(499)	(659)
Sale of equity securities	8,162	8,556
Purchase of timberland	(20)	
Reforestation of timber property	(351)	(281)
Proceeds from sale of timberland	160	
Proceeds from sale of equipment	35	
Other	(17)	(14)
Net cash provided by investing activities	7,470	7,602
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,113	421
CASH AND CASH EQUIVALENTS—Beginning of year	1,520	1,099
CASH AND CASH EQUIVALENTS—End of year	$ 2,633	$ 1,520

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.

Impact of COVID-19—The 2019 novel coronavirus (or "COVID-19") has adversely affected, and may continue to adversely affect economic activity globally, nationally, and locally. Following the COVID-19 outbreak in the first quarter of 2020, the values of investment securities have been volatile. The extent of any adverse impact of the COVID-19 outbreak on the Foundation's financial condition will depend on future developments, including, but not limited to the duration, spread, and severity of the COVID-19 pandemic and the resulting economic and market impact.

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 Foundation adopted ASU 2018-08 in the current year. The ASU did not have a material impact on the Foundation's financial statements.

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 $105,487 and $96,151 at June 30, 2020 and 2019, respectively.

  Investments in Commonfund: Fair values are based on NAV, 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 $51,970 and $54,645 at June 30, 2020 and 2019, 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, 2020 and 2019, consisted of the following:

	2020	2019
Unrealized gains	$ 7,651	$13,188
Realized gains	3,096	3,227
Net realized and unrealized gains on investments	10,747	16,415
Timber sales	3,190	2,505
Rents	705	642
Royalties	63	85
Rents, royalties, and timber sales	3,958	3,232
Interest and dividends	2,182	2,214
Total investment income	$16,887	$21,861

Investments consisted of participation in the Foundation's pooled investment funds. Investment-related expenses of $368 and $359 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, 2020 and 2019, 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, 2020, the fair market value appraisal of the Brookley Complex was $44,980. 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 for the Airbus 220 family of single aisle aircraft.

Real estate as of June 30, 2020 and 2019, consisted of the following property held:

	2020	2019
Land and land improvements—held for investment	$52,423	$60,448
Building and building improvements—held for investment	1,032	1,060
Total	$53,455	$61,508

Other—Investments at June 30, 2020 and 2019, 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, 2020 and 2019 are summarized as follows:

	Fair Value Measurements at June 30, 2020			
Description	**Observable Inputs Based on Quoted Prices**	**Other Observable Inputs**	**Unobservable Inputs**	**Total**
Marketable equity securities	$ 105,487	$	$	$105,487
Timber and mineral properties			168,063	168,063
Real estate			53,455	53,455
Other investments			5,811	5,811
Total	$ 105,487	$ -	$227,329	332,816
Investment in Commonfund, measured at NAV				51,970
Total investment assets at fair value				$384,786

	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

For the year ended June 30, 2020, 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	$164,307	$61,508	$5,809	$231,624
Net unrealized gains (losses)	8,030	(8,019)	2	13
Reforestation	351			351
Purchase of timberland	20			20
Sale of timberland	(160)			(160)
Depreciation/depletion	(4,485)	(34)		(4,519)
Ending balance	$168,063	$53,455	$5,811	$227,329

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

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, 2020, by type of fund is as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-Restricted Endowment Funds	$ 62,877	$307,288	$370,165
Board-Designated Endowment Funds	16,958		16,958
Total	$ 79,835	$307,288	$387,123

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

Changes in endowment net assets during the year ended June 30, 2020, are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Beginning balance	$ 89,245	$294,267	$383,512
Investment return:			
Investment income	4,891	1,249	6,140
Net unrealized and realized (losses) gains	(3,741)	14,488	10,747
Other income	390		390
Interfund interest	(350)	350	-
Total investment return	1,190	16,087	17,277
Gifts	1	5,294	5,295
Required match	(5)	5	-
Net assets released from restrictions	8,365	(8,365)	-
Expenditures	(18,961)		(18,961)
Net change	(9,410)	13,021	3,611
Ending balance	$ 79,835	$307,288	$387,123

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 (losses) gains	(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

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, 2020 were as follows:

Financial assets:	
Cash and cash equivalents	$ 2,633
Other assets	6
Equity securities appropriated for spending in the following year	8,500
Total financial assets available within one year	$ 11,139

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, 2020 and 2019.

	June 30, 2020			
	Program Services	Management and General	Fundraising	Total
Grants to supporting organization	$10,597	$	$	$10,597
Depletion	4,485			4,485
Salaries and benefits	1,310	287	21	1,618
Professional services	586	99		685
Other expenses	350	76		426
Investment management expense	368			368
Property taxes	260	7		267
Insurance	211	44		255
Forestry	220			220
Depreciation	34	6		40
	$18,421	$ 519	$ 21	$18,961

	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

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, 2020, 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 $5,424 that included $3,663 for equipment for the new Fanny Meisler Trauma Center at the Hospital, $1,114 for the Clinical Support Fund, and $647 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, 2020.

8. NET ASSETS WITH DONOR RESTRICTIONS

At June 30, 2020 and 2019, net assets with donor restrictions were for the following purposes:

	2020	2019
Hospital, clinics, and related programs	$ 192,115	$ 187,842
Instruction	63,246	57,164
College of medicine—other than instruction	21,362	19,928
Student aid	21,889	20,775
Other	8,676	8,558
Total	$ 307,288	$ 294,267

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 $126,877 and $180,411 at June 30, 2020, and $119,327 and $174,940 at June 30, 2019, respectively.

At June 30, 2020 and 2019, net assets with board designated restrictions were for the following purposes:

	2020	2019
College of medicine—other than instruction	$ 11,353	$ 12,092
Instruction	3,994	4,238
Student aid	963	970
Other	648	634
Total	$ 16,958	$ 17,934

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, 2020 and 2019, as follows:

	2020	2019
Instruction	$7,585	$7,098
Student aid	643	545
Other	137	40
Total	$8,365	$7,683

10. OTHER RELATED-PARTY TRANSACTIONS

At June 30, 2020 and 2019, 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 $192,115 and $187,842, 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 $171 and $158 for the years ended June 30, 2020 and 2019, respectively.

12. SUBSEQUENT EVENTS

The Foundation evaluated subsequent events through August 6, 2020, 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, 2020, 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, 2020 and 2019, and
Independent Auditors' Report

UNIVERSITY OF SOUTH ALABAMA
FOUNDATION

DISPROPORTIONATE SHARE HOSPITAL FUNDS
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Deloitte.

Deloitte & Touche LLP
420 North 20th Street
Suite 2400
Birmingham, AL 35205
USA

Tel:+1 205 321 6000
Fax:+1 205 322 2828
www.deloitte.com

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, 2020 and 2019, 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, 2020 and 2019, 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.

Deloitte + Touche LLP

August 6, 2020

UNIVERSITY OF SOUTH ALABAMA
FOUNDATION

DISPROPORTIONATE SHARE HOSPITAL FUNDS
COMBINED STATEMENTS OF FINANCIAL POSITION
AS OF JUNE 30, 2020 AND 2019
(Dollars in thousands)

	2020	2019
ASSETS		
INVESTMENTS:		
New Investment Pool—interest in	$ 187,949	$ 183,623
Real estate	3,700	3,700
RECEIVABLE FROM AFFILIATES	466	519
TOTAL	$ 192,115	$ 187,842
NET ASSETS		
NET ASSETS:		
Without donor restrictions	$ -	$ -
With donor restrictions	192,115	187,842
Total net assets	192,115	187,842
TOTAL	$ 192,115	$ 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, 2020
(Dollars in thousands)

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, GAINS, AND OTHER SUPPORT:			
Net realized and unrealized gains on investments	$ 13	$ 8,842	$ 8,855
Interest and dividends		636	636
Interfund interest		219	219
Net assets released from program restrictions	5,424	(5,424)	-
Total revenues, gains, and other support	5,437	4,273	9,710
EXPENDITURES:			
Program Services—other academic programs	5,424		5,424
Other investment expense	13		13
Total expenditures	5,437	-	5,437
INCREASE IN NET ASSETS	-	4,273	4,273
NET ASSETS AT BEGINNING OF YEAR		187,842	187,842
NET ASSETS AT END OF YEAR	$ -	$ 192,115	$ 192,115

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 STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019
(Dollars in thousands)

	2020	2019
OPERATING ACTIVITIES:		
Increase in net assets	$ 4,273	$ 7,792
Adjustments to reconcile increase in net assets to net cash used in operating activities:		
Net realized and unrealized gains on investments	(8,855)	(11,787)
Changes in operating assets and liabilities:		
Receivable from affiliate	53	(47)
Net cash used in operating activities	(4,529)	(4,042)
INVESTING ACTIVITIES:		
Purchases of securities	(956)	(1,105)
Sale of securities	5,485	5,147
Net cash provided by investing activities	4,529	4,042
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.

Impact of COVID-19—The 2019 novel coronavirus (or "COVID-19") has adversely affected, and may continue to adversely affect economic activity globally, nationally, and locally. Following the COVID-19 outbreak in the first quarter of 2020, the values of investment securities have been volatile. The extent of any adverse impact of the COVID-19 outbreak on the DSH Fund's financial condition will depend on future developments, including, but not limited to the duration, spread, and severity of the COVID-19 pandemic and the resulting economic and market impact.

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 adopted ASU 2018-08 in the current year. The ASU did not have a material impact on the DSH Funds financial statements.

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 NAV, 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, 2020 and 2019, consisted of the following:

	2020	2019
Unrealized gains	$ 8,967	$ 11,411
Realized (losses) gains	(112)	376
Interest and dividends	636	781
Interfund interest	219	315
	$ 9,710	$ 12,883

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, 2020 and 2019 are summarized as follows:

	Fair Value Measurements at June 30, 2020			
Description	**Observable Inputs Based on Quoted Prices**	**Other Observable Inputs**	**Unobservable Inputs**	**Total**
New Investment Pool interest in marketable equity securities	$ 105,487	$	$	$ 105,487
New Investment Pool interest in timber			120,400	120,400
New Investment Pool interest in real estate			23,000	23,000
Real estate			3,700	3,700
Total	$ 105,487	$ -	$ 147,100	252,587
Investment in Commonfund, measured at NAV				51,970
Total assets at fair value				$ 304,557

	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

For the year ended June 30, 2020, 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	$ 116,200	$ 23,000	$ 3,700	142,900
Total realized and unrealized gains	7,626			7,626
Reforestation	283			283
Sale of timberland	(160)			(160)
Depletion	(3,549)			(3,549)
Ending balance	$ 120,400	$ 23,000	$ 3,700	$ 147,100

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

The DSH Funds hold a proportionate interest in the value of the Foundation's Investment Pool. On June 30, 2020, the value of DSH Funds units in the Pool was $187,949 and at June 30, 2019, the value of DSH Funds units in the Pool was $183,623.

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, 2020 and 2019, receivables from affiliated entities totaled $466 and $519, 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 $219 and $315 for the years ended June 30, 2020 and 2019, 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, 2020, 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 $5,424 that included $3,663 for equipment for the new Fanny Meisler Trauma Center at the Hospital, $1,114 for the Clinical Support Fund, and $647 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, 2020.

8. NATURE AND AMOUNT NET ASSETS WITH DONOR RESTRICTIONS

At June 30, 2020 and 2019, net assets with donor restrictions were $192,115 and $187,842, 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 6, 2020, 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, 2020, that would require disclosure in or would be required to be recognized in the combined financial statements.

* * * * * *

UNIVERSITY OF SOUTH ALABAMA

MEMORANDUM

Office of Internal Audit

DATE: August 7, 2020

TO: President Tony Waldrop

FROM: Laura Anne Schratt, Executive Director of Internal Audit and CFCO

SUBJECT: Resolution to adopt and updated Office of Internal Audit Charter

Attached is a resolution for consideration by the Board of Trustees for adoption of an updated Office of Internal Audit Charter, which accompanies the resolution. This Charter addresses the authority and independence of the Office of Internal Audit. In order to ensure the integrity of the operations of the Office of Internal Audit, I recommend that this resolution be presented to the Board for approval at its meeting on September 11, 2020.

RESOLUTION

OFFICE OF INTERNAL AUDIT CHARTER

WHEREAS, the purpose of the University of South Alabama's Office of Internal Audit is to provide independent, objective assurance and consulting services that are guided by a philosophy of adding value to improve the operations of the University, and

WHEREAS, the Office of Internal Audit is subject to guidance promulgated by the Institute of Internal Auditors, and

WHEREAS, such guidance by the Institute of Internal Auditors directs the Office of Internal Audit to establish a charter, and

WHEREAS, the purpose of such charter is to address the authority, independence, objectivity, scope of services and responsibilities of the Office of Internal Audit, and

WHEREAS, the most recent Office of Internal Audit Charter was approved in December 2019 and requires update to ensure adherence to the Institute of Internal Audit requirements,

THEREFORE, BE IT RESOLVED, the University of South Alabama Board of Trustees authorizes approval of the attached University of South Alabama Office of Internal Audit Charter.

University of South Alabama
Office of Internal Audit Charter

Purpose and Mission

The purpose of the University of South Alabama's Office of Internal Audit (OIA) is to provide independent, objective assurance and consulting services designed to add value and improve the University of South Alabama's operations. The mission of the OIA is to enhance and protect organizational value by providing risk-based and objective assurance, advice, and insight. The OIA helps the University of South Alabama (main campus and USA Health) accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of governance, risk management, and control processes.

Standards for the Professional Practice of Internal Auditing

The OIA will govern itself by adherence to the mandatory elements of The Institute of Internal Auditors' International Professional Practices Framework, including the Core Principles for the Professional Practice of Internal Auditing, the Code of Ethics, the *International Standards for the Professional Practice of Internal Auditing*, and the Definition of Internal Auditing. The Executive Director of Internal Audit (Executive Director) will report periodically to senior administration and the Audit Committee of the Board of Trustees (Audit Committee) regarding the OIA's conformance to the Code of Ethics and the *Standards*.

Authority

The Executive Director will report functionally to the Audit Committee and administratively (i.e., day-to-day operations) to the University of South Alabama President. To establish, maintain, and assure that the University of South Alabama's OIA has sufficient authority to fulfill its duties, the Audit Committee will:

- Approve the OIA's charter.
- Approve the risk-based Internal Audit plan.
- Approve the OIA's Quality Assurance and Improvement Program.
- Receive communications from the Executive Director on the OIA's performance relative to its plan and other matters.
- Ratify decisions regarding the remuneration, appointment and removal of the Executive Director.
- Ratify decisions regarding the budget and resource plan of the Office of Internal Audit.
- Make appropriate inquiries of management and the Executive Director to determine whether there is inappropriate scope or resource limitations.

The Executive Director will have unrestricted access to, and communicate and interact directly with, the Audit Committee and/or the Board of Trustees, including private meetings without senior administration present.

The Audit Committee authorizes the OIA to:

- Have full, free, and unrestricted access to all functions, records, property, and personnel pertinent to carrying out any engagement, subject to accountability for confidentiality and safeguarding of records and information at both the main campus and USA Health.
- Allocate resources, set frequencies, select subjects, determine scopes of work, apply techniques required to accomplish audit objectives, and issue reports.
- Obtain assistance from the necessary personnel of the University of South Alabama, as well as other specialized services from within or outside the University of South Alabama, in order to complete the engagement.

Independence and Objectivity

The Executive Director will ensure that the OIA remains free from all conditions that threaten the ability of internal auditors to carry out their responsibilities in an unbiased and independent manner, including matters of audit selection, scope, procedures, frequency, timing, and report content. If the Executive Director determines that independence or objectivity may be impaired in fact or appearance, the details of impairment will be disclosed to appropriate parties.

Internal auditors will maintain an unbiased mental attitude that allows them to perform engagements objectively and in such a manner that they believe in their work product, that no quality compromises are made, and that they do not subordinate their judgment on audit matters to others.

Internal auditors will have no direct operational responsibility or authority over any of the activities audited. Accordingly, internal auditors will not implement internal controls, develop procedures, install systems, prepare records, or engage in any other activity that may impair their judgment, including:

- Assessing specific operations for which they had responsibility within the previous year.
- Performing any operational duties for the University of South Alabama or its affiliates.
- Initiating or approving transactions external to the OIA.
- Directing the activities of any University of South Alabama employee not employed by the OIA, except to the extent that such employees have been appropriately assigned to auditing teams or to otherwise assist internal auditors.

Where the Executive Director has, or is expected to have, roles and/or responsibilities that fall outside of internal auditing, safeguards will be established to limit impairments to independence or objectivity.

Internal auditors will:

- Disclose any impairment of independence or objectivity, in fact or appearance, to appropriate parties.
- Exhibit professional objectivity in gathering, evaluating, and communicating information about the activity or process being examined.
- Make balanced assessments of all available and relevant facts and circumstances.
- Take necessary precautions to avoid being unduly influenced by their own interests or by others in forming judgments.

The Executive Director will confirm to the Audit Committee, at least annually, the organizational independence of the Office of Internal Audit.

The Executive Director will disclose to the Audit Committee any interference and related implications in determining the scope of internal auditing, performing work, and/or communicating results.

Scope of Internal Audit Activities

Assurance Services: The scope of Internal Audit activities encompasses, but is not limited to, objective examinations of evidence for the purpose of providing independent assessments to the Audit Committee, administration, and outside parties on the adequacy and effectiveness of governance, risk management, and control processes for the University of South Alabama. Internal Audit assessments include evaluating whether:

- Risks relating to the achievement of the University of South Alabama's strategic objectives are appropriately identified and managed.
- The actions of the University of South Alabama's officers, directors, employees, and contractors are in compliance with the University of South Alabama's policies, procedures, and applicable laws, regulations, and governance standards.
- The results of operations or programs are consistent with established goals and objectives.
- Operations or programs are being carried out effectively and efficiently.
- Established processes and systems enable compliance with the policies, procedures, laws, and regulations that impact the University of South Alabama.
- Information and the means used to identify, measure, analyze, classify, and report such information are reliable and have integrity.

- Resources and assets are acquired economically, used efficiently, and protected adequately.

The Executive Director will report periodically to senior administration and the Audit Committee regarding:

- The OIA's purpose, authority, and responsibility.
- The OIA's plan and performance relative to its plan.
- The OIA's conformance with The Institute of Internal Auditors' (IIA) Code of Ethics and *Standards*, and action plans to address any significant conformance issues.
- Significant risk exposures and control issues, including fraud risks, governance issues, and other matters requiring the attention of, or requested by, the Audit Committee.
- Results of audit engagements or other activities.
- Resource requirements.
- Any response to risk by senior administration that may be unacceptable to the University of South Alabama.

The Executive Director also coordinates activities, where possible, and considers relying upon the work of other internal and external assurance and consulting service providers as needed.

Opportunities for improving the efficiency of governance, risk management, and control processes may be identified during engagements. These opportunities will be communicated to the appropriate level of administration.

Consulting Services: The OIA provides consulting services in an advisory capacity. Consulting may range from formal engagements with defined scopes and objectives to advisory activities such as providing informal guidance in response to general inquiries, or participating on University committees. However, in all cases, Internal Audit functions only as an advisor, with management being responsible for final decisions.

Responsibilities of Executive Director

The Executive Director has the responsibility to:

- Submit, at least annually, to senior administration and the Audit Committee a risk-based internal audit plan for review and approval.
- Evaluate, on an annual basis, the department's adherence to the Internal Audit Charter and report such adherence, or lack thereof, to senior administration and the Audit Committee.

- Communicate to senior administration and the Audit Committee any significant interim changes to the Internal Audit Plan.
- Periodically evaluate the performance of all staff auditors and provide opportunities for development of staff.

Quality Assurance and Improvement Program

The OIA will maintain a Quality Assurance and Improvement Program covering all aspects of its operations. The program will include an evaluation of the OIA's conformance with the *Standards* and an evaluation of whether or not internal auditors apply The IIA's Code of Ethics. The program will also assess the efficiency and effectiveness of the OIA and identify opportunities for improvement.

The Executive Director will communicate to senior administration and the Audit Committee on the OIA's Quality Assurance and Improvement Program, including results of internal assessments (both ongoing and periodic) and external assessments conducted at least once every five years by a qualified, independent assessor or assessment team from outside the University of South Alabama.

Approval/Signatures

_____ _____

Executive Director of Internal Audit Date

_____ _____

Audit Committee Chair Date

_____ _____

University of South Alabama President Date

University of South Alabama Endowment Investment Performance Review/Analysis

Fiscal Year 2020

USA Endowment Fund Performance

October 1, 2019 to July 31, 2020

- Total USA Endowment returned 6.24% versus its blended benchmark return of 7.38%, underperforming by (1.14%).

USA Endowment Total Fund and Manager Performance

October 1, 2019 to July 31, 2020

Total Fund versus Index Performance:

- Fiscal year to date: USA returned 6.24% versus its blended benchmark return of 7.38%, underperforming by (1.14%).

Individual Manager versus Index performance:

- Commonfund return 5.28% versus its benchmark return of 7.55%.
- Charles Schwab returned 5.69% versus its benchmark return of 6.05%.
- Douglas Lane returned 5.18% versus its benchmark return of 11.68%.
- Gerber Taylor returned 8.74% versus its benchmark return of 7.19%.
- Forester Diversified returned 1.92% versus its benchmark return of 7.19%.
- Gerber Taylor International returned (2.91%) versus its benchmark return of (1.88%).
- Hancock Whitney returned 6.76% versus its benchmark return of 7.38%.
- JP Morgan returned 14.86% versus its benchmark return of 9.33%.

USA Endowment Asset Allocation Breakdown

As of July 31, 2020

- Money Market balance is $1,159,000 or <1% of invested assets.
- Large Cap Equity balance is $59,550,000 or 36% of invested assets.
- Small Cap Equity balance is $6,653,000 or 4% of invested assets.
- International Equity balance is $18,189,000 or 11% of invested assets.
- Fixed Income balance is $42,822,000 or 26% of invested assets.
- Private Equity balance is $4,688,000 or 3% of invested assets.
- Hedge Investments balance is $34,589,000 or 21% of invested assets.
- Invested assets total balance is $167,653,000 as of July 31, 2020.

RESOLUTION

USA HEALTH HOSPITALS MEDICAL STAFF APPOINTMENTS AND REAPPOINTMENTS FOR MAY, JUNE AND JULY 2020

WHEREAS, the Medical Staff appointments and reappointments for May, June and July 2020 for the USA Health Hospitals are recommended for Board approval by the Medical Executive Committees and the USA Health Credentialing Board,

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

UNIVERSITY OF SOUTH ALABAMA

MEMORANDUM

USA Health

DATE: August 6, 2020

TO: Tony G. Waldrop, PhD
President

FROM: Owen Bailey, Chief Executive Officer

SUBJECT: Board Meeting Documents

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

Resolution – USA Hospitals Medical Staff Appointments and Reappointments for May, June and July 2020

- Medical Staff Appointments/Reappointments Board of Trustees Report

OB/kh

Attachments

USA HEALTH HOSPITALS
MEDICAL STAFF APPOINTMENTS/REAPPOINTMENTS
BOARD OF TRUSTEE REPORT
May, June, and July 2020

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

NAME	USA Health Children's & Women's Hospital			USA Health University Hospital			USA Health Ambulatory Care		
	Type/Stat	Category	Dept/Ser	Type/Stat	Category	Dept/Ser	Type/Stat	Category	Dept/Ser
Abdul-Rahim, Osama, MD	Reappt.	Active USA	Radiology	Reappt.	Active USA	Radiology	Reappt.	Active USA	Radiology
Alemayehu, Hanna, MD	Reappt.	Active USA	Surgery	Reappt.	Active USA	Surgery	Reappt.	Active USA	Surgery
Al Jaber, Emad A., MD	Reappt.	Active USA	Internal Medicine	Reappt.	Active USA	Internal Medicine	Reappt.	Active USA	Internal Medicine
Alkharabsheh, Omar A., MD	Reappt.	Active USA	Internal Medicine	Reappt.	Active USA	Internal Medicine	Reappt.	Active USA	Internal Medicine
Andrews, Laiken L., RN	New Appt.	APP USA	Pediatrics	NA	NA	NA	New Appt.	APP USA	Pediatrics
Baginski, Scott G., MD	NA	NA	NA	Reappt.	Consulting	Radiology	NA	NA	NA
Bahakel, Hannah K., MD	New Appt.	Active USA	Pediatrics	NA	NA	NA	New Appt.	Active USA	Pediatrics
Bailey, Gayle W., Scrub Tech	Reappt.	APP	Surgery	NA	NA	NA	NA	NA	NA
Baker, Channan J., CRNA	Reappt.	APP USA	Anesthesiology	Reappt.	APP USA	Anesthesiology	NA	NA	NA
Baker, Susan L., MD	Reappt.	Active USA	OBGYN	Reappt.	Active USA	OBGYN	Reappt.	Active USA	OBGYN
Baldy, Maureen T., DMD	Reappt.	APP	Surgery	NA	NA	NA	NA	NA	NA
Bennett, Erin M., PCT	NA	NA	NA	Reappt.	APP	Internal Medicine	NA	NA	NA
Berg, Marion C., MD	NA	NA	NA	Reappt.	Active USA	Emergency Med.	NA	NA	NA
Bertolla, Stacee B., CRNP	Reappt.	APP USA	Ped. Emerg. Med.	NA	NA	NA	NA	NA	NA
Bever, Zackary P., RN	NA	NA	NA	New Appt.	APP	Internal Medicine	NA	NA	NA
Bhat, Ramachandra, MD	Reappt.	Active USA	Pediatrics	Reappt.	Active USA	Pediatrics	Reappt.	Active USA	Pediatrics
Blewett, Christopher S., MD	Reappt.	Contract/Locum	Surgery	NA	NA	NA	NA	NA	NA
Bolton, III, Wilburn D., MD	NA	NA	NA	Reappt.	Active USA	Emergency Med.	NA	NA	NA
Bolton, III, Wilburn D., MD	Reappt.	Active USA	Internal Medicine	Reappt.	Active USA	Internal Medicine	Reappt.	Active USA	Internal Medicine
Borcicky, David J., DPM	Reappt.	APP	Orthopaedics	Reappt.	APP	Orthopaedics	NA	NA	NA
Boudreaux, Carole W., MD	Reappt.	Academic	Pathology	Reappt.	Academic	Pathology	NA	NA	NA
Bowden, Stephen E., MD	NA	NA	NA	Reappt.	Active USA	Emergency Med.	NA	NA	NA
Bowman, Ashleigh A., CRNP	Reappt.	APP USA	Ped. Emerg. Med.	NA	NA	NA	NA	NA	NA
Brantley, Kaitlin O., CRNP	Reappt.	APP USA	Pediatrics	NA	NA	NA	Reappt.	APP USA	Pediatrics
Briggs, Blake M., MD	New Appt.	Active USA	Ped. Emerg. Med.	New Appt.	Active	Emergeny Med.	NA	NA	NA
Brown, Candra S., PCT	NA	NA	NA	Reappt.	APP	Internal Medicine	NA	NA	NA
Brunner, Dianne L., CRNP	Reappt.	APP USA	Pediatrics	NA	NA	NA	Reappt.	APP USA	Pediatrics
Burkett, Jared L., MD	Reappt.	Active	Orthopaedics	Reappt.	Active	Orthopaedics	NA	NA	NA
Cameron, Daniel G., MD	Reappt.	Active USA	Internal Medicine	Reappt.	Active USA	Internal Medicine	Reappt.	Active USA	Internal Medicine
Catlett, Samantha M., CRNP	Reappt.	APP	Orthopaedics	Reappt.	APP	Orthopaedics	NA	NA	NA
Chromiak, Stephen C., MD	NA	NA	NA	Reappt.	Community Staff	Family Medicine	NA	NA	NA
Clarke, Ronald W., MD	Reappt.	Active	OBGYN	NA	NA	NA	NA	NA	NA
Cole, Jennifer G., MD	Reappt.	Active USA	Pediatrics	NA	NA	NA	Reappt.	Active USA	Pediatrics
Conway, Deborah J., MD	NA	NA	NA	New Appt.	Consulting	Radiology	NA	NA	NA
Correa, Kristen E., DMD	Reappt.	APP	Surgery	NA	NA	NA	NA	NA	NA
Correro, Phillip E., CNIM	New Appt.	APP	Neurosurgery	New Appt.	APP	Neurosurgery	NA	NA	NA
Cotton, Laura L., RN	Reappt.	APP	OBGYN	Reappt.	APP	OBGYN	NA	NA	NA
Cunningham, Jennifer A., MD	Reappt.	Active	OBGYN	NA	NA	NA	NA	NA	NA

USA HEALTH HOSPITALS
MEDICAL STAFF APPOINTMENTS/REAPPOINTMENTS
BOARD OF TRUSTEE REPORT
May, June, and July 2020

NAME	USA Health Children's & Women's Hospital			USA Health University Hospital			USA Health Ambulatory Care		
	Type/Stat	Category	Dept/Ser	Type/Stat	Category	Dept/Ser	Type/Stat	Category	Dept/Ser
Cunningham, Thelma D., RN	NA	NA	NA	Reappt.	APP	Internal Medicine	NA	NA	NA
Cutler, Jeffrey B., MD	NA	NA	NA	New Appt.	Consulting	Radiology	NA	NA	NA
Dal Zotto, Valeria L., MD	Reappt.	Active USA	Pathology	Reappt.	Active USA	Pathology	Reappt.	Active USA	Pathology
Damrich, Michael E., MD	Reappt.	Active	Surgery	Reappt.	Active	Surgery	NA	NA	NA
Davenport, Linda K., MD	Reappt.	Community Staff	Family Medicine	Reappt.	Community Staff	Family Medicine	NA	NA	NA
Davis, Charles S., CRNP	Reappt.	Non-Priv. APP	Pediactrics	Reappt.	Non-Priv. APP	Pediactrics	NA	NA	NA
Dees, Daniel D., MD	Reappt.	Active USA	Neurology	Reappt.	Active USA	Neurology	Reappt.	Active USA	Neurology
Dubuc, Tammy E., Pharm D.	Reappt.	Non-Priv. APP	Internal Medicine	Reappt.	Non-Priv. APP	Internal Medicine	NA	NA	NA
Dudley, William T., CRNP	Reappt.	APP USA	Ped. Emerg. Med.	NA	NA	NA	NA	NA	NA
Edwards, Jamira N., CRNP	NA	NA	NA	Reappt.	APP USA	Emergency Med.	NA	NA	NA
Falkos, Sheryl A., MD	Reappt.	Active USA	Pediatrics	Reappt.	Active USA	Pediatrics	Reappt.	Active USA	Pediatrics
Farquhar, Donald S., MD	New Appt.	Courtesy USA	Pediatrics	NA	NA	NA	New Appt.	Courtesy USA	Pediatrics
Finch, Tracie M., RN	New Appt.	Non-Priv. APP	Internal Medicine	New Appt.	Non-Priv. APP	Internal Medicine	NA	NA	NA
Fishel, Heather L., MD	New Appt.	Active USA	Internal Medicine	New Appt.	Active USA	Internal Medicine	New Appt.	Active USA	Internal Medicine
Folse, Tiffany M., CRNP	New Appt.	APP USA	Neurology	New Appt.	APP USA	Neurology	New Appt.	APP USA	Neurology
Fouty, Christine L., MD	Reappt.	Active HCA	Internal Medicine	Reappt.	Active HCA	Internal Medicine	Reappt.	Active HCA	Internal Medicine
Garrett, Kellie S., CRNP	New Appt.	APP HCA	Surgery	New Appt.	APP HCA	Surgery	New Appt.	APP HCA	Surgery
Gaudet, Alyssa B., CRNA	Reappt.	APP USA	Anesthesiology	Reappt.	APP USA	Anesthesiology	NA	NA	NA
Gavan, Brian S., MD	Reappt.	Active USA	Pediatrics	NA	NA	NA	Reappt.	Active USA	Pediatrics
Gillispie, Susan M., CRNP	New Appt.	APP USA	Family Medicine	New Appt.	APP USA	Family Medicine	New Appt.	APP USA	Family Medicine
Goslings, Sophia M., MD	Reappt.	Active USA	Pediatrics	NA	NA	NA	Reappt.	Active USA	Pediatrics
Greer, Robert A., DO	New Appt.	Active HCA	Internal Medicine	New Appt.	Active HCA	Internal Medicine	New Appt.	Active HCA	Internal Medicine
Gregg, Marlene P., CRNA	New Appt.	APP USA	Anesthesiology	New Appt.	APP USA	Anesthesiology	NA	NA	NA
Grette, Katherine V., MD	New Appt.	Active USA	OBGYN	New Appt.	Active USA	OBGYN	New Appt.	Active USA	OBGYN
Grevenitis, Sonia S., MD	Reappt.	Courtesy	Pediatrics	NA	NA	NA	NA	NA	NA
Gutstein, Laurie L., MD	NA	NA	NA	Reappt.	Consulting	Radiology	NA	NA	NA
Hall, David A., MD	New Appt.	Active USA	Internal Medicine	New Appt.	Active USA	Internal Medicine	New Appt.	Active USA	Internal Medicine
Hand, Jessica C., CNIM	Reappt.	APP	Neurosurgery	Reappt.	APP	Neurosurgery	NA	NA	NA
Handwerger, Adam J., MD	Reappt.	Courtesy	Orthopaedics	Reappt.	Courtesy	Orthopaedics	NA	NA	NA
Hart, Eugene L., MD	Reappt.	Academic	Pathology	Reappt.	Academic	Pathology	NA	NA	NA
Hemphill, Michele L., RN	NA	NA	NA	New Appt.	Non-Priv. APP	Internal Medicine	NA	NA	NA
Henderson, Phillip K., DO	Reappt.	Active USA	Internal Medicine	Reappt.	Active USA	Internal Medicine	Reappt.	Active USA	Internal Medicine
Henning, Paul R., MD	Reappt.	Active USA	Ped. Emerg. Med.	Reappt.	Active USA	Emergeny Med.	NA	NA	NA
Herrera, Guillermo A., MD	Reappt.	Active USA	Pathology	Reappt.	Active USA	Pathology	Reappt.	Active USA	Pathology
Herring, Adam D., MD	NA	NA	NA	Reappt.	Active HCA	Internal Medicine	Reappt.	Active HCA	Internal Medicine
Hibbard, Nina J., CRNP	New Appt.	APP HCA	Internal Medicine	New Appt.	APP HCA	Internal Medicine	New Appt.	APP HCA	Internal Medicine
Hill, Grayson B., CCCSLP	Reappt.	APP USA	Surgery	Reappt.	APP USA	Surgery	Reappt.	APP USA	Surgery
Hinson, Robin L., RN	Reappt.	APP	OBGYN	Reappt.	APP	OBGYN	NA	NA	NA
Howard, John H., MD	Reappt.	Active USA	Surgery	Reappt.	Active USA	Surgery	Reappt.	Active USA	Surgery
Howell, Cambrey N., RTT	NA	NA	NA	Reappt.	APP USA	Radiology	NA	NA	NA
Howell, Druhan L., MD	Reappt.	Active	Pediatrics	NA	NA	NA	NA	NA	NA

USA HEALTH HOSPITALS
MEDICAL STAFF APPOINTMENTS/REAPPOINTMENTS
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May, June, and July 2020

NAME	USA Health Children's & Women's Hospital			USA Health University Hospital			USA Health Ambulatory Care		
	Type/Stat	Category	Dept/Ser	Type/Stat	Category	Dept/Ser	Type/Stat	Category	Dept/Ser
Hude, Paul O., CRNA	New Appt	APP USA	Anesthesiology	New Appt	APP USA	Anesthesiology	NA	NA	NA
Hudson, Devin W., CRNP	Reappt.	APP USA	Orthopaedics	Reappt.	APP USA	Orthopaedics	Reappt.	APP USA	Orthopaedics
Huggins, Tiffany F., RN	Reappt.	APP USA	Pediatrics	NA	NA	NA	Reappt.	APP USA	Pediatrics
Hundley, Olivette T., MD	Reappt.	Active USA	Internal Medicine	Reappt.	Active USA	Internal Medicine	Reappt.	Active USA	Internal Medicine
Hundley, Olivette T., MD	Reappt.	Active USA	Pediatrics	Reappt.	Active USA	Pediatrics	Reappt.	Active USA	Pediatrics
Hunter, III, John D., MD	Reappt.	Active USA	Surgery	Reappt.	Active USA	Surgery	Reappt.	Active USA	Surgery
Hunter, Whitney C., PA	New Appt.	APP USA	Surgery	New Appt.	APP USA	Surgery	New Appt.	APP USA	Surgery
Jones, Susan V., CRNA	Reappt.	APP USA	Anesthesiology	Reappt.	APP USA	Anesthesiology	NA	NA	NA
Kobelja, Robert P., MD	Reappt.	Active USA	Neurology	Reappt.	Active USA	Neurology	Reappt.	Active USA	Neurology
Kohaut, Edward C., MD	Reappt.	Active USA	Pediatrics	NA	NA	NA	Reappt.	Active USA	Pediatrics
Koulianos, George T., MD	Reappt.	Courtesy	OBGYN	NA	NA	NA	NA	NA	NA
Kraemer, Eric J., MD	NA	NA	NA	New Appt.	Consulting	Radiology	NA	NA	NA
Lagasse, Grace A., MD	New Appt.	Active USA	Ped. Emerg. Med.	New Appt.	Active USA	Emergency Med.	NA	NA	NA
Lawrence, III, James M., MD	Reappt.	Active	Internal Medicine	Reappt.	Active	Internal Medicine	NA	NA	NA
Lawrence, III, James M., MD	Reappt.	Active	Pediatrics	Reappt.	Active	Pediatrics	NA	NA	NA
Ledbetter, Kate L., RN	NA	NA	NA	New Appt.	APP USA	Surgery	New Appt.	APP USA	Surgery
Lintner, Alicia C., CRNP	Reappt.	APP USA	Surgery	Reappt.	APP USA	Surgery	Reappt.	APP USA	Surgery
Litwiller, Kimberly J., CRNP	Reappt.	APP USA	Ped. Emerg. Med.	NA	NA	NA	NA	NA	NA
Ludvik, Nicholas R., MD	Reappt.	Cons/Assoc. USA	Internal Medicine	Reappt.	Active USA	Internal Medicine	Reappt.	Cons/Assoc/Act USA	Internal Medicine
Martin, Brett S., MD	Reappt.	Active USA	Radiology	Reappt.	Active USA	Radiology	Reappt.	Active USA	Radiology
McDell, Angela R., RN	NA	NA	NA	Reappt.	APP	Internal Medicine	NA	NA	NA
McGhee, Althea C., CRNA	Reappt.	APP USA	Anesthesiology	Reappt.	APP USA	Anesthesiology	NA	NA	NA
McKee, Kelsey C., MD	New Appt.	Active USA	Surgery	New Appt.	Active USA	Surgery	New Appt.	Active USA	Surgery
McKinley, Martha S., CRNP	NA	NA	NA	New Appt.	APP HCA	Internal Medicine	New Appt.	APP HCA	Internal Medicine
McMahon, Daniel P., MD	New Appt.	Active USA	Surgery	New Appt.	Active USA	Surgery	New Appt.	Active USA	Surgery
McPherson, Regina K., MD	New Appt.	Active USA	Internal Medicine	New Appt.	Active USA	Internal Medicine	New Appt.	Active USA	Internal Medicine
McPherson, Regina K., MD	New Appt.	Active USA	Pediatrics	New Appt.	Active USA	Pediatrics	New Appt.	Active USA	Pediatrics
McRae, James W., CRNA	Reappt.	APP USA	Anesthesiology	Reappt.	APP USA	Anesthesiology	NA	NA	NA
Millenbine, Courtney M., CRNP	Reappt.	Non-Priv. APP	Family Medicine	Reappt.	Non-Priv. APP	Family Medicine	NA	NA	NA
Miller, Jennifer J., DNP	NA	NA	NA	New Appt.	APP HCA	Internal Medicine	New Appt.	APP HCA	Internal Medicine
Murph, Arielle B., CRNA	New Appt.	APP USA	Anesthesiology	New Appt.	APP USA	Anesthesiology	NA	NA	NA
Murph, Tyler R., CRNA	New Appt.	APP USA	Anesthesiology	New Appt.	APP USA	Anesthesiology	NA	NA	NA
Naman, Michelle K., MD	Reappt.	Active	Pediatrics	NA	NA	NA	NA	NA	NA
Nicell, Donald T., MD	NA	NA	NA	Reappt.	Consulting	Radiology	NA	NA	NA
Ochoa, Juan G., MD	Reappt.	Active USA	Neurology	Reappt.	Active USA	Neurology	Reappt.	Active USA	Neurology
Owens, David C., MD	New Appt.	Active HCA	Surgery	New Appt.	Active HCA	Surgery	New Appt.	Active HCA	Surgery
Pacheco, Antonio L., MD	Reappt.	Active USA	Ped. Emerg. Med.	Reappt.	Active USA	Emergency Med.	NA	NA	NA
Panayiotou, Hercules, MD	NA	NA	NA	Reappt.	Active	Internal Medicine	NA	NA	NA
Peace, Ashley Danielle, PA	Reappt.	APP USA	Internal Medicine	Reappt.	APP USA	Internal Medicine	Reappt.	APP USA	Internal Medicine
Persing, Brian E., MD	New Appt.	Active USA	Internal Medicine	New Appt.	Active USA	Internal Medicine	New Appt.	Active USA	Internal Medicine
Petty, Melody L., MD	Reappt.	Active USA	Pediatrics	NA	NA	NA	Reappt.	Active USA	Pediatrics

USA HEALTH HOSPITALS
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	Type/Stat	Category	Dept/Ser	Type/Stat	Category	Dept/Ser	Type/Stat	Category	Dept/Ser
Pfleeger, Jenna M., MD	New Appt.	Active USA	Family Medicine	New Appt.	Active USA	Family Medicine	New Appt.	Active USA	Family Medicine
Pinkston, John A., MD	NA	NA	NA	Reappt.	Contract/Locum	Radiology	NA	NA	NA
Plash, Walker B., MD	New Appt.	Active USA	Ped. Emerg. Med.	New Appt.	Active USA	Emergency Med.	NA	NA	NA
Rahimi, Farnoosh, MD	Reappt.	Consulting USA	Internal Medicine	Reappt.	Active USA	Internal Medicine	Reappt.	Con/Active USA	Internal Medicine
Rather, Lydia G., Pharm D.	Reappt.	Non-Priv. APP	Internal Medicine	Reappt.	Non-Priv. APP	Internal Medicine	NA	NA	NA
Ray, Kristina E., MD	NA	NA	NA	Reappt.	Active HCA	Internal Medicine	Reappt.	Active HCA	Internal Medicine
Ready, Shannon L., RN	Reappt.	APP	OBGYN	Reappt.	APP	OBGYN	NA	NA	NA
Reddy, Keerthi C., MD	New Appt.	Active HCA	Internal Medicine	New Appt.	Active HCA	Internal Medicine	New Appt.	Active HCA	Internal Medicine
Reed, Claudia M., CRNP, DNP	New Appt.	APP USA	OBGYN Eval. Ctr.	NA	NA	NA	NA	NA	NA
Revels, Tim S., MD	Reappt	Courtesy	Orthopaedics	Reappt.	Courtesy	Orthopaedics	NA	NA	NA
Richerson, Jason M., MD	Reappt.	Active USA	Ped. Emerg. Med.	Reappt.	Active USA	Emergency Med.	NA	NA	NA
Roberts, Price J., CRNA	New Appt.	APP USA	Anesthesiology	New Appt.	APP USA	Anesthesiology	NA	NA	NA
Rockwell, Andrew M., CRNP	NA	NA	NA	New Appt.	APP HCA	Internal Medicine	New Appt.	APP HCA	Internal Medicine
Rodriguez-Feo, John A., MD	Reappt.	Courtesy	Orthopaedics	Reappt.	Courtesy	Orthopaedics	NA	NA	NA
Roveda, Mary Kelly P., MD	New Appt.	Academic	Pathology	New Appt.	Academic	Pathology	NA	NA	NA
Saden, Jenna M., CNIM	Reappt.	APP	Neurosurgery	Reappt.	APP	Neurosurgery	NA	NA	NA
Saville, Skylar G., MD	New Appt.	Active USA	Family Medicine	New Appt.	Active USA	Family Medicine	New Appt.	Active USA	Family Medicine
Scalici, Jennifer M., MD	Reappt.	Active USA	OBGYN	Reappt.	Active USA	OBGYN	Reappt.	Active USA	OBGYN
Scott, Byron C., DMD	Reappt.	APP	Surgery	Reappt.	APP	Surgery	NA	NA	NA
Self, John A., CRNA	Reappt.	APP USA	Anesthesiology	Reappt.	APP USA	Anesthesiology	NA	NA	NA
Sheldt, Brian C., RN	NA	NA	NA	Reappt.	APP	Internal Medicine	NA	NA	NA
Sheppard, Ryan S., DMD	Reappt.	Courtesy	Surgery	NA	NA	NA	NA	NA	NA
Sivanandam, Hari K., MD	Reappt.	Active USA	Ped. Emerg. Med.	NA	NA	NA	NA	NA	NA
Sonnier, William P., MD	Reappt.	Active USA	Internal Medicine	Reappt.	Active USA	Internal Medicine	Reappt.	Active USA	Internal Medicine
St. John, Jeffrey G., MD	NA	NA	NA	New Appt.	Consulting	Surgery	NA	NA	NA
Statkewicz, Payton L., MD	Reappt.	Active HCA	Internal Medicine	Reappt.	Active HCA	Internal Medicine	Reappt.	Active HCA	Internal Medicine
Sugg, Rebecca L., MD	Reappt.	Active USA	Neurology	Reappt.	Active USA	Neurology	Reappt.	Active USA	Neurology
Teplick, Richard S., MD	Reappt.	Community Staff	Internal Medicine	Reappt.	Community Staff	Internal Medicine	NA	NA	NA
Thai, Lauren Q., MD	New Appt.	Active USA	Pediatrics	NA	NA	NA	New Appt.	Active USA	Pediatrics
Thakur, Jai Deep, MD	New Appt	Active USA	Neurosurgery	New Appt	Active USA	Neurosurgery	New Appt	Active USA	Neurosurgery
Tomlinson, Michael P., CRNA	New Appt	APP USA	Anesthesiology	New Appt	APP USA	Anesthesiology	NA	NA	NA
Turbat-Herrera, Elba A., MD	Reappt.	Active USA	Pathology	Reappt.	Active USA	Pathology	Reappt.	Active USA	Pathology
Turner, Curtis W., MD	Reappt.	Active USA	Pediatrics	Reappt.	Active USA	Pediatrics	Reappt.	Active USA	Pediatrics
Vande Waa, John A., MD	Reappt.	Active USA	Internal Medicine	Reappt.	Active USA	Internal Medicine	Reappt.	Active USA	Internal Medicine
Vincent, Robert D., MD	Reappt.	Active USA	Anesthesiology	Reappt.	Active USA	Anesthesiology	NA	NA	NA
Ward, Holllis L., CRNP	Reappt.	Non-Priv. APP	Family Medicine	Reappt.	Non-Priv. APP	Family Medicine	NA	NA	NA
West, III, James L., MD	Reappt.	Courtesy	Orthopaedics	Reappt.	Courtesy	Orthopaedics	NA	NA	NA
Wiles, Brent L., CCC-SLP	Reappt.	APP USA	Surgery	Reappt.	APP USA	Surgery	Reappt.	APP USA	Surgery
Williams, Amanda L., CRNP	Reappt.	APP USA	Pediatrics	NA	NA	NA	Reappt.	APP USA	Pediatrics
Williams, Jennifer G., CRNP	Reappt.	APP USA	Pediatrics	NA	NA	NA	Reappt.	APP USA	Pediatrics
Wong, Waikeong P., MD	NA	NA	NA	Reappt.	Consulting	Radiology	NA	NA	NA

USA HEALTH HOSPITALS
MEDICAL STAFF APPOINTMENTS/REAPPOINTMENTS
BOARD OF TRUSTEE REPORT
May, June, and July 2020

NAME	USA Health Children's & Women's Hospital			USA Health University Hospital			USA Health Ambulatory Care		
Change Requests	**Type/Stat**	**Category**	**Dept/Ser**	**Type/Stat**	**Category**	**Dept/Ser**	**Type/Stat**	**Category**	**Dept/Ser**
Alemayehu, Hanna, MD	Add/Del. Priv.	Active USA	Surgery	Add/Del. Priv	Active USA	Surgery	Add/Del. Priv	Active USA	Surgery
Amritphale, Amod, MD	NA	NA	NA	Added Priv.	Active USA	Internal Medicine	Added Priv.	Active USA	Internal Medicine
Baker, Susan L., MD	Add. Privileges	Active USA	OBGYN	Add. Privileg	Active USA	OBGYN	Add. Privileg	Active USA	OBGYN
Bessette, Sabrina G., MD	Added Priv.	Active USA	Internal Medicine	Added Priv.	Active USA	Internal Medicine	Added Priv.	Active USA	Internal Medicine
Boudreaux, Carole, MD	Chg Status	Academic	Pathology	Chg Status	Academic	Pathology	NA	NA	NA
Chen, Tao, MD	Add Priv/Chg Stat.	Community Staff	Anesthesiology	Add Priv/Chg Sta	Community Staff	Anesthesiology	NA	NA	NA
Das, Abhijin, MD	Added Priv.	Active USA	Internal Medicine	Added Priv.	Active USA	Internal Medicine	Added Priv.	Active USA	Internal Medicine
Finan, Michael A., MD	Chg Status	Community Staff	OBGYN	Chg Status	Community Staff	OBGYN	NA	NA	NA
Gaston, Adrian, Dental Assistant	Added Priv.	APP	Surgery	Added Priv.	APP	Surgery	NA	NA	NA
Gonner, Jacqueline, CRNP	Chgd. Coll. Phy.	APP USA	Pediatrics	NA	NA	NA	Chgd. Coll. Phy.	APP USA	Pediatrics
Henderson, Phillip K., DO	Add/Del. Privs.	Active USA	Internal Medicine	Add/Del. Priv	Active USA	Internal Medicine	Add/Del. Priv	Active USA	Internal Medicine
Jones, Kelly, DMD	Added Priv.	APP	Surgery	Added Priv.	APP	Surgery	NA	NA	NA
Merritt, Lindsey, DO	NA	NA	NA	Added Priv.	Active USA	Internal Medicine	Added Priv.	Active USA	Internal Medicine
Mulyala, Rajasekhar R., MD	NA	NA	NA	Added Priv.	Active USA	Internal Medicine	Added Priv.	Active USA	Internal Medicine
Patton, Sarah Chain, CRNP	Changed Name	APP USA	Pediatrics	NA	NA	NA	Changed Name	APP USA	Pediatrics
Peace, Ashley Danielle, PA	Chgd. Coll. Phy.	APP USA	Internal Medicine	Chgd. Coll. Phy.	APP USA	Internal Medicine	Chgd. Coll. Phy.	APP USA	Internal Medicine
Pierce, Jennifer Y., MD	Add. Privileges	Active USA	OBGYN	Add. Privileg	Active USA	OBGYN	Add. Privileg	Active USA	OBGYN
Seltzer, Marjorie L., CRNP	Add. Privileges	APP USA	Interal Medicine	Add. Privileg	APP USA	Interal Medicine	Add. Privileg	APP USA	Interal Medicine
Smith, Royshanda, MD	Added Priv.	Active	OBGYN	NA	NA	NA	NA	NA	NA
Sonnier, William P., MD	Added Priv.	Active USA	Internal Medicine	Added Priv.	Active USA	Internal Medicine	Added Priv.	Active USA	Internal Medicine
Williams, Jennifer G., CRNP	Added Priv.	APP USA	Pediatrics	NA	NA	NA	Added Priv.	APP USA	Pediatrics
Wood, Amanda L., CRNP	Add. Privileges	APP USA	Pediatrics	NA	NA	NA	Add. Privileg	APP USA	Pediatrics
Wooten, Samantha, CRNP	Changed Name	APP	Orthopaedics	Changed Name	APP	Orthopaedics	NA	NA	NA
Resigned/Retired	**Reason**	**Date**	**Dept.**	**Reason**	**Date**	**Dept.**	**Reason**	**Date**	**Dept.**
Boyd, Dana M., Dental Assistant	Resigned	5/19/2020	Surgery	NA	NA	NA	NA	NA	NA
Brown, Nicholas A., CRNA	NA	NA	NA	Resigned	5/13/2020	Anesthesiology	NA	NA	NA
Ferrell, Haven, Dental Assistant	Resigned	6/2/2020	Surgery	NA	NA	NA	NA	NA	NA
Gill, Beverly D., Dental Assistant	Resigned	5/19/2020	Surgery	NA	NA	NA	NA	NA	NA
Hill, Gregory A., CRNA	Retired	4/30/2020	Anesthesiology	Retired	4/30/2020	Anesthesiology	NA	NA	NA
Hudgens, Russell A., MD	Resigned	4/8/2020	Orthopaedics	Resigned	4/8/2020	Orthopaedics	NA	NA	NA
Hurst, Jr., Fred T., CRNA	Resigned	4/10/2020	Anesthesiology	Resigned	4/10/2020	Anesthesiology	NA	NA	NA
Johnson, Katrina A., RN	NA	NA	NA	Resigned	3/31/2020	Internal Medicine	NA	NA	NA
Johnsten, Mary E., PA	Resigned		Surgery	Resigned	5/27/2020	Surgery	Resigned	5/27/2020	Surgery
Kuhns, Cora F., PA	Resigned	9/27/2019	Ped. Em. Med.	NA	NA	NA	NA	NA	NA
Lewis, Angelia D., CRNP	Resigned	5/13/2020	Family Medicine	Resigned	5/13/2020	Family Medicine	NA	NA	NA
Lockhart, Larry R., MD	NA	NA	NA	Resigned	6/30/2020	Emergency Med.	NA	NA	NA
Mando, Rufaat W., MD	NA	NA	NA	Resigned	6/30/2020	Internal Medicine	Resigned	6/30/2020	Internal Medicine
Mneimneh, Wadad S., MD	Resigned	5/15/2020	Pathology	Resigned	5/15/2020	Pathology	Resigned	5/15/2020	Pathology

USA HEALTH HOSPITALS
MEDICAL STAFF APPOINTMENTS/REAPPOINTMENTS
BOARD OF TRUSTEE REPORT
May, June, and July 2020

NAME	USA Health Children's & Women's Hospital			USA Health University Hospital			USA Health Ambulatory Care		
Resigned/Retired (continued)	**Reason**	**Date**	**Dept.**	**Reason**	**Date**	**Dept.**	**Reason**	**Date**	**Dept.**
	Type/Stat	**Category**	**Dept/Ser**	**Type/Stat**	**Category**	**Dept/Ser**	**Type/Stat**	**Category**	**Dept/Ser**
Neese, Katie C., CRNP	NA	NA	NA	Resigned	4/3/2020	Internal Medicine	Resigned	4/3/2020	Internal Medicine
Parker, Colbert A., MD	Resigned	6/30/2020	Internal Medicine	Resigned	6/30/2020	Internal Medicine	Resigned	6/30/2020	Internal Medicine
Urquhart, William J., MD	Resigned	4/1/2020	OBGYN	NA	NA	NA	NA	NA	NA
Vance, Susan E., MD	Resigned	4/1/2020	OBGYN	NA	NA	NA	NA	NA	NA

UNIVERSITY OF SOUTH ALABAMA

MEMORANDUM

Vice President for Student Affairs

DATE: August 28, 2020

TO: President Tony G. Waldrop

FROM: Michael A. Mitchell, Ph.D.

SUBJECT: Speech, Expressive Activities, and Use of University Space, Facilities, and Grounds Policy and Report

The new State of Alabama legislation pertaining to free speech on the campuses of higher education institutions required changes to the University's Speech, Expressive Activities, and Use of University Space, Facilities, and Grounds policy. The legislation also requires the Board of Trustees to submit a report to the Governor and Legislature detailing the course of action implemented to ensure compliance with the new law.

The attached resolution memorializes the approval of the revised Speech, Expressive Activities, and Use of University Space, Facilities, and Grounds policy by the Board of Trustees and authorizes me to prepare and submit the required report.

RESOLUTION

SPEECH, EXPRESSIVE ACTIVITIES, AND USE OF UNIVERSITY SPACE, FACILITIES, AND GROUNDS POLICY

WHEREAS, new legislation has been enacted by the State of Alabama pertaining to free speech on the campuses of higher education entities in the state, including the University of South Alabama, and

WHEREAS, in compliance with that legislation, revisions have been made to the University of South Alabama's Speech, Expressive Activities, and Use of University Space, Facilities, and Grounds policy, and

WHEREAS, the legislation requires that the board of trustees of each institution submit a report to the Governor and Legislature detailing the course of action implemented to ensure compliance with the requirements of the legislation,

THEREFORE, BE IT RESOLVED, the University of South Alabama Board of Trustees hereby approves the revised Speech, Expressive Activities, and Use of University Space, Facilities, and Grounds policy as set forth in the attached document, and

BE IT FURTHER RESOLVED that the Board hereby authorizes Dr. Michael Mitchell, Vice President for Student Affairs and Dean of Students, to prepare and file a report on behalf of the Board to the Governor and Legislature which informs of the revision of the Speech, Expressive Activities, and Use of University Space, Facilities, and Grounds policy by the University, as well as other actions taken by the University in order to conform to the requirements of the legislation.

SPEECH, EXPRESSIVE ACTIVITIES, AND USE OF UNIVERSITY SPACE, FACILITIES, AND GROUNDS POLICY

The University of South Alabama recognizes and supports the rights of students, employees, and visitors to engage in expressive activities in a lawful manner on campus. The purpose of this policy is to promote the free exchange of ideas and the safe and efficient operation of the University. The primary missions of the University are to provide teaching, research, community service, and health care through on-going instructional programs, sponsored and conducted by a member of the faculty or department of the college or university, or an organization registered with the Office of Campus Involvement. In balancing the rights of students, employees, and guests to speak on campus with the University's need to preserve and protect its property, students, employees, and visitors, expressive activities may be subject to reasonable regulation with regard to the time, place, and manner, whether inside buildings or outside on campus grounds. Access and use of facilities managed by USA Health or University of South Alabama Health Care Authority are addressed elsewhere in USA Health policies.

University employees will not consider the viewpoint of expressive activities when enforcing this policy.

Within this policy "expressive activities" includes, but is not limited to:

Meetings and other group activities of registered USA student organizations;

Speeches, performances, demonstrations, peaceful assemblies, rallies, vigils, and other similar events by students, employees, and visitors;

Carrying signs or hanging posters;

Circulating petitions;

Distribution of literature, such as leafleting and pamphleting; and

Any other expression protected by the First Amendment to the U.S. Constitution and applicable state law.

"Expressive activity" does not include expression that relates solely to the economic interests of the speaker and its audience and proposes an economic transaction.

Nothing in this policy is intended, nor should it be understood, as an endorsement or approval by the University of South Alabama of any speech or demonstration on campus beyond rights existing under federal law, state law or University regulations. In the event any University policies are inconsistent with this policy on speech, expressive activities, and the use of University space, facilities, and grounds, this policy shall control.

I. EXPRESSIVE ACTIVITY

The President and Administration are charged with preserving order on the campus and providing the orderly function of the University process. In the event the President, in the exercise of the discretion which the Board of Trustees has given him or her, considers that the presence of a speaker or function constitutes a clear and present danger to the lives or property of members of the academic community or the public on University grounds, or if such presence will significantly and substantially disrupt the functioning of the University, then the President shall prohibit or modify the event.

A. General Requirements

1. Indoor Expressive Activities

a) Non-Members of the Campus Community

Pursuant to the University's Community Reservations Policy, non-members of the campus community may use or reserve only those indoor facilities of the University that are specifically identified in the Community Reservations Policy as available for use. Non-members of the campus community may not use or reserve any other University indoor facility for purposes of expressive activity as contemplated under this policy.

b) Members of the Campus Community

Members of the campus community and registered student organizations must schedule all non-academic events to be held inside University facilities through the events management software (EMS) system.

2. Procedures/Deposits

Any procedures, deposits, forms, etc., that are required by the building requested must be completed at least five (5) working days prior to the event. The event must be listed on the University Calendar through the Public Relations Office, as well as with the Southpaw Services Office in the Student Center. Only University-sponsored events may be advertised without charge in University publications.

3. Sound Equipment and Amplification

No musical instrument or sound amplification equipment of any kind, including stereo turntables, stationary, or mobile public address systems are allowed on concourses, streets, or in areas adjacent to occupied buildings or around the Student Center unless otherwise allowed by the Dean of Students or a person designated by the Vice President for Student Affairs.

4. Litter

Any litter generated by any material being distributed must be collected and properly disposed of by the person or organization distributing the material. Failure to do so may result in charges to the responsible organization or department for the cleaning services. Placement of printed materials on motor vehicles is prohibited.

5. Interference with University Operations and Traffic and Protection of University Buildings and Property

All persons engaging in activities on University property are subject to and must comply with all University policies and procedures. Any individuals engaging in activities in University spaces may not block or otherwise interfere with the free flow of vehicular, bicycle, or pedestrian traffic. The right of way on streets and sidewalks must be maintained. Persons may not block or interfere with entrances and exits to campus buildings, and shall not prevent, obstruct, or interfere with regular academic, administrative, student, employee, or other approved activities at the University. University property must be protected, and any alteration, damage, or destruction of University facilities, property, or outdoor

landscaping is strictly prohibited. Open flames, fires, or pyrotechnics are not permitted on any University property unless previously approved by the University Fire Marshal.

6. Safety and Security

The safety and well-being of members of the campus community and visitors to the University must be protected at all times. All persons engaging in activities on University property shall not engage in physically abusive or threatening conduct toward any person or group and shall always comply with the directions of the University of South Alabama Police Department. The University reserves the right to impose reasonable restrictions on events occurring on campus to ensure the safety of the University, including the use of security for campus events and modifications to the time, place, or manner of campus events to ensure the safety of the participants and of the campus as a whole.

7. Outdoor Expressive Activities

a) Non-Members of the Campus Community

Expressive activity by individuals or groups who are not members of the campus community may only be held around the Student Center. Reservations are not required, but priority for use of the space will be given, first to those with reservations and then on a first-come, first-serve basis for those without reservations. A limit of time may be imposed if a reservation has been previously made by another individual or organization. Reservations may be requested for same-day expressive activity, but more advanced notice is recommended due to demand for the space.

Reservations may be made with the Associate Director of the Student Center. The Associate Director of the Student Center may deny a reservation for the following reasons:

1. The space is already reserved for another event;
2. The activity will attract a crowd larger than the venue can safely contain;
3. The activity will substantially disrupt University operations (including classes);
4. The activity will impede the flow of traffic;
5. The activity is a clear and present danger to public safety; or
6. The activity is unlawful

b) Members of the Campus Community

For members of the campus community (i.e., students, administrators, faculty, staff, and invited guests of University students, administrators, faculty and staff), all outdoor areas of the University campus are open for expressive activities except for the following:

- Areas within 100 feet of academic buildings (between 7 am – 10 pm)
- Areas within 100 feet of residential housing buildings

Any expressive activity beyond the Student Center will require that the University be able to identify the University individual or organization involved and that person or organization must abide by these regulations.

Reservations are not required for members of the campus community, but priority for use of the space will be given, first to those with reservations and then on a first-come, first-serve basis for those without reservations. A limit of time may be imposed, or the exhibit or demonstration may be relocated by the Dean of Students, if a reservation has been previously made by another member of the campus community. Reservations may be requested for same-day expressive activity, but more advanced notice is recommended due to demand for the space. Reservations may be made with the Associate Director of the Student Center.

The Associate Director of the Student Center may deny a reservation for an outdoor area of campus for the following reasons:

1. The space is already reserved for another event;
2. The activity will attract a crowd larger than the venue can safely contain;
3. The activity will significantly and substantially disrupt University operations (including classes);
4. The activity is a clear and present danger to public safety; or
5. The activity is unlawful.

B. Non-Interference with Expressive Activities

1. General Policy

The University shall not permit members of the campus community to engage in conduct that materially and substantially disrupts another person's protected expressive activity or infringes on the rights of others to engage in or listen to a protected expressive activity that is occurring in a location that has been reserved for that protected expressive activity. "Material and substantial" disruption occurs when a person (a) significantly hinders the protected expressive activity of another person or group, prevents the communication of a message of another person or group, or prevents the transaction of the business of a lawful meeting, gathering, or procession by engaging in fighting, violence, or other unlawful behavior; or (b) physically blocks or uses threats of violence to prevent any person from attending, listening to, viewing, or otherwise participating in a protected expressive activity. Conduct protected under the First Amendment to the United States Constitution or Article I, Section 4 of the Constitution of Alabama of 1901, including, but not limited to, lawful protests and counter-protests occurring in outdoor areas of campus generally accessible to members of the public, are not considered material and substantial disruptions except during times when those areas have been reserved in advance for other events. Likewise, minor, brief, or fleeting nonviolent disruptions of events that are isolated and short in duration are not considered material and substantial disruptions. Any member of the campus community who materially and substantially disrupts the free expression of others on campus may be subject to disciplinary action, up to and including removal from the University community and/or termination of employment.

2. Anti-Harassment Statement

The University shall prohibit any expression that is so severe, pervasive, and objectively offensive as to effectively deny a student, administrator, faculty, or staff member access to an educational opportunity or benefit provided by the University.

3. University Neutrality

The University supports free association and will not deny a student organization any benefit or privilege available to any other student organization or otherwise discriminate against an organization based on the expression of the organization. University students, administrators, faculty, and staff are free to take positions on public controversies and to engage in protected expressive activity in outdoor areas of the campus, and to spontaneously and contemporaneously assemble, speak, and distribute literature. The University will not require students, administrators, faculty, or staff to publicly express a given view of a public controversy. The University will also not create free speech zones or other designated outdoor areas of campus in an effort to limit or prohibit protected expressive activities by campus community members.

The University shall be open to any speaker whom the University's student organizations or faculty have invited, and the University will make all reasonable efforts to make available all reasonable resources to ensure the safety of the campus community. The University will not charge security fees based on the protected expressive activity of any member of the campus community or the member's organization, the content of the invited guest's speech, or the anticipated reaction or opposition of the listeners to the speech.

II. INDOOR POSTING POLICY

This policy applies to materials hung in or affixed to the inside of University buildings or bulletin boards.

Individuals authorized by the University to do so may remove materials posted that are not in accordance with this policy. Questions regarding this policy should be directed to the Associate Director of the Student Center.

A. Reservation Process

Reservations for all flyers, posters, and banners should be made at the Student Center Information Desk located on the second floor or the Student Center Services Office on the first floor (unless a different group has approval authority as indicated below in Section II.C). Groups or departments that have their own bulletin board do not need to make reservations for postings on their own board. All reserved flyers, posters, and banners must bear the stamped reservation date of the Student Center Office except those utilized in spaces designated for a specific organization or department.

B. Criteria

Posters that announce meetings, programs, and special events sponsored by members of the campus community will be permitted in all University buildings. All material must include: the name of the sponsoring group, individual, or department and, if necessary, an accompanying English translation. Materials may not contain obscene language, drawings, or illustrations. Materials may not make any reference in print or graphics to alcohol. For fundraisers, all beneficiaries of the fundraising effort must be specified in the promotional material.

C. Guidelines

A flyer is any paper not exceeding the size 8.5 x 11 inches. A poster is any paper that is not a flyer and does not exceed the size 24 x 17 inches.

- All flyers/posters must be approved and stamped by the Student Center Information Desk, except as noted below. The Student Center Information Desk, or other reviewing body noted below, will only review flyers/posters for compliance with the criteria set forth in Paragraph B, "Criteria."
- Up to 50 flyers/posters allowed for USA student organizations.
- Up to 15 flyers/posters allowed for individuals or non-USA groups.
- Not more than 1 flyer/poster per bulletin board per individual / group.
- Flyers and posters may be posted in the following building and locations:
  - Administration bldg: Bulletin board in basement. No flyers/posters on first floor.
  - Classroom bldg: Approved bulletin boards
  - MCOB: Approved bulletin boards
  - HPELS: Approved bulletin boards
  - College of Medicine: student lounge bulletin board
  - Library: bulletin board in front lobby
  - Life Sciences: Approved boards on each floor
  - Humanities: in hallway joining two wings
  - USA Mail Hub: approved bulletin boards
  - Shelby Hall: only electronic advertisements
  - Student Recreation Center (must be approved by Director of Campus Recreation)
  - Student Center: Approved bulletin boards
  - Student Center Mall: Between two front doors
  - No flyers/posters are allowed on painted surfaces, on the outside of any building, doors, or windows, or on trees.
  - All sheet signs must be approved by Student Government Association in accordance with the guidelines for sheet signs set forth below in Section III.A.

If in doubt, please check with the appropriate building staff to determine acceptable locations for posting of flyers/posters.

Items must not be hung in a manner which would obscure previously posted (and current) flyers.

Materials may be posted until the event is completed or for a maximum of 30 days. The SC staff will remove posters on the last day of each month. All groups are encouraged to remove their own materials in a timely fashion and to remove other dated material when posting their own.

Multi-date events may be posted for an entire quarter; however, such posters will be taken down at the conclusion of each quarter. Exceptions to time limitations may be made for posters promoting on-going programs of Student Services.

No posters are allowed on painted surfaces, doors, or glass. Special regulations governing student campaigns may be adopted by the SGA Election Committee.

Failure to comply with the above rules may result in the suspension of poster privileges for offending organization(s) and/or individuals.

D. Special Rules for Posting in the Student Center

These rules for posting in the Student Center apply to all members and non-members of the campus community, including, but not limited to, students, recognized and registered student organizations, academic and administrative departments, and non-USA affiliated groups and individuals, unless indicated otherwise.

A maximum of four flyers may be posted in the Student Center per unique event, with only one such flyer permitted per bulletin board..

Banners may only be hung from 2nd floor lobby rail and only by registered student organizations. Banners may not exceed 3 feet in width and 10 feet in length. Banners exceeding these dimensions will be taken down by Student Center staff. Groups wishing to hang banners must reserve a location with the Associate Director of the Student Center located in RM 150.

III. OUTDOOR SIGNAGE / CHALKING POLICY

Outdoor signage, including, but not limited to, sheet signs, yards signs, and directional signs, and chalking by members of the campus community are permitted under this Policy, subject to the limitations set forth herein. All other solicitations, promotions, advertisements, displays, sheet signs, yard signs, directional signs, or chalking on campus are prohibited. Individuals authorized by the University to do so may remove signage/chalking that is not in accordance with this policy.

A. Sheet Signs

Sheet signs advertising an event may be hung seven days prior to the specified event and must be removed within three days following the event. All other sheet signs may be posted for a maximum of 30 days. Each sheet sign must indicate the name of the associated University group or individual and the date that the sign was posted. Sheet signs must be hung between two trees (not on or between buildings or structures), must be hung with biodegradable cord, and may be placed anywhere on campus except, Moulton Tower, Alumni Plaza the area in front of the McQueen Alumni Center, and the area between the street side of University buildings and facilities on the periphery of campus from the portal of North Drive to the corner of campus at Old Shell Road and Areas between the street side of University buildings and facilities on the periphery of campus from the portal of North Drive to the corner of campus at Old Shell Road and University Boulevard and to the portal of Stadium Drive and the public sidewalks. (For reference, the areas between the public sidewalks along Old Shell Road and University Boulevard and the red line depicted on the map available here: https://www.southalabama.edu/departments/studentaffairs/resources/usaperimetermap.pdf are restricted areas as described in this section.)

Sheet signs must not obstruct or impair visibility related to roadways or the ingress and egress to a building or area of campus.

Any sheet signs which are not in full compliance with this policy are subject to removal and disposal without notice.

B. Chalking

Chalking is allowed only on natural gray concrete sidewalks and streets that are subject to being washed by the rain, and the chalk used must be washable. No chalking can occur on sidewalks or building entrances that are covered in any way, nor on any type of brick or concrete pavers. Chalking is not allowed on walls, doors, windows, trees, or any vertical surfaces. Organizations or persons who violate this policy may be charged for time and materials to remove the chalk.

C. Yard Signs/Displays

Non-commercial yard signs or displays (no larger than 18 x 24 inches) or other displays placed in the ground with a stake or similar device may be placed only in outdoor areas of campus where members of the campus community are commonly allowed. They cannot be placed in flowering or non-flowering landscaping beds, tied to trees, or placed in the area immediately around the Mitchell Center, Moulton Tower, or Alumni Plaza or within the area between the street side of University buildings and facilities on the periphery of campus from the portal of North Drive to the corner of campus at Old Shell Road and Areas between the street side of University buildings and facilities on the periphery of campus from the portal of North Drive to the corner of campus at Old Shell Road and University Boulevard and to the portal of Stadium Drive and the public sidewalks. (For reference, the areas between the public sidewalks along Old Shell Road and University Boulevard and the red line depicted on the map available here: https://www.southalabama.edu/departments/studentaffairs/resources/usaperimetermap.pdf are restricted areas as described in this section.). The total number of related yard signs allowed on campus per event may not exceed twenty (20). Yard signs may be reasonably displayed 72 hours before an event and must be removed within 24 hours of the event. Signs must be dated.

D. Special Rules for Directional Signage

Small directional signs (no larger than 18" x 24") may be placed in outdoor grass areas within ten feet of roadways for events for which University space has been reserved when the majority of expected attendees are not members of the campus community. Directional signs must be placed the day of such event and removed at the conclusion of the event.

IV. SOLICITATION POLICY

In addition to the regulations set forth above, the University regulates the use of its facilities for solicitation of money by students, student organizations, employees, departments, other affiliates, and visitors. Solicitation by placing flyers on vehicles by USA or non-USA groups or individuals is strictly prohibited.

A. USA Affiliated Groups

1. University of South Alabama student organizations, departments, or other affiliates of the University are permitted to engage in solicitation activities such as fundraisers on campus. Use of space for the selling of goods and/or services that is in close proximity to and in direct competition with exclusive University vendors such as the University Bookstore,

Dining Services, Housing, Vending, or any other entities that have an exclusive contract with USA is prohibited.

2. Each event must follow the rules and regulations of the University and the laws of the State of Alabama or other governing body. Solicitation privileges may be revoked for violation of rules and/or regulations, or for conduct which may be characterized as unlawful harassment or otherwise in violation of University policy or applicable laws, rules, or regulations.
3. Solicitation in the Student Center. The USA Student Center requires any organization requesting space for solicitation in the Student Center to contact Student Center Services (460-6077) to make a reservation. Designated spaces are limited and restricted to the use of that space only. All organizations using designated solicitation space must adhere to all reservation policies of the student center.
4. Door-to-door solicitation is not allowed.

B. Non-USA Groups

1. Non-University groups, individuals, or businesses are not permitted to solicit or distribute business-related materials, including, but not limited to, advertising, in University buildings or on the grounds except at designated places during designated times such as Jag Blast and Jag Fest. Please contact the Office of New Student Orientation at 460-7093 for more information about designated times.
2. Any business, company, or service attempting to recruit for student employment must obtain approval from USA Career Services (460-6188) to reserve vendor space.
3. Door-to-door solicitation is not allowed.

V. ENFORCEMENT AND APPEAL

These regulations shall be administered and enforced by the Dean of Students or other University officials as designated. Visitors to the campus and all others violating these regulations regarding time, place, manner of speeches and demonstrations will be subject to immediate eviction or removal from campus by appropriate University agents or officials and may be subject to legal or University disciplinary action. Students and student organizations operating in violation of these regulations will be subject to disciplinary action under the Student Code of Conduct, up to and including removal from the University.

Persons, agencies, or organizations wishing to appeal a decision based upon these regulations may file a written appeal with the Vice President for Student Affairs within three working days of the decision. The decision of the Vice President for Student Affairs regarding the appeal will be rendered within three working days of receipt of the appeal and is final.

VI. REPORTING

Any violation or alleged violation of this Policy must be reported to the Vice President for Student Affairs, whose office will coordinate management of the violation or alleged violation and document all relevant details of its resolution. Annual reports as required by Alabama law will be published on the University's website beginning September 1, 2021.

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

Basic Financial Statements

Nine Months Ended June 30, 2020 and 2019

Unaudited

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

Quarterly Financial Statements

Nine Months Ended June 30, 2020 and 2019

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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.

During the quarter ended June 30, 2020, the University realized the onset of the pandemic COVID-19 health crisis that has impacted the United States. For a complete discussion of the potential impact, see the Economic Outlook section of Management's Discussion and Analysis.

Financial Highlights

At June 30, 2020 and 2019, the University had total assets and deferred outflows of $1,513,269,000 and $1,354,492,000, respectively; total liabilities and deferred inflows of $1,347,811,000 and $1,293,437,000, respectively; and net position of $165,458,000 and $61,055,000, respectively. Net position increased $74,995,000 for the nine months ended June 30, 2020 compared to an increase of $25,293,000 for the nine months ended June 30, 2019. 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, 2020 and 2019 follow (in thousands):

Condensed Schedules of Net Position

	2020	2019
Assets:		
Current	$ 309,417	$ 222,670
Capital and other noncurrent assets	1,116,395	1,044,645
Deferred outflows	87,457	87,177
	1,513,269	1,354,492
Liabilities:		
Current	231,026	158,712
Noncurrent	903,095	1,046,258
Deferred inflows	213,690	88,467
	1,347,811	1,293,437
Net position:		
Net investment in capital assets	364,147	335,378
Restricted, nonexpendable	57,797	60,052
Restricted, expendable	74,773	70,584
Unrestricted	(331,259)	(404,959)
	$ 165,458	$ 61,055

Condensed Schedules of Revenues, Expenses and Changes in Net Position

	2020	2019
Operating revenues:		
Tuition and fees, net	$ 106,096	$ 115,215
Patient service revenues, net	405,249	366,020
Federal, state and private grants and contracts	35,824	23,486
Other	43,749	56,210
	590,918	560,931
Operating expenses:		
Salaries and benefits	363,917	385,261
Supplies and other services	218,935	205,482
Other	56,473	56,462
	639,325	647,205
Operating loss	(48,407)	(86,274)
Nonoperating revenues (expenses):		
State appropriations	93,018	87,464
Net investment income (loss)	5,178	944
Other, net	17,790	13,381
Net nonoperating revenues	115,986	101,789
Income (loss) before capital contributions and grants and additions to endowment	67,579	15,515
Capital contributions and grants and additions to endowment	7,416	9,778
Increase in net position	74,995	25,293
Beginning net position	90,463	35,762
Ending net position	$ 165,458	$ 61,055

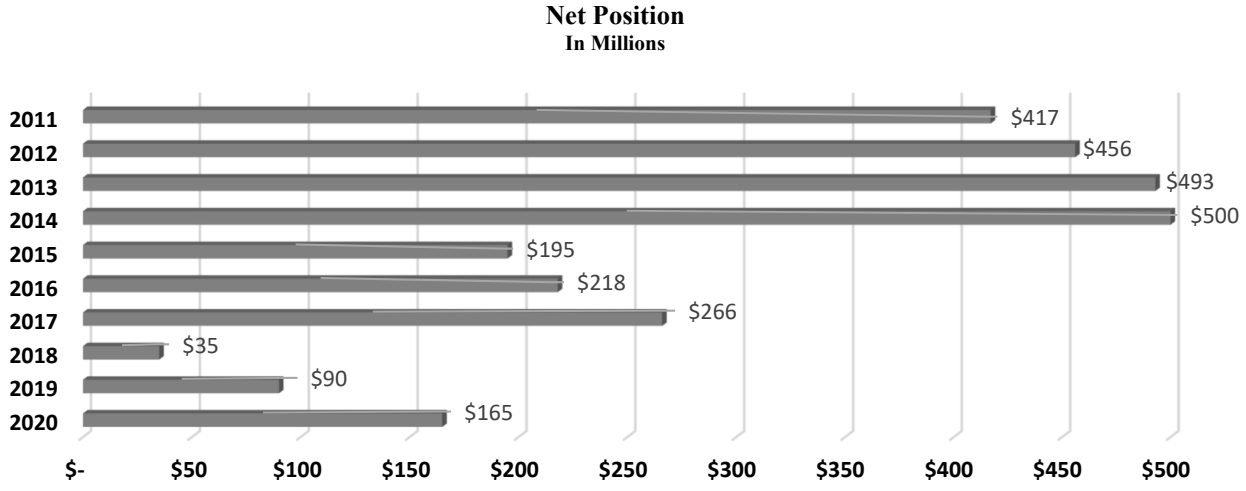
Analysis of Financial Position and Results of Operations

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.

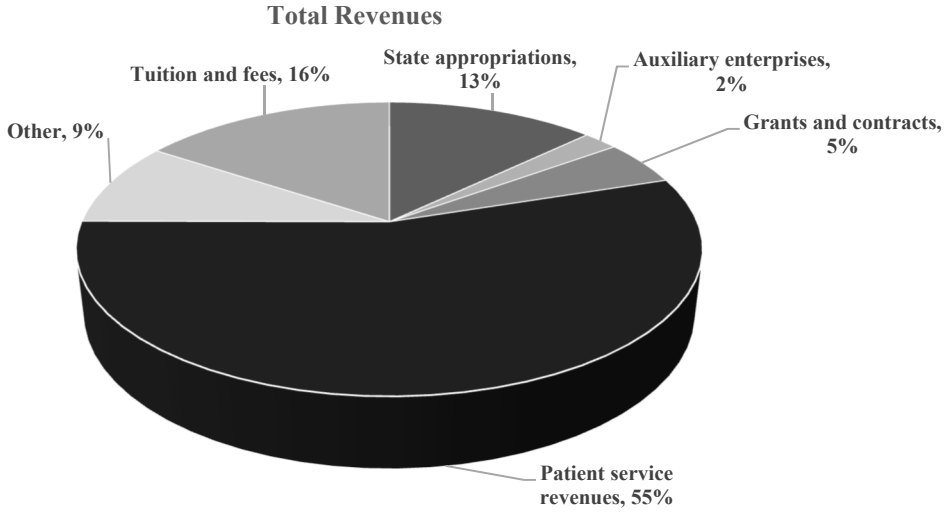
Restricted nonexpendable net position consists primarily of the University's permanent endowment funds. In accordance with the policies of the University, the earnings from these funds may be expended, but the corpus may not be expended and must remain intact with the University in perpetuity. Restricted 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.

Statements of Revenues, Expenses and Changes in Net Position

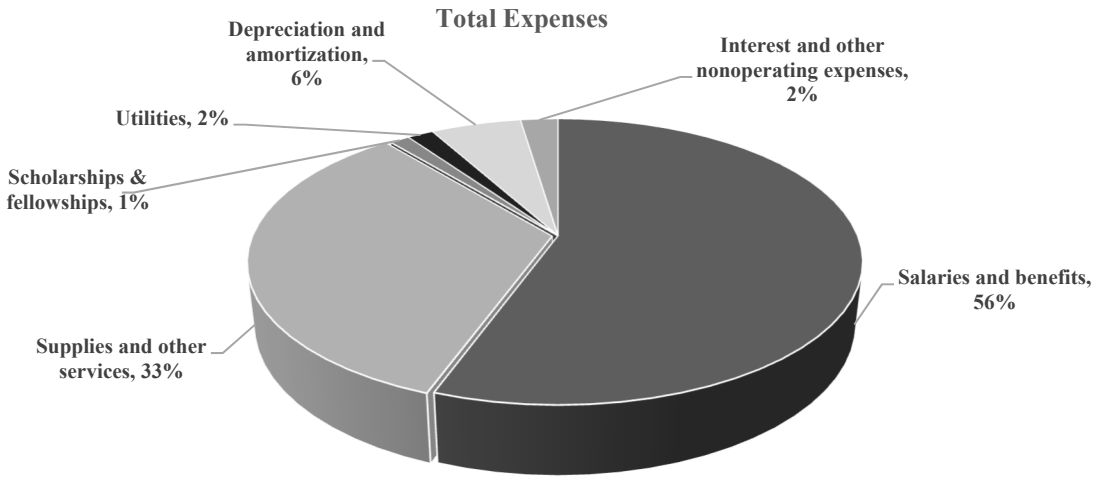
Changes in total University net position are based on the activity presented in the statements of revenues, expenses and changes in net position. The purpose of the statements is to present the changes in net position resulting from operating and nonoperating revenues earned by the University, and operating 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 55% 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, Jon Lieber Baseball Clubhouse, University Commons Clinic, the Fanny Meisler Trauma Center at University Hospital and major upgrades of infrastructure on the University's main campus.

In February 2019, the University issued new revenue bonds, Series 2019AB, with a face value of $66,190,000. The proceeds, along with internal contributions from the University, are financing the construction of Hancock Whitney Stadium and intramural fields. In December 2019, the University refinanced the Series 2010 Bond with the University Facilities Revenue Bond, Series 2019-C, with a face value of $19,086,000 and in February 2020, the University issued a new University Facilities Revenue Bond, Series 2020, with a face value of $37,005,000. The proceeds, along with internal contributions from the University, are financing the transportation hub, facilities warehouse and certain USA Health facilities.

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 2020 or 2019. Moody's Investors Service and Standard and Poor's Global Ratings affirmed their ratings in conjunction with their assessment of the Series 2019 and 2020 Bond issuances.

Economic Outlook

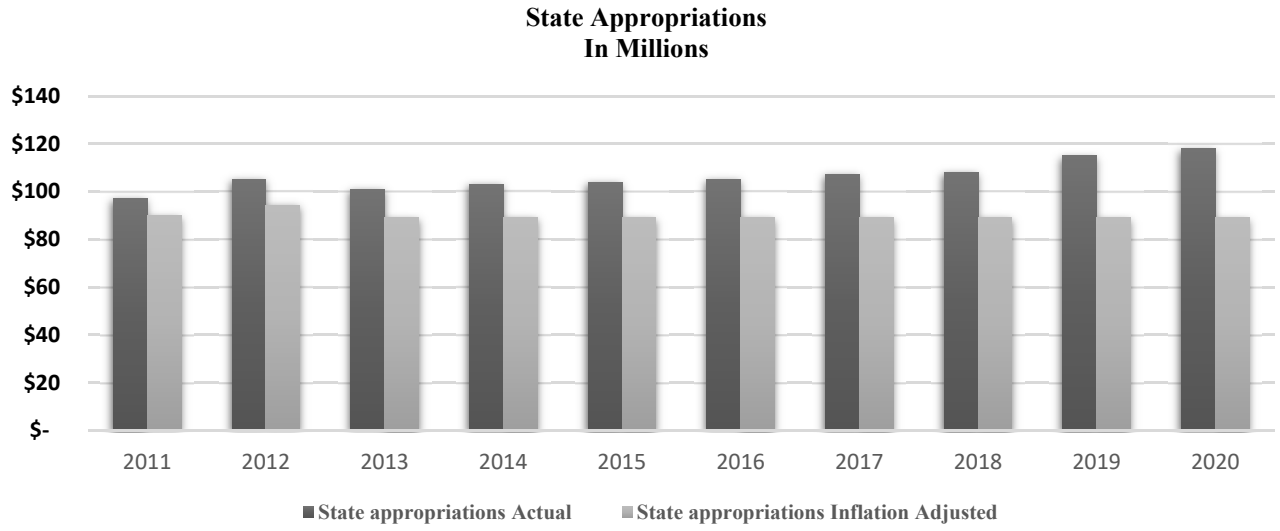
Tuition and fee rates have increased over the past ten years and, until the previous three years, student enrollment has generally increased. The University did experience a decline in enrollment of approximately 6% from Fall 2017 to Fall 2018 and an additional decline of 3% between Fall 2018 and Fall 2019. The decrease in Fall 2018 was primarily attributed to a decrease in international student enrollment. The decrease in Fall 2019 was primarily tied to a decrease in incoming freshman student enrollment. Further decline in enrollment is

possible in 2020. Tuition rate increases of approximately 5% were approved and became effective for academic year 2018-2019. There was not a tuition rate increase for academic year 2019-2020, and there will not be an increase for academic year 2020-2021.

State appropriations in the amounts of approximately $115,209,000 and $108,268,000 were authorized and received for the fiscal years ended September 30, 2019 and 2018, respectively.

A state appropriation in the amount of $118,299,000, representing an increase of approximately 3%, has been authorized for the fiscal year ending September 30, 2020. While no announcement has been made or is anticipated, the University is aware that reductions in the 2020 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, external funding, endowment performance and health care operations.

During the quarter ended March 31, 2020 the United States was thrust into the midst of the pandemic health crisis related to the spread of the COVID-19 (the "Crisis"). While the impact of the pandemic has been managed to date, the ultimate economic impact on the operations of the University could be significant both from an operational and financial basis.

As a result of the Crisis, the University moved the delivery of all instruction to an on-line format in March and required that students, where possible, vacate on-campus residence halls, which resulted in a pro-rata refund of housing and dining fees. All instruction is being delivered on-line during the May and summer terms and residence halls will remain closed. It is anticipated that the University will return to modified in-person delivery of education in the fall semester. Management believes that the Crisis could adversely impact fall enrollment, although the extent of the impact has not yet been determined.

It is anticipated that the financial impact of the Crisis will also be felt by USA Health. Beginning at the end of March 2020, most elective procedures at USA University Hospital and USA Children's and Women's Hospital were postponed or canceled resulting in a decline in revenues. USA Health leadership developed a plan to reintroduce elective procedures on a limited basis beginning in late April, limiting the impact on operations.

Management has taken a number of actions to mitigate the anticipated declines in University operations. These measures include a reduction of operational expenses throughout the University, including USA Health. Additionally, management is taking all necessary steps to ensure that the University is able to take full advantage of the Coronavirus Aid, Relief and Economic Security Act of 2020 (the "CARES Act"). The CARES Act provides funding for various additional incurred expenses or lost revenues stemming from the Crisis for both its academic and health operations. The full financial impact of the funding is still being determined.

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 2020 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, 2020 and 2019

(In thousands)

	2020	2019
Assets		
Current assets		
Cash and cash equivalents	$ 157,009	$ 67,404
Investments	20,438	15,927
Net patient receivables	42,741	58,018
Accounts receivable	76,426	69,046
Notes receivable, net	2,342	2,296
Prepaid expenses, inventories and other	10,461	9,979
Total current assets	309,417	222,670
Noncurrent assets		
Restricted cash and cash equivalents	93,589	65,321
Restricted investments	175,609	192,049
Investments	22,661	27,649
Accounts receivable	6,631	6,402
Notes receivable, net	6,245	6,157
Other noncurrent assets	12,048	21,530
Capital assets, net	799,612	725,537
Total noncurrent assets	1,116,395	1,044,645
Deferred outflows	87,457	87,177
Total assets and deferred outflows	1,513,269	1,354,492
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	65,444	47,142
Unrecognized revenues	131,557	82,607
Deposits	3,339	2,400
Current portion of other long-term liabilities	3,310	3,310
Current portion of long-term debt	27,376	23,253
Total current liabilities	231,026	158,712
Noncurrent liabilities		
Long-term debt, less current portion	449,667	427,106
Net pension liability	294,615	296,654
Net OPEB liability	103,288	266,678
Other long-term liabilities, less current portion	55,525	55,820
Total noncurrent liabilities	903,095	1,046,258
Deferred inflows	213,690	88,467
Total liabilities and deferred inflows	1,347,811	1,293,437
Net position		
Net investment in capital assets	364,147	335,378
Restricted, nonexpendable		
Scholarships	28,337	29,514
Other	29,460	30,538
Restricted, expendable		
Scholarships	22,963	18,875
Other	51,810	51,709
Unrestricted	(331,259)	(404,959)
Total net positon	$ 165,458	$ 61,055

University of South Alabama

Statements of Revenues, Expenses and Changes in Net Position

Nine Months Ended June 30, 2020 and 2019

(In thousands)

	2020	2019
Revenues		
Operating revenues		
Tuition and fees (net of scholarship allowances)	$ 106,096	$ 115,215
Patient service revenues (net of provision for bad debts)	405,249	366,020
Federal grants and contracts	22,968	12,614
State grants and contracts	6,748	5,822
Private grants and contracts	6,108	5,050
Auxiliary enterprises (net of scholarship allowances)	15,624	17,000
Other operating revenues	28,125	39,210
Total operating revenues	590,918	560,931
Expenses		
Operating expenses		
Salaries and benefits	363,917	385,261
Supplies and other services	218,935	205,482
Scholarships and fellowships	8,215	7,533
Utilities	10,830	11,683
Depreciation and amortization	37,428	37,246
Total operating expenses	639,325	647,205
Operating loss	(48,407)	(86,274)
Nonoperating revenues (expenses)		
State appropriations	93,018	87,464
Net investment income (loss)	5,178	944
Interest on indebtedness	(6,702)	(9,149)
Other nonoperating revenues	33,316	30,214
Other nonoperating expenses	(8,824)	(7,684)
Net nonoperating revenues	115,986	101,789
Income (loss) before capital contributions and additions to endowment	67,579	15,515
Capital contributions and grants	2,292	3,588
Additions to endowment	5,124	6,190
Increase in net position	74,995	25,293
Net position		
Beginning of period	90,463	35,762
End of period	$ 165,458	$ 61,055

University of South Alabama

Statements of Cash Flows

Nine Months Ended June, 2020 and 2019

(in thousands)

	2020	2019
Cash flows from operating activities:		
Receipts related to tuition and fees	$ 76,401	$ 83,201
Receipts from and on behalf of patients and third-party payers	466,003	333,749
Receipts from grants and contracts	40,034	24,470
Receipts related to auxiliary enterprises	10,740	11,222
Payments to suppliers and vendors	(241,153)	(222,553)
Payments to employees and related benefits	(373,516)	(386,027)
Payments for scholarships and fellowships	(7,538)	(6,705)
Other operating receipts	32,217	47,799
Net cash used in operating activities	3,188	(114,844)
Cash flows from noncapital financing activities:		
State appropriations	83,159	87,464
Endowment gifts	5,124	6,190
Agency funds received	1,967	1,454
Agency funds disbursed	(1,361)	(645)
Student loan program receipts	81,154	82,519
Student loan program disbursements	(81,322)	(82,400)
Other nonoperating revenues	46,195	25,707
Other nonoperating expenses	(9,637)	(6,881)
Net cash provided by noncapital financing activities	125,279	113,408
Cash flows from capital and related financing activities:		
Capital gifts and grants	2,292	3,588
Purchases of capital assets	(73,978)	(40,892)
Proceeds from sale of capital assets	8	-
Proceeds from issuance of capital debt	64,528	71,078
Principal payments on capital debt	(35,279)	(15,083)
Interest payments on capital debt	(9,137)	(13,087)
Net cash provided by (used in) capital and related financing activities	(51,566)	5,604
Cash flows from investing activities:		
Interest and dividends and realized gains (losses) on investments	1,258	6,478
Proceeds from sales of investments	79,618	78,501
Purchases of investments	(58,058)	(58,846)
Net cash provided by investing activities	22,818	26,133
	99,719	30,301
Cash and cash equivalents (unrestricted and restricted):		
Beginning of period	150,879	89,925
End of period	$ 250,598	$ 120,226

University of South Alabama

Statements of Cash Flows

Nine Months Ended June 30, 2020 and 2019

(in thousands)

	2020	2019
Reconciliation of operating loss to net cash used in operating activities:		
Operating loss	$ (48,407)	$ (86,274)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation and amortization expense	37,428	37,246
Changes in operating assets and liabilities, net:		
Student receivables	(49,003)	(49,068)
Net patient service receivables	10,363	(26,676)
Grants and contracts receivables	(2,212)	920
Other receivables	(4,108)	(2,751)
Prepaid expenses, inventories and other	15,869	(926)
Accounts payable and accrued liabilities	(32,157)	(11,566)
Unrecognized revenue	75,415	24,251
Net cash used in operating activities	$ 3,188	$ (114,844)

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, 2020

(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), University of South Alabama Foundation for Research and Commercialization (FRAC) and Jaguar Realty, LLC. 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.

USA Health Billing Limited Liability Companies

In fiscal year 2019, the University formed the USA Health Physician Billing Services, LLC, USA Health Hospital Billing Services, LLC, USA Health Anesthesia Billing Services, LLC and USA Health Reference Lab Billing Services, LLC as non-profit limited liability companies, whereby the University is the sole member. These companies were created to assist with the complex patient and insurance billing of USA Health, a division of the University that includes two hospitals and a cancer treatment center. There was no activity in these entities in Fiscal Year 2019 and so far there has been limited activity in Fiscal Year 2020.

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 September 30, 2019 amounted to $9,394,000. 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, 2020, 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, 2020 and 2019 was $3,743,000 and $1,272,000, 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 2019, the University adopted the provisions of GASB Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*, which updates the information that is disclosed in the financial statements related to debt. The University adopted this Statement and applied the effects retroactively. All effected disclosures were updated accordingly. There was no significant impact to the University in the adoption of this statement.

(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, 2019 and 2018, the net public deposits subject to collateral requirements for all institutions participating in the pool totaled approximately $11.7 billion and $11.4 billion, respectively. The University's cash and cash equivalents, including restricted cash and cash equivalents, totaled $250,598,000 and $132,725,000 at June 30, 2020 and 2019, respectively.

At June 30, 2020, restricted cash and cash equivalents consist of $41,403,000 related to unspent proceeds from the issuance of University bonds for capital purchases as outlined in the bond indenture, $889,000 related to monies held in endowment accounts, $44,454,000 related to collateral requirements of the interest rate swaps and $6,843,000 related to contributions restricted for the construction of the football stadium.

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 Hancock Whitney Stadium.

(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, excluding the $2,500,000 accrual for endowment gain, are as follows at June 30, 2020 and 2019 (in thousands):

	2020	2019
U.S. Treasury securities	$ 5,878	$ 5,722
U.S. federal agency notes	24,996	75,262
Commingled equity funds	57,514	55,512
Commingled fixed income funds	42,849	26,819
Marketable equity securities	33,421	33,061
Marketable debt securities	4,793	3,647
Real estate	13,154	3,491
Private equity	125	225
Managed income alternative investments (low-volatility multi-strategy funds of funds)	33,478	31,886
	$ 216,208	$ 235,625

At June 30, 2020, restricted investments consist of $10,007,000 related to collateral requirements of the interest rate swaps and $165,602,000 related to endowment funds.

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, 2020 and 2019, $25,560,000 and $18,056,000, 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, 2020 follows (in thousands):

	Beginning balance	Additions	Reductions	Ending balance	Less amounts due within one year	Noncurrent liabilities
Long-term debt:						
Bonds payable	$ 423,629	$ 64,528	$ (31,132)	$ 457,025	$ 20,249	$ 436,776
Notes payable	4,295	2,147	(750)	5,692	911	4,781
Capital lease obligations	15,502	3,177	(4,353)	14,326	6,216	8,110
Total long-term debt	443,426	69,852	(36,235)	477,043	27,376	449,667
Other noncurrent liabilities:						
Net pension liability	282,739	11,876	—	294,615	—	294,615
Net OPEB liability	259,418	8,565	(164,695)	103,288	—	103,288
Other long-term liabilities	61,571	32	(2,768)	58,835	3,310	55,525
Total other noncurrent liabilities	603,728	20,473	(167,463)	456,738	3,310	453,428
Total noncurrent liabilities	$ 1,047,154	$ 90,325	$ (203,698)	$ 933,781	$ 30,686	$ 903,095

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

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. An amendment to this note agreement was entered into in November 2019 adding additional financed equipment. The monthly payment was increased to $30,950 for ten years. The amount outstanding on the note at June 30, 2020 and 2019 is $3,497,000 and $1,661,000, respectively.

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, 2020 and 2019 is $2,195,000 and $2,852,000, 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, 2020 and 2019 (in thousands):

	2020	2019
University Facilities Revenue and Capital Improvement Bonds, Series 2010, 3.81%, payable through August 2030	—	20,482
University Facilities Revenue Capital Improvement Bonds, Series 2012-A, 2.92%, payable through August 2032	17,700	18,842
University Facilities Revenue Capital Improvement Bonds, Series 2013-A, 2.83%, payable through August 2033	24,196	25,589
University Facilities Revenue Capital Improvement Bonds, Series 2013-B, 2.83%, payable through August 2033	6,049	6,397
University Facilities Revenue Capital Improvement Bonds, Series 2013-C, 2.78%, payable through August 2028	6,485	7,112
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	31,440	38,365
University Facilities Revenue Capital Improvement Bonds, Series 2015, 2.47%, payable through August 2030	4,125	4,500
University Facilities Revenue Refunding Bonds, Series 2016, 3.00% to 5.00% payable through November 2037		
University Facilities Revenue Refunding Bonds, Series 2016, 3.00% to 5.00%, payable through November 2037	80,310	83,020
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

	2020	2019
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	34,990	36,230
University Facilities Revenue Bonds, Series 2019-A, 5.00%, payable through April 1, 2049	47,750	47,750
Taxable University Facilities Revenue Bonds, Series 2019-B, 3.09% to 4.10%, payable through April 1, 2033	18,440	18,440
University Facilities Revenue Bonds, Series 2019-C, 1.87%, payable through April 1, 2030	17,630	—
University Facilities Revenue Bonds, Series 2020, 4%, payable through April 1, 2040	37,005	—
	426,120	406,727
Plus unamortized premium	32,556	25,465
Less unamortized debt extinguishment costs	(1,651)	(1,759)
	$ 457,025	$ 430,433

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. 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. The Series 2019-C Bonds will begin maturing on April 1, 2020 and are not subject to redemption at the option of the University. Series 2020 Bonds will begin maturing on April 1, 2021 and are redeemable beginning April 1, 2030.

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.

In December 2019, the University issued its University Facilities Revenue Refunding Bonds, Series 2019-C, with a face value of $19,086,000. The proceeds refunded the remaining Series 2010 Bonds.

In February 2020, the University issued its University Facilities Revenue Bonds, Series 2020, with a face value of $37,005,000. The proceeds from the Series 2020 Bonds are financing a transportation hub, a warehouse building and improvements and new construction to certain USA Health Facilities.

Approximately $3,942,000 and $5,337,000 of proceeds from the issuance of the Series 2017 Bonds remained unspent at June 30, 2020 and 2019, respectively, and is included in restricted cash and cash equivalents on the statements of net position. Approximately $3,152,000 of proceeds from the issuance of the Series 2019-A and B Bonds remained unspent at June 30, 2020 and is included in restricted cash and cash equivalents on the statement of net position. Approximately $34,309,000 of proceeds from the issuance of the Series 2020 Bonds remained unspent at June 30, 2020 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, 2020 is as follows (in thousands):

	Debt service on notes and bonds		
	Principal	**Interest**	**Total**
2020	$ 5,545	$ 6,087	$ 11,632
2021	20,312	13,439	33,751
2022	21,259	12,844	34,103
2023	22,048	12,320	34,368
2024	22,341	11,793	34,134
2025-2029	109,403	50,030	159,433
2030-2034	111,554	32,455	144,009
2035-2039	86,130	14,576	100,706
2040-2044	17,350	6,334	23,684
2045-2049	15,870	2,336	18,206
Subtotal	431,812	$ 162,214	$ 594,026
Plus (less):			
Unamortized bond premium	32,556		
Unamortized debt extinguishment costs	(1,651)		
Total	$ 462,717		

(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, 2020, are as follows (in thousands):

Period ending June 30:		
2021		6,455
2022		5,671
2023		1,824
2024		887
2025		21
2026-2038		96
		14,954
Less amounts representing interest		(628)
Net minimum lease payments	$	14,326

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, 2020 and 2019, 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, 2017.

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 12.41% of annual pay for Tier 1 members and 11.35% of annual pay for Tier 2 members. 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 $22,481,000 and $22,262,000 for the years ended September 30, 2019 and 2018, respectively.

Pension Liabilities, Pension Expenses, Deferred Outflows and Deferred Inflows of Resources Related to Pensions

At June 30, 2020 and 2019, the University reported a liability of $294,615,000 and $296,654,000, respectively, for its proportionate share of the collective net pension liability. The collective net pension liability was most recently measured as of September 30, 2018 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of September 30, 2017. 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, 2018, the University's proportion of contributions to the pension plan was 2.843720%, which was a 0.174593 percentage point decrease from its proportion measured as of September 30, 2017.

For the fiscal years ended September 30, 2019 and 2018, the University recognized pension expense of approximately $9,902,000 and $16,792,000, 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, 2018 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, 2018. The auditors' report dated August 16, 2019 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, 2018 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 $506,000 and $551,000 for fiscal years 2019 and 2018, 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 $4,916,000 and $4,703,000 in fiscal years 2019 and 2018, respectively, representing 1,403 and 1,369 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 $11,269,000 and $11,872,000 at June 30, 2020 and 2019, 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 $7,772,000 and $7,728,000 for the fiscal years ended September 30, 2019 and 2018, respectively.

OPEB Liabilities, OPEB Expenses, Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2020 and 2019, the University reported a liability of $103,288,000 and $266,678,000, respectively, for its proportionate share of the net OPEB liability. The net OPEB liability was most recently measured as of September 30, 2019 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of September 30, 2018. 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, 2019, the University's proportion of contributions to the OPEB plan was 2.737717%, which was a 0.418703% percentage point decrease from its proportion measured as of September 30, 2018.

For the fiscal year ended September 30, 2019, the University recognized OPEB expense of approximately $18,634,000, 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, 2018. The supporting actuarial information is included in the GASB Statement No. 74 Report for PEEHIP prepared as of September 30, 2018. 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, 2019, SAMSF had total assets of $10,632,000, net assets of $9,403,000, and total revenues of $1,806,000. 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. SAMSF reimburses the University for certain administrative expenses and other related support services.

(15) Commitments and Contingencies

Grants and Contracts

At September 30, 2019 and 2018, the University had been awarded approximately $36,381,000 and $18,442,000, 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, 2020 and 2019.

On June 11, 2020, the University entered into a revolving line of credit up to $50,000,000 with Hancock Whitney Bank. No funds have been advanced from this line of credit as of June 30, 2020.

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, 2020 and 2019, 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 statements 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 fiscal year 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 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.

In January 2020, the GASB issued Statement No. 92, Omnibus 2020. Effective for the fiscal year ending September 30, 2021, this statement adds clarifying language and implementation guidance for statements 73, 74, 84 and 87.

In March 2020, the GASB issued statement No. 93. Replacement of Interbank Offered Rates and Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements. It is not anticipated that these statements will impact the University.

The effect of the implementation of GASB Statement Nos. 84, 87, 89, 90, 91 and 92 on the University has not yet been determined. Statements 93 and 94 will not impact the University.

Statement Nos. 83 and 88 did not have a significant impact on the University's financial statements.

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, and

WHEREAS, the need for the ability to designate signature authority arises between meetings of the Board of Trustees such that it would contribute to the smoother and efficient operation of the University for the President to be able to confer signature authority to University officials as the need arises,

THEREFORE, BE IT RESOLVED, the University of South Alabama Board of Trustees hereby conveys upon the President of the University of South Alabama the authority to delegate signature authority for and on behalf of the University of South Alabama and its Board of Trustees to University officials as the President sees fit for contractual instruments, agreements, grants, and other similar legal documents that have been reviewed and approved by the Office of General Counsel.

UNIVERSITY OF SOUTH ALABAMA

MEMORANDUM

General Counsel

DATE: August 27, 2020

TO: President Tony G. Waldrop

FROM: Kristin D. Dukes KDD

SUBJECT: Contract Authority

Due to the retirement of Ken Davis, there is a need for other individuals to be designated with authority to sign agreements on behalf of the University. In addition, situations often arise in which an individual employee of the University needs the authority to sign a single or limited number of agreements on behalf of the University. These circumstances are limited to situations where it would be impossible or impracticable for a contract officer to execute the agreement, and it would also be inconvenient to obtain consent of the Board of Trustees for those individual transactions.

The attached resolution authorizes you to delegate signature authority on behalf of the University, which would allow the process for designation of signature authority to run more smoothly.

RESOLUTION

AMENDMENT OF THE EMPLOYMENT AGREEMENT OF PRESIDENT TONY G. WALDROP

WHEREAS, in 2014, the University of South Alabama entered into an employment agreement with Tony G. Waldrop (the "President"), which included a provision to provide the President with the benefit of a Section 457(f) retirement plan (the "TRS Mirror Plan"), designed pursuant to the tax laws then in effect, and

WHEREAS, the enactment of the Tax Cuts and Jobs Act in 2017 changed tax laws in such a way that the repayment terms of the existing TRS Mirror Plan create adverse tax consequences to the President in the event of his vesting in the Alabama's Teachers' Retirement System, and

WHEREAS, the amendment of the President's employment agreement to modify the repayment terms of the TRS Mirror Plan will result in a fair and equitable treatment of such repayments, if necessary, and

WHEREAS, the amendment of the President's employment agreement will result in no additional benefits to the President, but will ameliorate adverse tax consequences,

THEREFORE, BE IT RESOLVED, the University of South Alabama Board of Trustees hereby authorizes the Chairman of the Board to execute the amendment to the employment agreement of President Tony G. Waldrop to effect the recommended changes.

UNIVERSITY OF SOUTH ALABAMA

MEMORANDUM

Finance and Administration

DATE: August 21, 2020

TO: President Tony G. Waldrop

FROM: G. Scott Weldon

SUBJECT: Amendment to the Employment Agreement

Attached is a resolution for consideration by the Board of Trustees concerning the repayment terms of the Section 457(f) retirement plan (the "Plan") included within your employment agreement.

We request authorization of the Chairman of the Board to execute the amendment to the employment agreement in consideration of recent tax law changes, which includes updates only to the provisions regarding the repayment terms of the Plan.

With your consent, this item will be presented to the Board of Trustees for discussion and approval at the September meeting. Further, I recommend the adoption of the resolution by the Board of Trustees.

Attachment

UNIVERSITY OF SOUTH ALABAMA

MEMORANDUM

Finance and Administration

DATE: August 28, 2020

TO: President Tony G. Waldrop

FROM: G. Scott Weldon

SUBJECT: Resolution for University Budget for 2020-2021

Attached is the Resolution for the University Total Budget for 2020-2021. With your approval, we will place this item on the agenda for the September 11, 2020, Board of Trustees meeting.

Attachment

RESOLUTION

UNIVERSITY TOTAL BUDGET FOR 2020-2021

BE IT RESOLVED, the University of South Alabama Board of Trustees approves the 2020-2021 University of South Alabama Total Budget, and

BE IT FURTHER RESOLVED, the University of South Alabama Board of Trustees approves the 2020-2021 Total Budget as a continuation for 2021-2022 in order to be in compliance with bond trust indenture requirements if the budget process cannot be completed prior to beginning the 2021-2022 fiscal year.



UNIVERSITY OF SOUTH ALABAMA
BUDGET
2020-2021

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UNIVERSITY OF SOUTH ALABAMA
2020-2021 BUDGET SUMMARY
TOTAL CURRENT FUNDS

	2020-2021 BUDGET			2019-2020 BUDGET
	UNRESTRICTED	**RESTRICTED**	**TOTAL**	
REVENUES:				
TUITION AND FEES	$ 159,882,799	$	$ 159,882,799	$ 163,422,192
STATE APPROPRIATIONS	121,563,708		121,563,708	118,298,665
FEDERAL GRANTS AND CONTRACTS	5,160,832	36,400,000	41,560,832	42,255,082
STATE AND LOCAL GRANTS AND CONTRACTS	575,943	6,900,000	7,475,943	8,971,943
PRIVATE GIFTS, GRANTS AND CONTRACTS	5,482,350	5,200,000	10,682,350	10,555,100
SALES AND SERVICES OF EDUCATIONAL ACTIVITIES	7,300,000		7,300,000	6,689,683
USA HEALTH	716,575,042		716,575,042	673,712,266
AUXILIARY SERVICES	20,852,426		20,852,426	23,178,825
OTHER SOURCES	8,394,524	6,200,000	14,594,524	15,530,099
TOTAL REVENUES	1,045,787,624	54,700,000	1,100,487,624	1,062,613,855
EXPENDITURES AND MANDATORY TRANSFERS:				
EDUCATIONAL AND GENERAL:				
INSTRUCTION	111,188,926	6,800,000	117,988,926	122,183,397
RESEARCH	7,877,640	15,600,000	23,477,640	22,499,178
PUBLIC SERVICE	3,112,186	3,900,000	7,012,186	7,759,129
ACADEMIC SUPPORT	31,824,762		31,824,762	31,427,727
STUDENT SERVICES	32,196,353	900,000	33,096,353	33,103,045
INSTITUTIONAL SUPPORT	25,973,257		25,973,257	25,677,709
OPERATION AND MAINTENANCE OF PLANT	33,272,466		33,272,466	34,128,803
SCHOLARSHIPS	26,387,978	29,600,000	55,987,978	53,480,913
EDUCATIONAL AND GENERAL EXPENDITURES	271,833,568	56,800,000	328,633,568	330,259,901
MANDATORY TRANSFERS FOR:				
PRINCIPAL AND INTEREST	20,141,845		20,141,845	20,180,784
LOAN FUND MATCHING GRANTS	150,000		150,000	150,000
TOTAL EDUCATIONAL AND GENERAL	292,125,413	56,800,000	348,925,413	350,590,685
USA HEALTH (INCLUDING DEBT SERVICE OF $9,300,366):	684,168,656		684,168,656	654,694,614
AUXILIARY SERVICES:				
EXPENDITURES	15,147,338		15,147,338	17,242,991
MANDATORY TRANSFERS FOR:				
PRINCIPAL AND INTEREST	5,364,342		5,364,342	5,554,471
TOTAL AUXILIARY SERVICES	20,511,680		20,511,680	22,797,462
TOTAL EXPENDITURES AND MANDATORY TRANSFERS	996,805,749	56,800,000	1,053,605,749	1,028,082,761
OTHER TRANSFERS AND ADDITIONS/(DEDUCTIONS):				
RENEWALS AND REPLACEMENTS	(26,519,885)		(26,519,885)	(27,269,108)
OTHER TRANSFERS	(22,461,990)	2,100,000	(20,361,990)	(7,261,986)
NET INCREASE (DECREASE) IN FUND BALANCES	$ -	$ -	$ -	$ -

UNIVERSITY OF SOUTH ALABAMA
2020-2021 BUDGET SUMMARY
UNRESTRICTED CURRENT FUNDS

	OPERATIONS AND MAINTENANCE	COLLEGE OF MEDICINE	USA HEALTH	AUXILIARY SERVICES	2020-2021 BUDGET	2019-2020 BUDGET
REVENUES:						
TUITION AND FEES	$ 149,917,799	$ 9,965,000	$	$	$ 159,882,799	$ 163,422,192
STATE APPROPRIATIONS	74,455,653	31,878,151	15,229,904		121,563,708	118,298,665
FEDERAL GRANTS AND CONTRACTS	960,832	4,200,000			5,160,832	5,155,082
STATE AND LOCAL GRANTS AND CONTRACTS	366,349	209,594			575,943	571,943
PRIVATE GIFTS, GRANTS AND CONTRACTS	3,967,350	1,515,000			5,482,350	5,355,100
SALES AND SERVICES OF EDUCATIONAL ACTIVITIES	6,900,000	400,000			7,300,000	6,689,683
USA HEALTH			716,575,042		716,575,042	673,712,266
AUXILIARY SERVICES				20,852,426	20,852,426	23,178,825
OTHER SOURCES	6,294,524	2,100,000			8,394,524	9,230,099
TOTAL REVENUES	242,862,507	50,267,745	731,804,946	20,852,426	1,045,787,624	1,005,613,855
EDUCATIONAL AND GENERAL:						
INSTRUCTION	86,802,811	24,386,115			111,188,926	114,283,397
RESEARCH	3,255,640	4,622,000			7,877,640	5,899,178
PUBLIC SERVICE	2,062,632	1,049,554			3,112,186	3,059,129
ACADEMIC SUPPORT	25,207,630	6,617,132			31,824,762	31,427,727
STUDENT SERVICES	31,721,035	475,318			32,196,353	32,103,045
INSTITUTIONAL SUPPORT	21,653,066	4,320,191			25,973,257	25,677,709
OPERATION AND MAINTENANCE OF PLANT	26,088,781	7,183,685			33,272,466	34,128,803
SCHOLARSHIPS	24,774,228	1,613,750			26,387,978	24,380,913
EDUCATIONAL AND GENERAL EXPENDITURES	221,565,823	50,267,745			271,833,568	270,959,901
MANDATORY TRANSFERS FOR:						
PRINCIPAL AND INTEREST	20,141,845				20,141,845	20,180,784
LOAN FUND MATCHING GRANTS	150,000				150,000	150,000
TOTAL EDUCATIONAL AND GENERAL	241,857,668	50,267,745			292,125,413	291,290,685
USA HEALTH:						
EXPENDITURES AND MANDATORY TRANSFERS			684,168,656		684,168,656	654,694,614
AUXILIARY SERVICES:						
EXPENDITURES				15,147,338	15,147,338	17,242,991
MANDATORY TRANSFERS FOR PRINCIPAL AND INTEREST				5,364,342	5,364,342	5,554,471
TOTAL AUXILIARY SERVICES				20,511,680	20,511,680	22,797,462
TOTAL EXPENDITURES AND MANDATORY TRANSFERS	241,857,668	50,267,745	684,168,656	20,511,680	996,805,749	968,782,761
OTHER TRANSFERS AND ADDITIONS/(DEDUCTIONS):						
RENEWALS AND REPLACEMENTS	(730,000)		(25,419,538)	(370,347)	(26,519,885)	(27,269,108)
OTHER TRANSFERS	(274,839)		(22,216,752)	29,601	(22,461,990)	(9,561,986)
NET INCREASE (DECREASE) IN FUND BALANCES	$ -	$ -	$ -	$ -	$ -	$ -

UNIVERSITY OF SOUTH ALABAMA
2020-2021 BUDGET SUMMARY
RESTRICTED CURRENT FUNDS

	OPERATIONS AND MAINTENANCE	COLLEGE OF MEDICINE	USA HEALTH	2020-2021 BUDGET	2019-2020 BUDGET
REVENUES:					
FEDERAL GRANTS AND CONTRACTS	$ 28,100,000	$ 7,600,000	$ 700,000	$ 36,400,000	$ 37,100,000
STATE AND LOCAL GRANTS AND CONTRACTS	5,300,000	1,500,000	100,000	6,900,000	8,400,000
PRIVATE GIFTS, GRANTS AND CONTRACTS	3,300,000	1,400,000	500,000	5,200,000	5,200,000
OTHER	4,300,000	1,900,000		6,200,000	6,300,000
TOTAL REVENUES	41,000,000	12,400,000	1,300,000	54,700,000	57,000,000
EXPENDITURES:					
EDUCATIONAL AND GENERAL:					
INSTRUCTION	5,200,000	1,600,000		6,800,000	7,900,000
RESEARCH	5,800,000	8,400,000	1,400,000	15,600,000	16,600,000
PUBLIC SERVICE	2,500,000	1,300,000	100,000	3,900,000	4,700,000
STUDENT SERVICES	900,000			900,000	1,000,000
SCHOLARSHIPS	28,600,000	1,000,000		29,600,000	29,100,000
TOTAL EXPENDITURES	43,000,000	12,300,000	1,500,000	56,800,000	59,300,000
OTHER TRANSFERS AND ADDITIONS/(DEDUCTIONS):					
OTHER TRANSFERS	2,000,000	(100,000)	200,000	2,100,000	2,300,000
NET INCREASE (DECREASE) IN FUND BALANCES	$ -	$ -	$ -	$ -	$ -

UNIVERSITY OF SOUTH ALABAMA
OPERATIONS AND MAINTENANCE
2020-2021 BUDGET
UNRESTRICTED CURRENT FUNDS

	2020-2021 BUDGET	2019-2020 BUDGET
REVENUES:		
TUITION AND FEES	$ 149,917,799	$ 153,606,192
ALLOCATION OF STATE APPROPRIATIONS	74,455,653	72,370,597
FEDERAL GRANTS AND CONTRACTS	960,832	955,082
STATE GRANTS AND CONTRACTS	366,349	366,349
PRIVATE GIFTS, GRANTS AND CONTRACTS	3,967,350	3,873,100
SALES AND SERVICES OF EDUCATIONAL ACTIVITIES	6,900,000	6,289,683
OTHER SOURCES	6,294,524	7,130,099
TOTAL REVENUES	242,862,507	244,591,102
EXPENDITURES AND MANDATORY TRANSFERS:		
EDUCATIONAL AND GENERAL:		
INSTRUCTION	86,802,811	88,350,336
RESEARCH	3,255,640	2,969,178
PUBLIC SERVICE	2,062,632	2,000,000
ACADEMIC SUPPORT	25,207,630	25,229,113
STUDENT SERVICES	31,721,035	31,623,339
INSTITUTIONAL SUPPORT	21,653,066	21,478,002
OPERATION AND MAINTENANCE OF PLANT	26,088,781	26,963,091
SCHOLARSHIPS	24,774,228	23,158,413
EDUCATIONAL AND GENERAL EXPENDITURES	221,565,823	221,771,472
MANDATORY TRANSFERS:		
PRINCIPAL AND INTEREST	20,141,845	20,180,784
LOAN FUND MATCHING GRANTS	150,000	150,000
TOTAL EXPENDITURES AND MANDATORY TRANSFERS	241,857,668	242,102,256
OTHER TRANSFERS AND ADDITIONS/(DEDUCTIONS):		
RENEWALS AND REPLACEMENTS	(730,000)	(1,700,000)
OTHER TRANSFERS	(274,839)	(788,846)
NET INCREASE (DECREASE) IN FUND BALANCES	$ -	$ -

UNIVERSITY OF SOUTH ALABAMA
COLLEGE OF MEDICINE
2020-2021 BUDGET
UNRESTRICTED CURRENT FUNDS

	2020-2021 BUDGET	2019-2020 BUDGET
REVENUES:		
TUITION AND FEES	$ 9,965,000	$ 9,816,000
ALLOCATION OF STATE APPROPRIATIONS	31,878,151	30,984,835
FEDERAL GRANTS AND CONTRACTS	4,200,000	4,200,000
STATE GRANTS AND CONTRACTS	209,594	205,594
PRIVATE GIFTS, GRANTS AND CONTRACTS	1,515,000	1,482,000
SALES AND SERVICES OF EDUCATIONAL ACTIVITIES	400,000	400,000
OTHER SOURCES	2,100,000	2,100,000
TOTAL REVENUES	50,267,745	49,188,429
EXPENDITURES AND MANDATORY TRANSFERS:		
EDUCATIONAL AND GENERAL:		
INSTRUCTION	24,386,115	25,933,061
RESEARCH	4,622,000	2,930,000
PUBLIC SERVICE	1,049,554	1,059,129
ACADEMIC SUPPORT	6,617,132	6,198,614
STUDENT SERVICES	475,318	479,706
INSTITUTIONAL SUPPORT	4,320,191	4,199,707
OPERATION AND MAINTENANCE OF PLANT	7,183,685	7,165,712
SCHOLARSHIPS	1,613,750	1,222,500
TOTAL EDUCATIONAL AND GENERAL EXPENDITURES	50,267,745	49,188,429
NET INCREASE (DECREASE) IN FUND BALANCES	$ -	$ -

UNIVERSITY OF SOUTH ALABAMA
USA HEALTH
2020-2021 BUDGET
UNRESTRICTED CURRENT FUNDS

	2020-2021 BUDGET	2019-2020 BUDGET
REVENUES:		
GROSS PATIENT REVENUES	$ 1,450,133,390	$ 1,197,447,159
CONTRACTUAL ADJUSTMENTS	763,151,778	549,863,416
OTHER ADJUSTMENTS	6,431,460	13,371,308
TOTAL DEDUCTIONS FROM REVENUES	769,583,238	563,234,724
NET PATIENT REVENUES	680,550,152	634,212,435
ALLOCATION OF STATE APPROPRIATIONS	15,229,904	14,943,233
MOBILE COUNTY HOSPITAL BOARD	18,167,885	17,811,652
MOBILE COUNTY INDIGENT CARE BOARD	366,445	422,457
MEDICAID DISPROPORTIONATE SHARE	10,167,395	11,850,000
OTHER REVENUES	7,323,165	9,415,722
TOTAL REVENUES	731,804,946	688,655,499
EXPENDITURES AND MANDATORY TRANSFERS:		
EXPENDITURES:		
NURSING SERVICES	167,241,123	161,199,490
PROFESSIONAL SERVICES	140,023,920	130,003,609
GENERAL DIVISION	22,897,522	26,212,015
ADMINISTRATIVE DIVISION	86,031,220	63,166,800
MEDICAL EDUCATION	21,470,267	21,006,340
AMBULATORY CLINICS	132,041,254	135,385,905
PROVISION FOR UNCOLLECTIBLE ACCOUNTS (NET OF RECOVERIES)	105,162,984	106,000,911
TOTAL EXPENDITURES	674,868,290	642,975,070
MANDATORY TRANSFERS FOR:		
PRINCIPAL AND INTEREST	9,300,366	11,719,544
TOTAL EXPENDITURES AND MANDATORY TRANSFERS	684,168,656	654,694,614
OTHER TRANSFERS AND ADDITIONS/(DEDUCTIONS):		
RENEWALS AND REPLACEMENTS	(25,419,538)	(25,132,317)
OTHER TRANSFERS	(22,216,752)	(8,828,568)
NET INCREASE (DECREASE) IN FUND BALANCES	$ -	$ -

UNIVERSITY OF SOUTH ALABAMA
AUXILIARY SERVICES
2020-2021 BUDGET
UNRESTRICTED CURRENT FUNDS

	HOUSING	DINING SERVICES	BOOKSTORE	PUBLICATIONS	2020-2021 BUDGET	2019-2020 BUDGET
REVENUES:						
RENTAL INCOME	$ 10,728,200	$	$	$	$ 10,728,200	$ 12,010,496
SALES				1,146,400	1,146,400	1,146,400
COMMISSION INCOME		7,574,325	994,476		8,568,801	9,601,369
OTHER INCOME	277,025	130,000	2,000		409,025	420,560
TOTAL REVENUES	11,005,225	7,704,325	996,476	1,146,400	20,852,426	23,178,825
EXPENDITURES:						
SALARIES AND WAGES	2,013,425	117,885	18,900		2,150,210	2,155,332
EMPLOYEE BENEFITS	420,081	47,154	7,560		474,795	460,809
OTHER EXPENDITURES	3,894,594	6,845,254	382,582	1,399,903	12,522,333	14,626,850
TOTAL EXPENDITURES	6,328,100	7,010,293	409,042	1,399,903	15,147,338	17,242,991
NET OPERATING INCOME	4,677,125	694,032	587,434	(253,503)	5,705,088	5,935,834
TRANSFERS AMONG FUNDS - ADDITIONS/(DEDUCTIONS):						
MANDATORY TRANSFERS:						
PRINCIPAL AND INTEREST	(4,677,125)	(450,685)	(236,532)		(5,364,342)	(5,554,471)
NON-MANDATORY TRANSFERS:						
RENEWALS AND REPLACEMENTS		(225,347)	(145,000)		(370,347)	(436,791)
OTHER TRANSFERS		(18,000)	(205,902)	253,503	29,601	55,428
TOTAL TRANSFERS	(4,677,125)	(694,032)	(587,434)	253,503	(5,705,088)	(5,935,834)
NET INCREASE (DECREASE) IN FUND BALANCES	$ -	$ -	$ -	$ -	$ -	$ -

UNIVERSITY OF SOUTH ALABAMA
STATE APPROPRIATIONS
EDUCATION TRUST FUND

2020-2021	2019-2020
$ 121,563,708	$ 118,298,665

UNIVERSITY OF SOUTH ALABAMA

MEMORANDUM

Office of the Vice President for Research and Economic Development

DATE: August 31, 2020

TO: Dr. Tony Waldrop, President

FROM: Lynne Chronister, Vice President, Research and Economic Development

SUBJECT: Agenda Items for the University of South Alabama Board of Trustees Meeting on September 11, 2020

I recommend the attached resolutions be presented to the USA Board of Trustees at the September 11, 2020, meeting. The USA Research and Technology Corporation (RTC) Board of Directors met on August 31, 2020, and approved the nomination of two (2) RTC Directors along with amendments to the Bylaws as set forth.

LC/acp

Attachments

RESOLUTION

AMENDED BYLAWS OF THE UNIVERSITY OF SOUTH ALABAMA RESEARCH AND TECHNOLOGY CORPORATION

WHEREAS, pursuant to the Amended Bylaws of the University of South Alabama Research and Technology Corporation ("the Corporation"), the University of South Alabama Board of Trustees ("the University") and the Corporation shall jointly approve any future amendment to the Bylaws of the Corporation, and

WHEREAS, the Corporation amended the Bylaws in Article III, Sections 3.2(a), 3.2(b), and 3.2(c), revising the number of unaffiliated directors comprising the Board of Directors of the Corporation from four (4) to five (5) and revising the number of ex-officio directors from three (3) to four (4) to include the Treasurer/Investment Manager of the University; Article IX, Section 9.2, to grant the Board of Directors of the Corporation the power to appoint check signatories by resolution from time to time as it deems necessary; and Article IX, Section 9.7, to increase the limit of pecuniary obligation which can be undertaken by the Corporation or any of its directors, officers or employees for obligations which are deemed necessary for normal operations of the assets of the Corporation to Fifty Thousand Dollars ($50,000.00), and

WHEREAS, the Board of Directors of the Corporation approved the Amended Bylaws of the Corporation at its meeting on August 31, 2020,

THEREFORE, BE IT RESOLVED, the University of South Alabama Board of Trustees does hereby approve the Amended Bylaws of the University of South Alabama Research and Technology Corporation as set forth in the attached document.

AMENDED BYLAWS
OF THE
USA RESEARCH AND TECHNOLOGY CORPORATION

an Alabama nonprofit corporation

Adopted August 31, 2020

AMENDED BYLAWS

OF THE

UNIVERSITY OF SOUTH ALABAMA
RESEARCH AND TECHNOLOGY CORPORATION

ARTICLE I

Name and Location

Section 1.1 Name. The name of the corporation is USA Research and Technology Corporation, which shall be referred to in these Bylaws as the "Corporation."

Section 1.2 Location. The principal office of the Corporation is located at 307 University Boulevard, Mobile, Alabama, 36688. The Corporation may have such other office or offices within the State of Alabama as the Board of Directors may determine or as the business or activities of the Corporation may require. The registered office of the Corporation may, but need not be, the same as its principal office. The address of the registered office may be changed from time to time by the Board of Directors of the Corporation in the manner prescribed by the Alabama Nonprofit Corporation Act.

ARTICLE II

Purposes and Scope of Activity

Section 2.1 Purposes. The purposes of the Corporation are as set forth it its Articles of Incorporation.

Section 2.2 Scope of Activity. The Corporation shall be organized and operated exclusively for any one or more of the charitable purposes enumerated in Section 501(c)(3) of the Internal Revenue Code of 1986, as the same may be amended from time to time (the "Code"). The Corporation shall not carry on any activities not permitted to be carried on (a) by a corporation exempt from federal income tax under Section 501(c)(3) of the Code or (b) by a corporation, contributions to which are deductible under Section 170(c)(2) of the Code. No part of the net earnings of the Corporation shall inure to the benefit of any private individual. No substantial part of the activities of the Corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the Corporation shall not participate in, or intervene in (including the publishing or distribution of statements), any political campaign on behalf of or in opposition to any candidate for public office.

ARTICLE III

Board of Directors

Section 3.1 General Powers. The duly elected or appointed Board of Directors of the Corporation (hereinafter referred to as the "Board") shall have control and management of the affairs, business, property, and funds of the Corporation and shall have the authority to fashion and implement the policy, goals, and purposes of the Corporation. The Board may adopt such rules and regulations for the conduct of its meetings and the management of the Corporation as the Board may deem appropriate, not inconsistent with federal or state law or these Bylaws. The Board, by resolution thereof, shall from time to time enumerate the duties, obligations, and responsibilities of the directors, including their attendance at meetings of the Board and their participation in the activities of the Corporation.

Section 3.2 Number, Qualification, and Tenure.

(a) The number of directors comprising the Board shall be the sum of (i) four (4) ex-officio directors (as described below) who are affiliated with the University of South Alabama (the "University") and (ii) up to five (5) directors who are not officers, employees, or trustees of the University. The ex-officio directors shall consist of those individuals holding the following positions at the University:

(i) Chair Pro Tempore of the Board of Trustees of the University;
(ii) President of the University; and
(iii) Vice-President for Finance and Administration of the University.
(iv) Treasurer/Investment Manager of the University

(b) The Board of Trustees of the University shall elect five (5) directors to serve on the Board from a slate presented by the Board of the Corporation. These

directors shall serve staggered terms as described in (c) below. The Board of Trustees of the University shall have the absolute right, in its sole discretion, to decline to elect any one or more of the director nominees included in the slate presented to it by the Board of the Corporation and to request that a substitute slate be presented with different nominees. This process shall be repeated, if necessary, until the Board of Trustees of the University has selected directors to fill any directorships the term of which has expired or will expire at the next annual meeting of the Board.

(c) The term of office of the five (5) directors who are elected to serve on the Board in the manner described in (b) above shall be four consecutive years; Each term of the directors elected by the Board of Trustees of the University in accordance with (b) above shall expire four (4) years after said director's appointment. Directors shall hold office until their successors have been duly elected and qualified or until their deaths or until they shall resign or shall have been removed from office in the manner provided in these Bylaws. Directors need not be residents of the State of Alabama.

Section 3.3 Resignation. Any director may resign at any time by giving written notice of such resignation to the Chair or Vice-Chair of the Board and to the Chair Pro Tempore of the Board of Trustees of the University.

Section 3.4 Vacancies. In the event of a vacancy in the Board of Directors resulting from a vacancy of any of the positions at the University described in Section 3.2(a)(i) through (iv), the vacancy in the Board shall be filled at such time as the vacancy of such position at the University is filled; provided; however, that persons appointed as "acting" positions described in Section 3.2(a)(i) through (iv) shall serve on this Board consistent with said "acting" appointment at the University. In the event of a vacancy in the Board with respect to any of the five (5) directors elected by the Board of Trustees of the University in accordance with Section 3.2(b) above, such vacancy shall be filled using the procedures set forth therein with the replacing board member serving the remainder of the term associated with the vacant position.

Section 3.5 Annual and Regular Meetings. A regular meeting of the Board, which shall be the annual meeting thereof, shall be held in June of each year, unless the Board shall determine to hold its annual meeting at some other time. At the annual meeting, the Board shall appoint the officers of the Corporation for the coming year and shall transact such other business as shall come before the directors at such meeting. Additional regular meetings of the Board shall be held at such times and places as may be determined by the Chair or Vice-Chair of the Board. There shall be at least one (1) regular meeting of the Board, including the annual meeting thereof, during each calendar year.

Section 3.6 Special Meetings. A special meeting of the Board may be called by the Chair or Vice-Chair of the Board or the President, or upon written request of two directors.

Section 3.7 Notice of Meetings. Written notice stating the place, date, and time of the meeting and, in the case of a special meeting, the purpose or purposes for which the meeting is called and the name or names of the person or persons by whom or at whose direction the special meeting is called shall, except in extraordinary situations, be given each director not less than five (5) days before the date of any annual or regular meeting and not less than two (2) business days before the date of any special meeting, either personally, by mail, by facsimile or by electronic mail, by or at the direction of the Chair or the Vice-Chair of the Board, the President, or the Secretary. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, addressed to the member at such member's address as it appears in the records of the Corporation, with postage thereon prepaid. If by facsimile or electronic mail, such notice shall be deemed to be delivered upon confirmation to the sender that such facsimile transmission or electronic mailing is complete. Each director shall be responsible for keeping the Secretary informed as to such director's proper mailing address and facsimile number. A director may waive his or her right to notice of the annual or a special meeting.

Section 3.8 Meeting by Telephone. Members of the Board or any committee designated thereby may participate in a meeting of the Board or a committee thereof by means of a conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other at the same time and participation by such means shall constitute presence in person at a meeting.

3.9 Quorum. The presence of a majority of the directors then serving on the Board at the annual or any regular or special meeting thereof shall constitute a quorum for the conduct of business. If less than a majority of the directors are present at a meeting of the Board, a majority of the directors present may adjourn the meeting from time to time without further notice. At such adjourned meeting at which a quorum shall be present, any business may be transacted which might have been transacted at the meeting as originally noticed. Directors present at a duly organized meeting thereof may continue to transact business until adjournment, notwithstanding the withdrawal of enough directors to leave less than a quorum.

Section 3.10 Chair and Vice-Chair. At all meetings of the Board, the Chair, or in the absence of the Chair, the Vice-Chair, or in the absence of both the Chair and the Vice-Chair, an acting chair chosen by the Directors, shall preside over the meeting.

Section 3.11 Acts of the Board. The act of a majority of the directors present at a meeting at which a quorum is present shall be the act of the Board.

Section 3.12 Action Without a Meeting. Any action required or permitted to be taken by the Board or a committee thereof at a meeting may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the directors or all of the members of the committee, as the case may be. Such consent shall have the same effect as a unanimous vote of the directors or the members of such committee.

Section 3.13 Conflicts of Interest. Each director shall notify and disclose to the Board any real, potential or perceived conflict of interest of such director with respect to any matter coming before the Board for a vote or action thereon. No director having a conflict of interest shall vote on such matter and no such director shall be counted for purposes of determining whether a quorum exists at a meeting when such matter is considered and acted upon by the Board.

Section 3.14 Removal. A director may be removed or suspended at any time with or without cause by a majority vote of the Board of Trustees of the University, acting in its sole and absolute discretion.

ARTICLE IV

Officers

Section 4.1 Positions and Terms of Office. The officers of the Corporation shall consist of Chair and Vice-Chair of the Board, President, one or more Vice-Presidents, Secretary, Treasurer, and such other officers with such powers not inconsistent with these Bylaws as may be appointed by the Board. The Chair of the Board shall be the Chair Pro Tempore of the Board of Trustees of the University. The President of the Corporation shall be the President of the University. Any two or more offices of the Corporation, except those of the Chair and Vice-Chair and the President and Secretary, may be held by the same person.

Section 4.2 Election and Term of Office. The Vice-Chair shall be appointed by the Board from among their number. The officers of the Corporation authorized herein shall be elected by the Board, except the Chair of the Board and the President of the Corporation, and need not be members thereof at the time of their appointment. Unless otherwise determined by the Board, each officer, except the Chair of the Board and the President of the Corporation, shall hold office for a three year term commencing with the date of such officer's appointment by the Board unless such officer is earlier removed from office by the Board in the manner hereinafter provided or until the death, retirement, resignation, or other event resulting in such officer ceasing to hold office. The Chair of the Board and President of the Corporation shall remain as Chair of the Board and President of the Corporation so long as each remains Chair Pro Tempore of the Board of Trustees of the University and President of the University respectively.

Section 4.3 Vacancies. In case any office of the Corporation becomes vacant by death, resignation, retirement, disqualification, or any other cause, such vacancy shall be filled by the Board, and the officer so elected shall hold office and serve until the appointment and qualification of his or her successor, except that the Chair of the Board

must be the person acting as Chair Pro-Tempore of the Board of Trustees of the University and the President of the Corporation must be the person acting as President of the University.

Section 4.4 Removal. Any officer, except the Chair of the Board and the President of the Corporation, may be removed from office by the Board at any regular or special meeting called for that purpose.

Section 4.5 Duties of Officers. The officers of the Corporation, if and when elected by the Board, shall have the following duties:

(a) Chair of the Board. The Chair of the Board, subject to the direction of the Board, shall supervise and control the business and affairs of the Corporation. The Chair shall preside at all meetings of the Board and may call special meetings as provided herein. He/she shall serve as Chair of the Executive Committee, and shall appoint such committees as may be authorized by these Bylaws, or as he/she may deem desirable, fill vacancies which will occur on such committees, and give final approval to the agenda for the Board meeting. In general, the Chair shall perform all duties incident to the office of Chair of the Board and such other duties as may be prescribed by the Board.

(b) Vice-Chair of the Board. At the request of the Chair, or in the absence of the Chair, the Vice-Chair shall perform the duties and possess and exercise the powers of the Chair and, to the extent authorized by applicable law and these Bylaws, the Vice-Chair shall have such other powers as the Board may determine, and shall perform such other duties as may by assigned to the Vice-Chair by the Board.

(c) President. The President shall be the chief executive officer of the Corporation and he/she shall serve as a member of the Executive Committee. He/she shall have in his or her charge the general and active management of its affairs and of such areas and divisions of the business of the Corporation as may be designated

by the Board. In the absence of the Chair and the Vice-Chair or in the event of each their deaths or inability to act, the President shall perform the duties of the Chair and the Vice-Chair, and when so acting, shall have all the powers of and be subject to all the restrictions upon the Chair and the Vice-Chair. With appropriate authorization by the Board, the President may sign deeds, mortgages, bonds, contracts or other instruments on behalf of the Corporation except where required by law to be otherwise signed and executed and except where the signing and execution thereof shall be expressly delegated by the Board to some other officer or agent of the Corporation. In general, the President shall perform all duties incident to the offices of President and Chief Executive Officer and such other duties as may be prescribed by the Board.

(d) Vice-Presidents. In the absence of the President or in the event of the President's death or inability to act, the Vice-President (or in the event there be more than one vice-president, the Vice-Presidents in the order determined by the Board) shall perform the duties of the President, and when so acting, shall have all the powers of and be subject to all the restrictions upon the President. Any vice-president shall perform such duties as from time to time may be assigned to him by the Chair, the President or the Board.

(e) Secretary. The Secretary shall keep the minutes of the proceedings of the Board and any committees appointed by the Board in one or more books provided for that purpose; see that all notices are duly given in accordance with the provisions of these Bylaws or as required by law; be custodian of the corporate records and of the seal of the Corporation; see that the seal of the Corporation is affixed to all documents, the execution of which on behalf of the Corporation under its seal is duly authorized; keep a register of the post office address of each member which shall be furnished to the Secretary by such member; and in general perform all duties incident to the Office of Secretary and such other duties as from time to time may be assigned to the Secretary by the Chair, the President or the Board. If there is no Treasurer of the Corporation, the Secretary shall assume the authority and duties of Treasurer.

(f) Treasurer. The Treasurer shall have charge and custody of and be responsible for all funds and securities of the Corporation, receive and give receipts for moneys due and payable to the Corporation from any source whatsoever, and deposit all such moneys in the name of the Corporation in such banks, trust companies or other depositories as may be designated by the Board, and in general perform all of the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to the Treasurer by the Chair or Vice-Chair, the President, or the Board. With the approval of the Board, the Treasurer shall have the authority to cause all stocks, bonds, securities, and other financial instruments not constituting readily available funds that are received by the Corporation to be sold in such a manner as to not result in any diminution in the value thereof and the proceeds therefrom to be deposited to one or more accounts of the Corporation. If required by the Board, the Treasurer shall give a bond for the faithful discharge of his or her duties in such sum and with such surety or sureties as the Board shall determine.

(g) Assistant Secretaries and Assistant Treasurers. The Assistant Secretary, or if there shall be more than one, the Assistant Secretaries in the order determined by the Board, shall, in the absence or disability of the Secretary, perform the duties and exercise the powers of the Secretary. The Assistant Treasurer, or if there shall be more than one, the Assistant Treasurers in the order determined by the Board, shall, in the absence or disability of the Treasurer, perform the duties and exercise the powers of the Treasurer. The Board may require any Assistant Treasurer to give a bond for the faithful discharge of his or her duties in such sums and with such surety or sureties as the Board shall determine. The Assistant Secretaries and Assistant Treasurers shall all perform such other duties as shall be assigned to them by the Secretary and Treasurer, respectively, or by the Chair or Vice-Chair, the President, or the Board.

ARTICLE V

Committees

Section 5.1 Committees of Directors. The Board, by resolution adopted by a majority of the directors at a duly called meeting thereof, may designate one or more committees, which committees, to the extent provided in such resolution, shall have and exercise the authority of the Board in the management of the Corporation, except that no such committee shall have the authority of the Board in reference to amending, altering or repealing these Bylaws; electing, appointing or removing any member of any such committee or any director or officer of the Corporation; amending the Articles of Incorporation of the Corporation, restating the Articles of Incorporation of the Corporation, adopting a plan of merger or adopting a plan of consolidation with another organization; authorizing the sale, lease, exchange or mortgage of all or substantially all of the property and assets of the Corporation; authorizing the voluntary dissolution of the Corporation or revoking proceedings therefor; adopting a plan for the distribution of the assets of the Corporation; or amending, altering or repealing any action or resolution of the Board which by its terms provides that it shall not be amended, altered or repealed by such committee. Each committee so designated by the Board shall be comprised of two or more directors and such other persons as are appointed to the committee by the Board. The Board may at any time, in its sole and absolute discretion, terminate the existence of any committee designated pursuant to this Section 5.1.

Section 5.2 Executive Committee. The Corporation shall have an Executive Committee which shall be comprised of the Chair of the Board, the President of the Corporation, and any other directors appointed by the Board from time to time to serve on the Executive Committee. Except as provided in Section 5.1 above, the Executive Committee shall possess and may exercise all the powers and functions of the Board in the management and direction of the affairs of the Corporation in all cases in which specific directions shall not have been given by the Board.

Section 5.3 Standing Committees. The Chair shall have authority to appoint standing committees and to designate the chairperson of each such committee. Each standing committee of the Corporation shall be chaired by a member of the Board, but may have as part of its membership persons not presently serving as a director of the Corporation. A written statement of the purposes and responsibilities of each standing committee shall be prepared by the Chair thereof and submitted to the Executive Committee for its approval. Each standing committee shall keep records of its activities and shall, at such time as requested by the Executive Committee or Board of the Corporation, submit a report on work done by the said committee. No standing committee shall enter into any contract or incur any indebtedness or financial obligation of any kind for or on behalf or in the name of the Corporation except as expressly authorized by the Executive Committee or the Board.

Section 5.4 Other Committees. It is anticipated that from time to time *ad hoc* committees will be appointed and approved by the Board.

Section 5.5 Committee Governance. Subject to approval by the Board or the Executive Committee, each committee of the Corporation shall have the power to adopt such rules and procedures as may be necessary for the effective conduct of the work entrusted to it.

ARTICLE VI

Financial Reporting and Compensation

Section 6.1 Financial Reports and Audits. The Corporation shall cause to be prepared and delivered to the Board of Trustees of the University an annual report containing a summary of operations of the Corporation for the immediately preceding year and financial and other information for such year similar to that which is required to be reported on an IRS Form 990 filed by tax-exempt organizations with the Internal Revenue Service. The Board of Trustees shall have the right at any time, and from time to time, to cause an audit of the Corporation's financial records to be performed at the expense of the Corporation.

Section 6.2 Compensation. Directors, officers and committee members are expected to serve without compensation. A director, officer or committee member shall be reimbursed for properly substantiated expenses incurred in connection with the fulfillment of that director's, officer's or committee member's authorized duties or responsibilities or which are otherwise directly related to the business or affairs of the Corporation and which are deemed to be reasonable in amount by an officer of the Corporation.

ARTICLE VII

Contracts; Commitments

Unless expressly authorized by the Board or Executive Committee of the Corporation, and except as provided in these Bylaws, no officer, agent, employee or other person or persons having any relationship or affiliation with the Corporation shall have any power or authority to cause the Corporation to enter into any contract or commitment or to undertake any obligation or incur any liability for any purpose whatsoever.

ARTICLE VIII

Exculpation of Directors

Section 8.1 Acts of Director. No director shall be liable to anyone for any acts on behalf of the Corporation or any omissions with respect to the Corporation committed by such director, except for his or her own willful neglect or default.

Section 8.2 Acts of Other Directors. No director shall be liable to anyone for any act of neglect or default on the part of any one or more of the other directors in the absence of specific knowledge on the part of such director of such neglect or default.

Section 8.3 Indemnification of Directors, Officers and Others. The Corporation shall indemnify any member of the Board or officer or former member of the Board or former officer, or any person who is serving or who has served at the request of the Corporation as a director or officer of another Corporation, whether such other Corporation be for profit or not for profit, in which the Corporation owns shares of capital stock or of which it is a creditor, against expenses (including attorneys' fees) actually and reasonably incurred by him in connection with the defense of any action, suit or proceeding, civil or criminal, in which he is made a party by reason of his being or having been such director or officer, except in relation to matters as to which he shall have been adjudged in such action, suit or proceeding to be liable for negligence or misconduct in the performance of his duty with respect to the matter in which indemnity is sought. By order of the Board, the Corporation may, under comparable terms and limitations, indemnify employees and agents of the Corporation with respect to activities within the scope of their services.

Section 8.4 Insurance. Nothing herein provided shall limit or otherwise affect the power of the Corporation to purchase and maintain insurance on behalf of any person who is or was a director, trustee, officer, employee or agent of the Corporation or

is or was serving at the request of the Corporation in any of such capacities with respect to another Corporation, against any liability asserted against him and incurred by him in any such capacity or arising out of his status as such, whether or not the Corporation would have the power or would be required to indemnify him against such liability under the provisions of these Bylaws or any applicable law.

ARTICLE IX

General

Section 9.1 Fiscal Year. The Corporation shall operate on the basis of a fiscal year ending on September 30 of each year.

Section 9.2 Checks. All checks or demands for money and notes of the Corporation shall be signed by any two of the following officers: Chair of the Board, President of the Corporation, or Treasurer of the Corporation. The Board, by resolution from time to time, may confer like powers upon any other person or persons.

Section 9.3 Deposits. All funds of the Corporation shall be deposited from time to time to the credit of the Corporation in one or more banks, trust companies or other depositories as the Board or the Executive Committee may from time to time designate, upon such terms and conditions as shall be fixed by the Board or the Executive Committee. The Board or the Executive Committee may from time to time authorize the opening and keeping, with any such depository as it may designate, of general and special bank accounts and may make such special rules and regulations with respect thereto, not inconsistent with the provisions of these Bylaws, as it may deem necessary.

Section 9.4 Corporate Seal. The Board shall select a corporate seal which shall have inscribed thereon the name of the Corporation, the words "Alabama" and "Corporate Seal," and such seal may include the date of incorporation of the Corporation. The seal may be used by causing it or a facsimile thereof to be impressed or affixed or in any manner reproduced.

Section 9.5 Voting of Corporation's Securities. Unless otherwise ordered by the Board, the Chair or Vice-Chair of the Board, the President or any Vice-President, or such other officer as may be designated by the Board to act in the absence of the Chair or Vice-Chair of the Board, the President or any Vice-President, shall have full power and authority on behalf of the Corporation to attend and to act and to vote, and to execute a proxy or proxies empowering others to attend and to act and to vote, at any meetings of security holders of any Corporation in which the Corporation may hold securities, and at such meetings the Chair of the board, or such other officer of the Corporation, or such proxy, shall possess and may exercise any and all rights and powers incident to the ownership of such securities, and which as the owner thereof the Corporation might have possessed and exercised, if present. The Secretary or any Assistant Secretary may affix the corporate seal to any such proxy or proxies so executed by the Chair of the Board, or such other officer, and attest the same. The Board by resolution from time to time may confer like powers upon any other person or persons.

Section 9.6 Gifts. The Board may accept on behalf of the Corporation any contribution, gift, bequest or devise for and consistent with the general purposes, or for and consistent with any specific purpose, of the Corporation.

Section 9.7 Limitation on Pecuniary Obligations. No pecuniary obligation of more than Twenty-Five Thousand Dollars ($25,000.00) shall be undertaken by the Corporation or any director, officer or employee thereof, without sanction by resolution of the Board or the Executive Committee adopted at a duly called meeting thereof or by an action by written consent signed by all the members thereof unless said obligation is deemed necessary for normal operations of the assets of the Corporation. In such case, this limit shall be increased to Fifty Thousand Dollars ($50,000.00) and each such expenditure shall be communicated to the Board at the next immediate meeting of the Board.

Section 9.8 Additional Organizations. The Board may authorize the formation of such subsidiary, auxiliary, associated and affiliated organizations as will in the

opinion of the Board assist in effecting the purposes of the Corporation. The organizational and governing documents and instruments of any subsidiary, auxiliary, associated or affiliated organization so authorized shall be subject to the approval of the Board or the Executive Committee. Each such authorization shall, regardless of its terms, be revocable at any time in the sole discretion of the Board.

ARTICLE X

Amendment of Bylaws

Any amendment of the provisions of these Amended Bylaws shall require the joint approval of the Board and the Board of Trustees of the University. No amendment to these Amended Bylaws may be made so as to avoid any limitations imposed by the Articles of Incorporation of the Corporation as they may at any time exist.

The foregoing were adopted as the Amended Bylaws of USA Research and Technology Corporation, a nonprofit corporation organized pursuant to the Alabama Nonprofit Corporation Act, at the meeting of its Board of Directors held on August 31, 2020.

_____

Board Secretary

STATE OF ALABAMA

COUNTY OF MOBILE

The undersigned authority hereby certifies that _____, whose name as Secretary for the USA Research and Technology Corporation is signed to the foregoing document, and who is known to me, acknowledged before me on this date that, being informed of the contents of the foregoing document, _____, as such officer and with full authority, executed the same voluntarily for and as the act of the USA Research and Technology Corporation.

Given under my hand the _____ day of _____ of 2020.

_____

NOTARY PUBLIC

My commission expires:_____

RESOLUTION

DIRECTORS OF THE UNIVERSITY OF SOUTH ALABAMA RESEARCH AND TECHNOLOGY CORPORATION

WHEREAS, pursuant to the Amended Bylaws of the USA Research and Technology Corporation ("Corporation"), the Board of Trustees of the University of South Alabama ("University") shall elect directors of the Corporation who are not officers, employees, or trustees of the University, and

WHEREAS, the Board of Directors of the Corporation is authorized to nominate new directors or reappoint current directors consistent with the aforesaid for consideration and confirmation by the Board of Trustees of the University, and

WHEREAS, the Board of Directors of the Corporation has elected and hereby nominates both Mr. David Rodgers and Mr. Donald L. Langham (reelection) to serve as directors for four (4) year terms beginning September 2020 and expiring September 2024,

THEREFORE, BE IT RESOLVED, that the University of South Alabama Board of Trustees does hereby authorize the aforementioned individuals to serve as directors of the University of South Alabama Research and Technology Corporation as set forth.

University of South Alabama -- Scorecard 2020

Student Success and Access

Metric	Baseline	2017 Data	2018 Data	2019 Data	2020 Data	2021 Target	Progress
One (1) Year FTFT* Undergraduate Retention Rate (FactBook 2015-2016/FactBook 2016-2017/FactBook 2017-2018/FactBook 2018-2019/FactBook 2019-2020)	73% 2014 Cohort	73% 2015 Cohort	78% 2016 Cohort	74% 2017 Cohort	74% 2018 Cohort	81%	
Six (6) Year FTFT Graduation Rate (FactBook 2015-2016/FactBook 2016-2017/FactBook 2017-2018/FactBook 2018-2019/FactBook 2019-2020)	35% 2009 Cohort	38% 2010 Cohort	40% 2011 Cohort	44% 2012 Cohort	46% 2013 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	69% 2018 Cohort	81%	
Student/Faculty Ratio (Common Data Set 2015-2016/Common Data Set 2016-2017/Common Data Set 2017-2018/Common Data Set 2018-2019)	20:1 Fall 2015	20:1 Fall 2016	18:1 Fall 2017	18:1 Fall 2018	18:1 Fall 2019	20:1	
Percent of disciplines where USA scores above national average on license/exit tests**	85%	92%	82%	92%	82%	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	294 FY 2019	336	
Number of students funded from external grants, gifts, or contracts	AY 2015	AY 2016	AY 2017	AY 2018	AY 2019	AY 2020	
- Undergraduate	208	185	230	245	259	251	
- Graduate	101	99	95	80	72	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	2% FY 2019	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	51 Fall 2019	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	3.38 2019 Annual Report	3.4	

*The definition of juried works was adjusted in 2017.

University of South Alabama -- Scorecard 2020

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	77 AY 2019	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	12,811 AY 2019	10,482	
Attendance at Athletic Events	200,505 AY 2015	210,159 AY 2016	206,329 AY 2017	193,528 AY 2018	193,927 AY 2019	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	71 Fall 2017	N/A Global USA began Spring 2017	*Fall 2017 data used for Baseline.	76 Fall 2018	89 Fall 2019	300 Fall 2020	
The number of countries and average number of new non-resident international students per country (I.R.)	Fall 2017	N/A Global USA began Spring 2017	*Fall 2017 data used for Baseline.	Fall 2018	Fall 2019	Fall 2020	
-Countries	25			27	29	60	
-Average number of students per country	3			3	3	16	
Number of students earning the global engagement certificate (established Fall 2017)	NA	N/A begins Fall 2017	8	3	8	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	**.63% *91 AY2019	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	70 2020	21	

*Percentage of students participating in study abroad programs including actual numbers. **Number impacted by COVID19

University of South Alabama -- Scorecard 2020

Excellence in Healthcare					
Eight (8) indicators of healthcare associated infections are within acceptable range (CW and UH)	5 within range	3 within range	3 within range 1 close to target	6 within range	
Percentage of patients willing to recommend facility or providers					
Children's and Women's	83%	83%	78.3%	85%	
University Hospital	76%	74%	70.4%	85%	
USA Physicians Group	94%	93%	95.6%	95%	
Mitchell Cancer Institute	96%	No Data	97.9%	97%	
Percentage of Serious Safety Events (CW and UH)	3.0%	4.1%	0.2%	2.5%	

Progress Icon Key							
Met/On target		On track to meet target		No change		Losing ground	

RESOLUTION

UNIVERSITY STRATEGIC PLAN EXTENSION

WHEREAS, the University of South Alabama Board of Trustees approved the University of South Alabama Strategic Plan (2016-2020) in December 2015 to guide advancement of the University's priorities, and

WHEREAS, the Board of Trustees consistently used data to monitor the University's progress on its priorities and ensure the University's continued commitment to achieving its mission, and

WHEREAS, the University had to direct much of its energy and resources to addressing the challenges it faced due to the pandemic caused by the novel coronavirus in March 2020, and

WHEREAS, strategic planning efforts were paused to respond to the pandemic and to consider the potential impacts of the novel coronavirus on the University's future priorities and objectives,

THEREFORE, BE IT RESOLVED, the University of South Alabama Board of Trustees authorizes an extension of the University of South Alabama Strategic Plan (2016-2020) to December 2021.

UNIVERSITY OF SOUTH ALABAMA

MEMORANDUM

Academic Affairs

DATE: August 18, 2020

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

FROM: G. David Johnson, Provost and Senior Vice President, Academic

SUBJECT: Extension of Strategic Plan

The University of South Alabama Board of Trustees approved the University of South Alabama Strategic Plan (2016-2020) in December 2015 to guide advancement of the University's priorities. Due to the challenges caused by the pandemic, in March 2020 the strategic planning efforts were paused to respond to the pandemic and to consider the potential impacts of the novel Coronavirus on the University's future priorities and objectives. Therefore, we are requesting an extension of the University of South Alabama Strategic Plan until December 2021. A draft resolution for the Board of Trustees is attached recommending this decision.

Thank you for your consideration.

Approved: _____

Disapproved: _____

GDJ:rmh