UNIVERSITY OF SOUTH ALABAMA
BOARD OF TRUSTEES MEETINGS

USA HEALTH CHILDREN'S & WOMEN'S HOSPITAL – 1700 CENTER STREET, BLDG. CWEB 2, ATLANTIS RM.

SEPTEMBER 12, 2024
1:30 P.M.

AUDIT COMMITTEE MEETING– RON GRAHAM, CHAIR

1 Roll Call
2 Approve: Minutes
3 Report: KPMG Auditors
4 Report: Independent Audit of the USA Foundation Consolidated Financial Statements and Disproportionate Share Hospital Funds Combined Financial Statements, Years Ended June 30, 2024 and 2023
5 Report: Office of Internal Audit

DEVELOPMENT, ENDOWMENT AND INVESTMENTS COMMITTEE MEETING– JIM YANCE, CHAIR

6 Roll Call
7 Approve: Minutes
8 Report: Endowment and Investment Performance
9 Recommendation to Approve: Commendation of Mr. Elliot B. Maisel
10 Report: Development and Alumni Relations

HEALTH AFFAIRS COMMITTEE MEETING – JIMMY SHUMOCK, CHAIR

11 Roll Call
12 Approve: Minutes
13 Recommendation to Approve: USA Health Hospitals Medical Staff Appointments & Reappointments for May, June and July 2024
14 Recommendation to Approve: Department of Pediatrics Waiver of Eligibility Request
15 Report: USA Health and Whiddon College of Medicine

ACADEMIC EXCELLENCE AND STUDENT SUCCESS COMMITTEE MEETING – MIKE WINDOM, CHAIR

16 Roll Call
17 Approve: Minutes
18 Recommendation to Approve: Tenure
19 Reports: Academic Affairs & Research and Economic Development
20 Report: Student Affairs
21 Report: Community Engagement

BUDGET AND FINANCE COMMITTEE MEETING – LENUS PERKINS, CHAIR

22 Roll Call
23 Approve: Minutes
24 Report: Quarterly Financial Statements for the Nine Months Ended June 30, 2024
25 Recommendation to Approve: Banking and Treasury Services Authority
26 Recommendation to Approve: University of South Alabama Fiscal Year 2025 Budget
27 Report: University Facilities

LONG-RANGE PLANNING COMMITTEE MEETING – CHANDRA BROWN STEWART, CHAIR

28 Roll Call
29 Approve: Minutes
30 Report: University Scorecard

COMMITTEE OF THE WHOLE MEETING – ARLENE MITCHELL, CHAIR

31 Roll Call
32 Approve: Minutes of the Committee of the Whole and Executive Committee
33 Recommendation to Approve: Executive Committee
34 Recommendation to Approve: Commendation of Mr. E. Thomas Corcoran
35 Approve: Executive Session

WHIDDON ADMINISTRATION BUILDING – PRESIDENT'S OFFICE (STE. 130), BOARD ROOM

SEPTEMBER 13, 2024
10:30 A.M.

BOARD OF TRUSTEES MEETING – ARLENE MITCHELL, CHAIR PRO TEMPORE

1 Roll Call
2 Approve: Commendation of Mr. Elliot B. Maisel
3 Approve: Minutes
4 Approve: Executive Committee
5 Report: University President
6 Report: Faculty Senate President
7 Report: Student Government Association President
8 Approve: Consent Agenda Items:
- USA Health Hospitals Medical Staff Appointments and Reappointments for May, June and July 2024
- Department of Pediatrics Waiver of Eligibility Request
- Banking and Treasury Services Authority

9 Report: Audit Committee
10 Report: Development, Endowment and Investments Committee
11 Report: Health Affairs Committee
12 Report: Academic Excellence and Student Success Committee
13 Approve: Tenure
14 Report: Budget and Finance Committee
15 Approve: University of South Alabama Fiscal Year 2025 Budget
16 Report: Long-Range Planning Committee
17 Approve: Commendation of Mr. E. Thomas Corcoran

UNIVERSITY OF SOUTH ALABAMA
BOARD OF TRUSTEES

MEETING SCHEDULE

THURSDAY, SEPTEMBER 12, 2024:

1:30 p.m.	**Committee Meetings (consecutive)**	**USA Health Children's & Women's Hospital, Bldg. CWEB 2, Atlantis Room**

FRIDAY, SEPTEMBER 13, 2024:

10:30 a.m.	**Board of Trustees Meeting**	**Whiddon Administration Bldg. President's Office (Ste. 130), Board Room**

UNIVERSITY OF SOUTH ALABAMA

BOARD OF TRUSTEES

STANDING COMMITTEES
2022-2025

EXECUTIVE COMMITTEE:

- Arlene Mitchell, **Chair *pro tempore***
- Katherine Alexis Atkins, **Vice Chair**
- Lenus Perkins, **Secretary**
- Steven P. Furr, M.D.
- James H. Shumock
- James A. Yance

DEVELOPMENT, ENDOWMENT AND INVESTMENTS COMMITTEE:

- Chandra Brown Stewart, **Vice Chair**
- Scott A. Charlton, M.D.
- Luis Gonzalez
- James H. Shumock
- Steven H. Stokes, M.D
- Michael P. Windom
- James A. Yance, **Chair**

ACADEMIC EXCELLENCE AND STUDENT SUCCESS CTE.:

- Scott A. Charlton, M.D.
- Steven P. Furr, M.D., **Vice Chair**
- Luis Gonzalez
- William Ronald Graham
- Robert D. Jenkins III
- Bill W. Lewis II
- Lenus M. Perkins
- Michael P. Windom, **Chair**

EVALUATION AND COMPENSATION COMMITTEE:

- Katherine Alexis Atkins
- Scott A. Charlton, M.D., **Vice Chair**
- Steven P. Furr, M.D.
- Luis Gonzalez
- Robert D. Jenkins III, **Chair**
- James H. Shumock
- Michael P. Windom

AUDIT COMMITTEE:

- Katherine Alexis Atkins, **Vice Chair**
- William Ronald Graham, **Chair**
- Robert D. Jenkins III
- Bill W. Lewis II
- Lenus M. Perkins

HEALTH AFFAIRS COMMITTEE:

- Chandra Brown Stewart
- Scott A. Charlton, M.D.
- Steven P. Furr, M.D. , **Vice Chair**
- James H. Shumock, **Chair**
- Steven H. Stokes, M.D.
- James A. Yance

BUDGET AND FINANCE COMMITTEE:

- Katherine Alexis Atkins
- Chandra Brown Stewart
- William Ronald Graham, **Vice Chair**
- Lenus Perkins, **Chair**
- James H. Shumock
- Steven H. Stokes, M.D.

LONG-RANGE PLANNING COMMITTEE:

- Chandra Brown Stewart, **Chair**
- Robert D. Jenkins III
- Bill W. Lewis II
- Lenus M. Perkins
- Steven H. Stokes, M.D., **Vice Chair**
- Michael P. Windom
- James A. Yance

UNIVERSITY OF SOUTH ALABAMA
BOARD OF TRUSTEES

MEETING AGENDA
AND MINUTES

UNIVERSITY OF SOUTH ALABAMA
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SEPTEMBER 13, 2024
10:30 A.M.

BOARD OF TRUSTEES MEETING – ARLENE MITCHELL, CHAIR PRO TEMPORE

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3 Approve: Minutes
4 Approve: Executive Committee
5 Report: University President
6 Report: Faculty Senate President
7 Report: Student Government Association President
8 Approve: Consent Agenda Items:
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Department of Pediatrics Waiver of Eligibility Request
Banking and Treasury Services Authority
9 Report: Audit Committee
10 Report: Development, Endowment and Investments Committee
11 Report: Health Affairs Committee
12 Report: Academic Excellence and Student Success Committee
13 Approve: Tenure
14 Report: Budget and Finance Committee
15 Approve: University of South Alabama Fiscal Year 2025 Budget
16 Report: Long-Range Planning Committee
17 Approve: Commendation of Mr. E. Thomas Corcoran

UNIVERSITY OF SOUTH ALABAMA

MEMORANDUM

Board of Trustees

DATE: September 3, 2024

TO: USA Board of Trustees

FROM: Lenus M. Perkins
Secretary, Board of Trustees

SUBJECT: Meeting Minutes

Included herein are the unapproved minutes for the Board of Trustees and standing committee meetings held on June 6 and 7, 2024, as well as for an Executive Committee meeting held on July 30, 2024. Please review these documents for amendment or approval at the meetings on September 12 and 13, 2024.

LMP:mge

UNIVERSITY OF SOUTH ALABAMA
BOARD OF TRUSTEES

June 7, 2024
10:30 a.m.

A meeting of the University of South Alabama (USA) Board of Trustees was duly convened by Ms. Arlene Mitchell, Chair *pro tempore*, on Friday, June 7, 2024, at 10:32 a.m. in the Board Room of the Frederick P. Whiddon Administration Building. Meeting attendance was open to the public.

Members:	Alexis Atkins, Scott Charlton, Tom Corcoran, Luis Gonzalez, Bill Lewis, Arlene Mitchell, Lenus Perkins, Jimmy Shumock, Steve Stokes, Mike Windom and Jim Yance were present, and Chandra Brown Stewart and Ron Jenkins participated remotely.
Members Absent:	Steve Furr, Ron Graham and Kay Ivey.
Administration & Guests:	Robert Adams, Janie Allen, Owen Bailey, Jim Berscheidt, Joél Billingsley, Janée and Jo Bonner, Michael Capella, Michael Chambers, Lynne Chronister, Samantha Cochran, Benjamin Cumberland, Kristin Dukes, Joel Erdmann, Monica Ezell, Phil Fishel, Charlie Guest, Ellen Harrington, Dave Johnson, Buck Kelley, Andi Kent, Kim and Nick Lawkis, Abe Mitchell, Mike Mitchell, Gary Montgomery (BSU), Deborra Outlaw, Sean Powers, Hank Rader (SGA), Kristen Roberts, Margaret Sullivan, Peter Susman, Gabrielle Tumbleston, Ashley Turbeville, Christina Wassenaar and Bret Webb (Faculty Senate) and Sheri and Jay Weber.

Upon calling the meeting to order and following the attendance roll call, **Item 1**, Chair Mitchell welcomed everyone and recognized Judge Lewis for his recent investiture to the Alabama Court of Civil Appeals. She called for adoption of the revised agenda, **Item 1.A**, and, on motion by Mr. Corcoran, seconded by Ms. Atkins, the Board voted unanimously to adopt the revised agenda. Chair Mitchell called for consideration of **Item 3** as follows. On motion by Mr. Shumock, seconded by Mr. Yance, the Board voted unanimously to approve the resolution:

RESOLUTION
BOARD OF TRUSTEES MEETING SCHEDULE FOR 2024-2025

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

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

- Friday, September 13, 2024
- Thursday, December 5, 2024
- Friday, March 14, 2025
- Friday, June 6, 2025

FURTHER, BE IT RESOLVED that the meeting occurring on June 6, 2025, be designated as the annual meeting of the University of South Alabama Board of Trustees for 2024-2025.

Chair Mitchell called on President Bonner to deliver the President's Report, **Item 4**. President Bonner recognized Dr. Christina Wassenaar, Mr. Hank Rader and Mr. Gary Montgomery, newly-elected presidents representing the Faculty Senate, Student Government Association (SGA) and Black Student Union (BSU), respectively; Ms. Kim Lawkis, USA National Alumni Association (NAA) president; Ms. Samantha Cochran and Ms. Gabrielle Tumbleston, Southerner ambassadors; and Mr. Abe Mitchell, Honorary Trustee.

President Bonner called attention to the *University of South Alabama President's Annual Report for 2023-2024* (Report). He mentioned several accomplishments outlined in the publication, including the marked increase in freshmen enrollment; the acquisition of Providence Hospital; progress with the Whiddon College of Medicine (WCOM) project; the football program's first bowl win; record fundraising; and a productive year for the Office of Governmental Relations. President Bonner welcomed the Board's input on the Report; credited the University's successes to the hard work, support and leadership of the Board, alumni, faculty and staff; and asserted a bright future for the *Flagship of the Gulf Coast*.

President Bonner turned to Provost Kent, who shared remarks on Spring Commencement; the University's comprehensive student recruitment efforts; the dedication of the Stokes School of Marine and Environmental Sciences (SSoMES) facilities expansion; and USA's *Thank-A-Teacher Program*, as featured in a video shown. Provost Kent thanked the Board and people of USA who give their all to advance the University.

Provost Kent introduced Mr. Susman, who advised that Mr. Darren Baxley would assume the role of USA Chief of Police in the coming week. Mr. Susman recognized Mr. Phil Fishel, longtime officer with the University Police (UP), noting that he had stepped up to serve as Interim Chief over the last two years. He thanked Mr. Fishel for his service and cited a number of strides accomplished by the UP under his management. Mr. Fishel credited UP officers for their teamwork and sacrifices and conveyed appreciation for the support received from the University Leadership.

Mr. Lawkis provided an overview on USA's *Leadership South* (LS) program facilitated through the Office of Governmental Relations. He was joined by current LS class members, each of whom introduced themselves, and impressions about the program and experiences gained were shared by some of the participants. Chair Mitchell thanked Mr. Lawkis and the class members for their involvement, and requested that a USA Health tour be coordinated for Trustees.

Dr. Erdmann shared highlights on spring sports, discussing the softball program's post-season results and academic progress rate, as well as providing background on standout track and field, golf and softball athletes; advised of Head Baseball Coach Mark Calvi's selection by *USA Baseball* to assist with its Collegiate National Team; noted that USA Athletics placed third among

331 Division I programs nationwide for community service hours completed; and provided an update on season football ticket sales and programming.

Mr. Berscheidt discussed efforts to increase University publicity through earned media, and he shared recent examples of faculty receiving national and international recognition from prominent news outlets for their research and expertise. The faculty cited were Dr. Alison Robertson, SSoMES Associate Professor, credited for her work to help solve why endangered smalltooth sawfish are dying in South Florida; Dr. Bret Webb, Professor in the Department of Civil, Coastal and Environmental Engineering, acknowledged for his research on rising sea levels combined with intensifying storms as a cause of coastal areas becoming increasingly vulnerable to flooding; and USA Marine Sciences researchers, attributed with sighting a great white shark near the Alabama coast – a rare occurrence, which was officially named *Miss Pawla*.

President Bonner recognized Mr. Benjamin Cumberland, Health Systems Grants Analyst in the WCOM's Office of Health Systems Grants Administration and Development (HSGAD), and Ms. Deborra Outlaw, Accounting Clerk in the English Department, advising of their selection as *Employee of the Quarter* for the first and second quarters of 2024, respectively. Their respective nominators, Ms. Ashley Turberville, HSGAD Executive Director, and Dr. Ellen Harrington, English Department Chair, read excerpts from the nomination applications, and President Bonner presented Mr. Cumberland and Ms. Outlaw with certificates commemorating the awards. Mr. Cumberland and Ms. Outlaw expressed appreciation for the recognition.

Chair Mitchell called for a report from the SGA President, **Item 6**. Mr. Hank Rader, 2024-2025 SGA President, shared information about himself and discussed his platform goals focused on student engagement growth and enhancing accessibility and unity across departments. He conveyed optimism for the year ahead and thanked the Board for their service and the opportunity to speak.

Chair Mitchell called for a report from the President of the Faculty Senate (Senate), **Item 5**. Dr. Christina Wassenaar, 2024-2025 Senate President, discussed her background and leadership philosophy; shared insight on the Senate's structure, charge and goals; and emphasized the importance of the Senate's role in collaborating with the University Leadership and all partners across campus. She added that the Senate welcomed opportunities to interact with the Board of Trustees.

Chair Mitchell called for a report from the Audit Committee, **Item 7**. Ms. Atkins, Committee Vice Chair, advised of a Committee meeting held on June 6, 2024, and provided a summary of the business that took place.

Chair Mitchell called for a report from the Development, Endowment and Investments Committee, **Item 8**. Mr. Yance, Committee Chair, stated that a Committee meeting took place on June 6, 2024, and gave a recap of the work accomplished.

Chair Mitchell called for a report from the Health Affairs Committee, **Item 9**. Mr. Shumock, Committee Chair, noted that the Committee met on June 6, 2024, and gave an overview on the matters addressed. He said that the Committee recommended Board approval of **Item 10** as follows and he made a motion to approve the resolution. Dr. Charlton seconded and the Board voted unanimously to approve the resolution:

RESOLUTION
USA HEALTH HOSPITALS MEDICAL STAFF APPOINTMENTS AND REAPPOINTMENTS FOR FEBRUARY, MARCH AND APRIL 2024

WHEREAS, the Medical Staff appointments and reappointments for February, March and April 2024 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 Board of Trustees of the University of South Alabama hereby authorizes the appointments and reappointments as submitted.

Mr. Shumock stated that the Committee also recommended Board approval of **Item 10.A** as follows and offered a motion to approve the resolution. Ms. Atkins seconded and the Board voted unanimously to approve the resolution:

RESOLUTION
AMENDMED AND RESTATED ARTICLES OF INCORPORATION AND AMENDED AND RESTATED BYLAWS OF THE UNIVERSITY OF SOUTH ALABAMA HEALTH CARE AUTHORITY

WHEREAS, the University of South Alabama Health Care Authority ("Authority") was formed on May 2, 2017, pursuant to the provisions of the University Authority Act of 2016, Ala. Code §16-17A-1, et seq., and the filing of the Articles of Incorporation dated May 2, 2017, with the Office of the Alabama Secretary of State and as recorded in the Probate Court of Mobile County, Alabama ("Articles"), and

WHEREAS, the Board of Directors of the Authority adopted the Bylaws of the University of South Alabama Health Care Authority dated May 2, 2017 ("Bylaws"), and

WHEREAS, any amendment to the Articles and Bylaws of the Authority requires the approval of the Board of Trustees of the University of South Alabama, and

WHEREAS, at its June 3, 2024, meeting, the Board of Directors of the Authority approved the amendment of the Articles and Bylaws (subject to the approval of the Board of Trustees) to (1) clarify that all decisions of the Board of Directors of the Authority will be subject to the approval of the President of the University of South Alabama, (2) to appoint Ms. Kristin Dukes as the agent for service of process for the Authority, (3) to update the titles of the ex officio board members serving on the Board of Directors of the Authority to conform to current titles, (4) to provide for unanimous consent to action without a meeting of the Board (subject to the approval of the President of the University of South Alabama) and (5) to conform signatory approval authority for the Authority to the signatory authority delegated by the President of the University of South Alabama,

THEREFORE, BE IT RESOLVED, the Board of Trustees of the University of South Alabama hereby authorizes the adoption of the Amended and Restated Articles of Incorporation of the Authority as shown in Exhibit A attached hereto, and

RESOLVED FURTHER, the Board of Trustees of the University of South Alabama hereby authorizes the adoption of the Amended and Restated Bylaws of the Authority as shown in Exhibit B attached hereto, and

RESOLVED FURTHER, that Dr. Andi Kent, Executive Vice President and Provost for the University of South Alabama, who also serves as the Secretary of the Authority, is hereby authorized (1) to execute the Articles and Bylaws, as amended, (2) to file the Articles with the Office of the Alabama Secretary of State, (3) to record the Articles in the Probate Court for Mobile County, Alabama and (4) to take any other action necessary or desirable to consummate amendments contemplated herein.

Chair Mitchell called for a report from the Academic Excellence and Student Success Committee, **Item 11**. Judge Windom, Committee Chair, recognized Dr. Michael Chambers for his recent appointment as Chief Economic Development Officer and then he presented a summation of the actions and reports that took place at a Committee meeting held on June 6, 2024. He stated that the Committee recommended Board approval of **Item 12** as follows. On motion by Mr. Yance, seconded by Mr. Perkins, the Board voted unanimously to approve the resolution:

RESOLUTION
TENURE AND PROMOTION

WHEREAS, in accordance with University policy, faculty applications for tenure and promotion have been reviewed by the respective faculty peers, departmental chair and college dean, and by the Provost and Executive Vice President or the Vice President for Medical Affairs, and the President, and the following individuals are hereby recommended for tenure and/or promotion,

THEREFORE, BE IT RESOLVED, the University of South Alabama Board of Trustees approves and grants tenure and/or promotion to the individuals herein listed.

PAT CAPPS COVEY COLLEGE OF ALLIED HEALTH PROFESSIONS:

Tenure:
- Shawn M. Drake
- Ashley G. Flagge

Promotion to Senior Instructor:
- Amanda Clifford

Promotion to Associate Professor:
- Ashley Flagge

COLLEGE OF ARTS AND SCIENCES:

Tenure:
- Ronald Baker
- Jung Hwa Choi
- Arjun Dahal
- Brandi Kiel-Reese
- Kelly L. Urban
- Laura E. Vrana

Promotion to Senior Instructor:
- Jessica S. Owsley
- Lisa M. Roddy

Promotion to Associate Professor:
- Ronald Baker
- Jung Hwa Choi
- Arjun Dahal
- Kelly L. Urban
- Laura E. Vrana

Promotion to Professor:
- Heidi Lyn

MITCHELL COLLEGE OF BUSINESS:

Promotion to Senior Instructor:
- James A. Hunt
- David J. Smith
- Gholamreza Tashbin

SCHOOL OF COMPUTING:

Promotion to Senior Instructor:
- Ocllo P. Robinson

COLLEGE OF EDUCATION AND PROFESSIONAL STUDIES:

Tenure:
- Khaldoon Nusair

COLLEGE OF ENGINEERING:

Promotion to Professor:
- Jinhui J. Wang

WHIDDON COLLEGE OF MEDICINE:

Tenure:
- Amy R. Nelson

Promotion to Associate Professor:
- Emad Al Jaber
- Stephanie J. Anderson
- Andrew C. Bright
- Charles Caleb Butts
- Kalsang Dolma
- Osama R. Elkadi
- Phillip K. Henderson
- Phillip K. Henderson (Joint in Surgery)
- Amelia R. Hewes
- William A. Kilgo
- Kurt J. Knowles
- Raymond J. Langley
- Preethi R. Marri
- Amy R. Nelson

Promotion to Professor:
- Judy V. Blair Elortegui
- Haidee T. Custodio
- Jacek M. Polski
- Jeffrey S. Sosnowski

Promotion to Adjunct Professor:
- Allison Chung
- Elly Trepman

COLLEGE OF NURSING:

Tenure:
- Sara L. Davis

Promotion to Associate Professor:
- Sara L. Davis
- Kristen E. Pancione
- Rebecca Thomas

Judge Windom said that the Committee also recommended Board approval of **Item 13** as follows. On motion by Dr. Stokes, seconded by Mr. Shumock, the Board voted unanimously to approve the resolution:

RESOLUTION
ACADEMIC INFRASTRUCTURE AND TECHNOLOGY FEE AND HOUSING AND DINING RATES FOR 2024-2025

WHEREAS, the University of South Alabama ("University") is committed to maintaining high-quality educational and student services programs at a competitive cost, and

WHEREAS, the University Strategic Priorities provide guidance and direction to faculty, staff, and administrators for future planning and continued growth and improvement of the University, and

WHEREAS, it is increasingly difficult to allocate sufficient financial resources to the University Strategic Priorities due to increasing operating costs and tuition and fees that are priced below peer public institutions in the state of Alabama, and

WHEREAS, the University has an Academic Infrastructure and Technology Fee that supports instruction and learning through strategic investments in academic and technological resources, and

WHEREAS, the University has determined that a change to this fee is necessary to support the University Strategic Priorities, and

WHEREAS, housing and dining services must account for increased operating and food costs and make facility improvements to enhance campus life for students,

THEREFORE, BE IT RESOLVED, the Board of Trustees of the University of South Alabama hereby authorizes changes to the Academic Infrastructure and Technology Fee and housing and dining rates for the 2024-2025 academic year, as set forth in the attached schedules.

Chair Mitchell called for a report from the Budget and Finance Committee, **Item 14**. Mr. Corcoran, Committee Chair, advised of a Committee meeting held on June 6, 2024, and he briefed the Board on the proceedings. He advised that the Committee recommended Board approval of **Item 15** as follows and he made a motion for the Board to approve the resolution. Mr. Perkins seconded and the Board voted unanimously to approve the resolution:

A RESOLUTION AUTHORIZING THE TERMINATION OF 2006 SWAPTION TRANSACTION AND ISSUANCE OF UNIVERSITY FACILITIES REVENUE BONDS TO REFINANCE CERTAIN BONDS OF THE UNIVERSITY

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 as follows:

(1) the University heretofore issued its $100,000,000 University Tuition Revenue Refunding and Capital Improvement Bonds, Series 2006, dated December 1, 2006 (herein called the "Series 2006 Bonds"), which Series 2006 Bonds bore interest at fixed rates; and

(2) in 2008, the University determined to realize certain amounts in connection with future redemptions of the Series 2006 Bonds through a "swaption for a forward synthetic refunding" transaction with Wells Fargo National Association (formerly known as "Wachovia Bank, National Association") (herein called "Wells Fargo") by entering into an ISDA Master Agreement, a Schedule to the Master Agreement, an ISDA Credit Support Annex, and Swaption Transaction Confirmation #1832563, each dated January 2, 2008, with Wells Fargo (collectively herein called the "2006 Swaption Transaction"); and

(3) under the terms of the 2006 Swaption Transaction, Wells Fargo exercised its option to require the University, starting in 2016, to pay Wells Fargo scheduled amounts at a fixed rate of interest based on the outstanding principal amount of debt evidenced by the Series 2006 Bonds in exchange for variable rate payments (based on the same outstanding principal amount) received from Wells Fargo; and

(4) in order to effectuate the intent and terms of the 2006 Swaption Transaction, in 2016 the University refinanced the fixed-rate Series 2006 Bonds by issuing three series of variable rate bonds, which were subsequently amended and restated in 2021 and currently consist of the University's (i) $20,000,000 Amended and Restated University Facilities Revenue Refunding Bond, Series 2016-B, dated September 23, 2021 (herein called the "Series 2016- B Bond"), (ii) $35,000,000 Amended and Restated University Facilities Revenue Refunding Bond, Series 2016-C, dated September 23, 2021 (herein called the "Series 2016-C Bond"), and (iii) $45,000,000 Amended and Restated University Facilities Revenue Refunding Bond, Series 2016-D, dated September 23, 2021 (herein called the "Series 2016-D Bond" and, together with the 2016-B Bond and the 2016-C Bond, herein called the "2016 Bonds"); and

(5) per the 2006 Swaption Transaction documents the University may at any time, elect to terminate the 2006 Swaption Transaction, in which case the University could be entitled to receive a payment from Wells Fargo (herein called a "Termination Receipt") or the University could be required to make a payment to Wells Fargo (herein called a "Termination Payment") based upon interest rate and other factors in effect at the time of such termination; and

(6) PFM Financial Advisors, LLC, financial advisor to the University (herein called the "Financial Advisor"), has advised the University that given current market conditions it may be financially advantageous between now and December 31, 2025 (herein called the "Applicable Period") for the University to terminate the 2006 Swaption Transaction, and the Board has determined, in light of its regular meeting schedule, that it is in the best interest of the University that the President of the University and the Chief Financial Officer of the University, or either of them, be authorized to terminate the 2006 Swaption Transaction if certain financial results are achieved as a result of such termination as more particularly set forth herein and hereinafter defined as the "2006 Swaption Termination Requirements"; and

(7) if the University determines to proceed with terminating the 2006 Swaption Transaction it will be necessary that it refinance the 2016 Bonds with one or more series of University Facilities Revenue Bonds, Series 2024-C or, if issued on or after January 1, 2025, University Facilities Revenue Bonds, Series 2025 (herein called the "Refunding Bonds"), secured by and payable from Pledged Revenues (as defined

in the Indenture hereinafter described) on parity of lien with the University's bonds described in Section 1(B)(5) hereof; and

(8) the Refunding Bonds shall be issued under that certain University Facilities Revenue Trust Indenture dated as of February 15, 1996, as supplemented and amended (herein called the "Indenture"), between the University and The Bank of New Mellon Trust Company, N.A, as successor Trustee (herein called the "Trustee"), and in addition to paying the costs of refinancing the 2016 Bonds proceeds of the Refunding Bonds may be used to pay (i) the costs and expenses of issuing the Refunding Bonds, (ii) the premium for a municipal bond insurance policy (herein called a "Bond Insurance Policy"), if obtained, respecting some or all of the maturities of the Refunding Bonds, and (iii) such other costs as shall be necessary and advised by the Financial Advisor in connection with the issuance and sale of the Refunding Bonds.

(b) Refunding Bonds to be Issued as an Additional Bonds Under the Indenture; Special Findings Under Section 8.2(b) of the Indenture. The Refunding Bonds shall be issued as additional parity bonds under Article VIII of the Indenture. In accordance with the provisions of Section 8.2(b) of the Indenture, the Board hereby finds and declares as follows:

(1) the University is not now in default under the Indenture, and no such default is imminent.

(2) the Refunding Bonds shall be designated "Series 2024-C" or, if issued after January 1, 2025, "Series 2025".

(3) the persons to whom the Refunding Bonds are to be delivered are the Underwriters, all as set forth and described in Section 6 hereof.

(4) the Refunding Bonds are to be issued by sale in accordance with and at the sale price determined by the manner of sale set forth in Section 6 hereof.

(5) pursuant to the provisions of the Indenture, the University has issued and sold, and currently has outstanding, its:

(i) $32,000,000 original principal amount University Facilities Revenue Capital Improvement Bond, Series 2013-A, dated June 28, 2013 (herein called the "Series 2013-A Bond"),

(ii) $8,000,000 original principal amount University Facilities Revenue Capital Improvement Bond, Series 2013-B, dated June 28, 2013 (herein called the "Series 2013-B Bond"),

(iii) $10,000,000 original principal amount University Facilities Revenue Capital Improvement Bond, Series 2013-C, dated June 28, 2013 (herein called the "Series 2013-C Bond"),

(iv) $6,000,000 original principal amount University Facilities Revenue Capital Improvement Bond, Series 2015, dated June 15, 2015 (herein called the "Series 2015 Bond"),

(v) $85,605,000 original principal amount University Facilities Revenue Refunding Bonds, Series 2016, dated September 14, 2016 (herein called the "Series 2016-A Bonds"),

(vi) $38,105,000 original principal amount University Facilities Revenue Bonds, Series 2017, dated June 15, 2017 (herein called the "Series 2017 Bonds"),

(vii) $47,750,000 original principal amount University Facilities Revenue Bonds, Series 2019-A, dated February 7, 2019 (herein called the "Series 2019-A Bonds"),

(viii) $18,440,000 original principal amount Taxable University Facilities Revenue Bonds, Series 2019-B, dated February 7, 2019 (herein called the "Series 2019-B Bonds"),

(ix) $19,086,000 original principal amount University Facilities Revenue Bond, Series 2019-C, dated December 12, 2019 (herein called the "Series 2019-C Bond"),

(x) $37,005,000 original principal amount University Facilities Revenue Bond, Series 2020, dated March 10, 2020 (herein called the "Series 2020 Bonds"),

(xi) $40,555,000 University Facilities Revenue Bonds, Series 2021, dated March 10, 2021 (herein called the "Series 2021-A Bonds"),

(xii) $15,387,000 University Facilities Revenue Bonds, Series 2021-B, dated July 8, 2021 (herein called the "Series 2021-B Bonds"),

(xiii) $20,000,000 original principal amount Amended and Restated University Facilities Revenue Refunding Bond, Series 2016-B, dated September 23, 2021 (herein called the "Amended and Restated Series 2016-B Bond"),

(xiv) $35,000,000 original principal amount Amended and Restated University Facilities Revenue Refunding Bond, Series 2016-C, dated September 23, 2021 (herein called the "Amended and Restated Series 2016-C Bond"),

(xv) $45,000,000 original principal amount Amended and Restated University Facilities Revenue Refunding Bond, Series 2016-D, dated September 23, 2021 (herein called the "Amended and Restated Series 2016-D Bond"),

(xvi) up to $80,000,000 University Facilities Revenue Bond (Draw Down Loan), Series 2023-A, as amended (herein called the "Series 2023-A Bond"), and up to $20,000,000 Taxable University Facilities Revenue Bond (Draw Down Loan), Series 2023-B, as amended (herein called the "Series 2023-B Bond").

(6) The only bonds outstanding under the Indenture at the time of adoption of this resolution and expected to be outstanding at the time of issuance of the Refunding Bonds (which shall result in the defeasance and payment of the 2016 Bonds) are the Series 2013-A Bond, the Series 2013-B Bond, the Series 2013-C Bond, the Series 2015 Bond, Series 2016-A Bonds, the Series 2017 Bonds, Series 2019-A Bonds, Series 2019-B Bonds, the Series 2019-C Bond, Series 2020 Bonds, Series 2021-A Bonds, the Series 2021-B Bond, the Series 2023-A Bond (or, alternatively, such University Facility Revenue Bonds as may have been issued to refinance the Series 2023-A Bond under the authority of the resolution adopted by the Board on March 15, 2024), and the Series 2023-B Bond (or, alternatively, such University Facility Revenue Bonds, as may have been issued to refinance the Series 2023-B Bond under the authority of the resolution adopted by the Board on March 15, 2024).

(7) The Refunding Bonds are being issued for the purposes described in Section 1(a)(8) hereof.

The Trustee is hereby requested to authenticate and deliver the Refunding Bonds, upon payment of the purchase price for the Refunding Bonds as directed by the Underwriters specified in Section 6 hereof.

Section 2. Authorization to Terminate 2006 Swaption Transaction; Authorization of the Refunding Bonds. (a) the Board hereby authorizes and directs the President of the University (herein called the "President") to execute such documents, agreements and instruments by and on behalf of the University as may be necessary or desirable in order to terminate the 2006 Swaption Transaction should at any time during the Applicable Period the President determine that such termination would be in the best interest of the University; provided, the President has received a certificate from the Chief Financial Officer of the University (herein called the "Chief Financial Officer") that, based upon a written certification from the Financial Advisor (herein called the "Financial Advisor Certificate"), which Financial Advisor Certificate shall be attached to the certificate from the Chief Financial Officer, if the 2006 Swaption Transaction were terminated on the date specified in the Financial Advisor Certificate:

(1) the University would be entitled to a Termination Receipt from Wells Fargo, or

(2) the estimated present value difference between the Refunding Bonds debt service and the estimated debt service on the 2016 Bonds (calculated by the Financial Advisor as if the 2016 Bonds were paid and retired in accordance with their schedule annual maturities of principal with no put rights related thereto being exercised by the holder of the 2016 Bonds and assuming an effective interest rate equal to the swap rate plus the respective fixed number of basis points paid to the holder of the 2016 Bonds) and using a discount rate equal to the bond yield of the Refunding Bonds and adjusted to reflect either the Termination Receipt or Termination Payment (herein called the "Estimated Present Value Savings").

(b) For the purposes specified in Section 1(a) of this resolution, and provided the University shall have determined to proceed with terminating the 2006 Swaption Transaction, the Board does hereby authorize the refinancing of the 2016 Bonds and, to enable such refinancing, the Board does hereby authorize and approve the issuance by the University its University Facilities Revenue Bonds, designated Series 2024-C, if issued prior to January 1, 2025, and designated Series 2025 if issued after January 1, 2025, dated their date of initial

issuance (herein called the "Refunding Bonds"), under such terms, conditions and provisions to be set out in the Supplemental Indenture hereinafter defined, which terms, conditions and provisions shall be determined in accordance with the following plan of finance (herein called the "Plan of Finance"):

(i) The Refunding Bonds shall bear interest at a fixed rate, payable semiannually.

(ii) The initial aggregate principal amount of the Refunding Bonds, plus premium, if any, shall not exceed $102,500,000.

(iii) No maturity of the Refunding Bonds may bear interest at a rate exceeding 5.75%.

(iv) The true interest cost on the Refunding Bonds (taking into account any original issue discount or original issue premium) may not exceed 5.75%.

(v) The Refunding Bonds shall have a final maturity not later than December 1, 2036, years from their date of issuance, and shall have a weighted average maturity of not longer than 10 years.

(vi) The Refunding Bonds shall be issued and delivered by not later than December 31, 2025.

(vii) the Financial Advisor has certified to the University that the Estimated Present Value Savings will be achieved respecting the Refunding Bonds anticipated to be issued.

Section 3. Source of Payment of the Refunding Bonds. The principal of and the interest on the Refunding Bonds shall be payable from Pledged Revenues as defined in the Indenture. The Refunding Bonds shall not represent or constitute obligations of any nature whatsoever of the State of Alabama (herein called the "State"), and shall not be payable out of moneys appropriated to the University by the State. The agreements, covenants and representations contained in this resolution, in the Refunding Bonds and in the Indenture do not and shall never constitute or give rise to any personal or pecuniary liability or charge against the general credit of the University, and in the event of a breach of any such agreement, covenant or representation, no personal or pecuniary liability or charge payable directly or indirectly from the general revenues of the University shall arise therefrom. Neither the Refunding Bonds nor the pledge or any agreement contained in the Indenture or in this resolution shall be or constitute an obligation of any nature whatsoever of the State, and neither the Refunding Bonds nor any obligations arising from the aforesaid pledge or agreements shall be payable out of any moneys appropriated to the University by the State. Nothing contained in this section shall, however, relieve the University from the observance and performance of the several covenants and agreements on its part herein contained and contained in the Indenture.

Section 4. Refunding Bonds Payable at Par. All remittances of principal of and interest on the Refunding Bonds to the holders thereof shall be made at par without any deduction or exchange or other cost, fees or expenses. The bank at which the Refunding Bonds shall at any time be payable shall be considered by acceptance of its duties under the Indenture to have agreed that it will make or cause to be made remittances of principal of and interest on the Refunding Bonds, out of the moneys provided for that purpose, in bankable funds at

par without any deduction for exchange or other cost, fees or expenses. The University will pay to such bank all reasonable charges made and expenses incurred by it in making such remittances in bankable funds at par.

Section 5. Authorization of Supplemental Indenture. In connection with the issuance of the Refunding Bonds, the Board does hereby authorize and direct the President and the Chief Financial Officer, or either of them, to execute and deliver, for and in the name and behalf of the University, to The Bank of New York Mellon Trust Company, N.A., as trustee (herein called the "Trustee"), a Supplemental University Facilities Trust Indenture dated the date of the Refunding Bonds in substantially the form presented to the meeting at which this resolution is adopted and attached as Exhibit I to the minutes of said meeting (which form is hereby adopted in all respects as if set out in full in this resolution), updated to reflect the final pricing terms of, and the final number of series of, the Refunding Bonds as reflected in the Certificate of Compliance (hereinafter defined) and as also herein permitted and, further, to contain provisions required by the provider of any Bond Insurance Policy if bond insurance is to be procured by the University for some or all of the Refunding Bonds, and does hereby authorize and direct the Secretary of the Board, the Vice Chair of the Board and the Chair Pro Tempore of the Board to affix to the Supplemental Indenture the corporate seal of the University and to attest the same. The Supplemental Indenture is supplemental to that certain University Facilities Revenue Trust Indenture between the University and the Trustee dated as of February 15, 1996, as heretofore supplemented and amended (together with the Supplemental Indenture, herein called "Indenture").

Section 6. Sale of the Refunding Bonds. (a) The Refunding Bonds shall be sold to a syndicate of underwriters that includes one or all of: JPMorgan Securities LLC, Raymond James & Associates, Inc., Truist Securities, Inc., and Piper Sandler & Co., as well as such other underwriters as may be determined by the President or Chief Financial Officer to be included in such syndicate (those underwriters to be in the syndicate collectively herein called the "Underwriters"), as underwriters for the Refunding Bonds.

(b) The Board does hereby authorize the President and the Chief Financial Officer, or either of them, to execute and deliver, for and in the name and behalf of the University, a Bond Purchase Agreement with the Underwriters, either in the form required by the Underwriters and approved by the President and the Chief Financial Officer, or either of them, or in the form presented to the meeting at which this resolution is adopted and attached as Exhibit II to the minutes of said meeting (which such form of Bond Purchase Agreement is hereby adopted in all respects as if set out in full in this resolution), containing or updated to contain the final pricing terms of the Refunding Bonds as reflected in the Certificate of Compliance and as also herein permitted (the bond purchase agreement used in connection with the Refunding Bonds herein called the "Bond Purchase Agreement").

(c) The Refunding Bonds shall bear such date or dates, shall mature at such times and in such manner, shall bear such rate or rates of interest, shall be payable at such place or places, shall be in such denominations, shall be in such number of series, shall bear such numbers, and shall be in such form and contain such provisions as shall be set out in the Bond Purchase Agreement and in the Supplemental Indenture herein authorized.

(d) The President and the Chief Financial Officer, or either of them, are hereby authorized and directed to cause the University to obtain a Bond Insurance Policy for some or all of the maturities of the Refunding Bonds if such officer or the Financial Advisor determines, at or around the sale of the Refunding Bonds, that the estimated present value

of the premium of such policy will be less than the present value of the estimated or expected interest savings on the Refunding Bonds insured by, and as a result of, such policy.

Section 7. Preliminary Official Statement; Official Statement. (a) The Board does hereby authorize the President and the Chief Financial Officer, or either of them, to cause to be finalized and circulated by the Underwriters a Preliminary Official Statement respecting the Refunding Bonds, the form of which is attached hereto as Exhibit III, with such modifications to reflect (i) material information concerning the University and its operations as of the time the said document is to be circulated for consideration by prospective investors in the Refunding Bonds, (ii) preliminary principal amounts and relevant preliminary pricing information for the Refunding Bonds, (iii) information respecting a Bond Insurance Policy and the provider thereof if bond insurance is procured by the University for some or all of the maturities of the Refunding Bonds, and (iv) such other material information concerning the Refunding Bonds, all as such officers, either independently or upon consultation with the Underwriters, bond counsel to the University and/or the Financial Advisor, shall determine necessary or desirable for inclusion in the Preliminary Official Statement (herein called the "Preliminary Official Statement"). Alternatively, the Board does hereby authorize the preliminary official statement approved under the resolution of the Board adopted on March 15, 2024 (herein called the "March 2024 Resolution"), to be revised to reflect the proposed sale and delivery of the Refunding Bonds and the refinancing of the 2016 Bonds, and under the same offering documents, as the bonds described in the March 2024 Resolution are to be sold by the University.

(b) The President and the Chief Financial Officer, or either of them, are hereby authorized to cause the Preliminary Official Statement to be "deemed final" as of its date within the meaning of Rule 15c2-12(b)(1) promulgated by the U.S. Securities Exchange Commission (herein called the "Rule") and thereafter circulated to prospective investors in the Refunding Bonds.

(c) If the Refunding Bonds are sold through, then the Board does hereby authorize and direct the President and the Chief Financial officer, or either of them, to execute, for and in the name and behalf of the University, an Official Statement with respect to the Refunding Bonds dated the date of sale of the Refunding Bonds, in substantially the form of the Preliminary Official Statement circulated to prospective investors in the Refunding Bonds in connection with the sale of the Refunding Bonds, with such changes as shall be necessary to conform to the provisions of this resolution to reflect the final pricing terms of the Refunding Bonds, to include information respecting a Bond Insurance Policy and the provider thereof if bond insurance is procured by the University for some or all of the maturities of the Refunding Bonds (if not included in the Preliminary Official Statement circulated by the Underwriters prior to sale of the Refunding Bonds), to reflect the other terms approved in accordance with the provisions of this resolution, and to reflect such other changes as shall be approved by the President and the Chief Financial Officer, or either of them, and acceptable to the Underwriters. The Board does hereby declare that the Official Statement so executed by the President or the Chief Financial Officer shall be the Official Statement of the University with respect to the Refunding Bonds.

Section 8. Authorization of Continuing Disclosure Agreement. The President and the Chief Financial Officer, or either of them, are hereby authorized and directed to execute and deliver, on behalf of the University, a Continuing Disclosure Agreement for the benefit of the beneficial owners of the Refunding Bonds, in substantially the form presented to the meeting at which this resolution is adopted (which form shall be attached as Exhibit IV to the minutes of said meeting and which is hereby adopted in all respects as if set out in full in this

resolution) and with such changes thereto as shall be approved by the President and the Chief Financial Officer, or either of them. The said Continuing Disclosure Agreement is to be entered into contemporaneously with the issuance of the Refunding Bonds in order to assist the Underwriters of the Refunding Bonds in complying with the Rule. The rights of enforcement of the said Continuing Disclosure Agreement shall be as provided therein, and in no event shall a default by the University thereunder constitute a default hereunder or under the Indenture.

Section 9. Execution and Delivery of the Refunding Bonds. The Board does hereby authorize the President and the Chief Financial Officer, or either of them, to execute the Refunding Bonds, in the name and on behalf of the University, by manually signing each said bond, and does hereby authorize the Secretary of the Board, the Vice Chair of the Board and the Chair Pro Tempore of the Board, or any of them, to cause the corporate seal of the University to be imprinted or impressed on each of the Refunding Bonds and to attest the same by signing the Refunding Bonds, and the President and the Chief Financial Officer (or either of them) are hereby authorized and directed to deliver the Refunding Bonds, subsequent to their execution as provided herein and in the Indenture, to the Trustee under the Indenture, and to direct the Trustee to authenticate all the Refunding Bonds and to deliver them to the Underwriters.

Section 10. Designated Officials. Each of the President and the Chief Financial Officer is herein designated a "Designated Officer" for purposes of this resolution. Each of the Chair Pro Tempore, Vice Chair, and Chairman of the Budget and Finance Committee is hereby designated as a "Designated Board Member" for purposes of this resolution.

Any Designated Board Member, together with any Designated Officer, are hereby authorized to approve the remaining details of the Plan of Finance. When the details of the Plan of Finance have been approved by a Designated Board Member and a Designated Officer, the designees shall execute, in the name and on behalf of the Board and the University, respectively, a certificate evidencing such approval (herein called the "Certificate of Compliance") in substantially the form set forth on Exhibit V hereto, and shall file a copy of such certificate with the Secretary of the Board, and such certificate shall be maintained in the records of the Board by the Secretary of the Board. The Certificate of Compliance may be executed in counterparts.

Section 11. Application of Proceeds; Call of Series 2016 Bonds for Redemption. (a) The entire proceeds derived by the University from the sale of the Refunding Bonds, less and except the underwriter's discount to be retained by the Underwriters and the premium for any Bond Insurance Policy, if any, obtained for the Refunding Bonds to be wired directly by the Underwriters to the provider thereof, shall be paid to the Trustee under the Indenture, which is thereupon authorized and directed to apply and disburse such moneys for the purposes herein described and as shall be specified in Section 1.6 of the Supplemental Indenture once updated to reflect the terms of the Certificate of Compliance, or as otherwise directed pursuant to a written order from the President or the Chief Financial Officer.

(b) The Board does hereby elect to redeem and pay, and does hereby call for redemption and payment, on such date as shall designated by a Designated Officer that is at least ten (10) days following issuance of the Refunding Bonds (herein called the "2016 Bonds Redemption Date"), all of the 2016 Bonds at and for a redemption price equal to 100% of the principal amount of the 2016 Bonds outstanding plus accrued interest thereon to the 2016 Bonds Redemption Date. The President and the Chief Financial Officer, or either of

them, are hereby authorized and directed to deliver such notices, directives or other instruments as shall be necessary or desirable in connection with the redemption and defeasance of the 2016 Bonds. Proceeds to redeem and retire the 2016 Bonds may be deposited into such fund or account under the Indenture as shall be identified by the University, remitted directly to the holders of the 2016 Bonds, or deposited into a special account established under an escrow trust agreement between the University and the Trustee (containing terms approved by the President or the Chief Financial Officer, on behalf of the University) for the defeasance and retirement of the 2016 Bonds, all as shall be determined by the President or the Chief Financial Officer acting on the advice of the Financial Advisor and Bond Counsel to the University.

Section 12. Severability. The various provisions of this resolution are hereby declared to be severable. In the event any provision hereof shall be held invalid by a court of competent jurisdiction, such invalidity shall not affect any other portion of this resolution.

Section 13. General Authorization. (a) The President, the Chief Financial Officer, the Secretary of the Board, the Vice Chair of the Board and the Chair Pro Tempore of the Board, or any of them, are hereby authorized and directed to execute such further agreements, certifications, instruments or other documents, containing such terms as such officer shall approve (subject to the limitations described in this resolution and the Certificate of Compliance executed and filed as provided in Section 10 hereof), 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 and to the end that (i) the 2006 Swaption Transaction is terminated, and (ii) the Refunding Bonds may be executed, issued and delivered and the 2016 Bonds redeemed and retired. The Secretary of the Board, the Vice Chair of the Board and the Chair Pro Tempore of the Board, or any of them, are hereby authorized and directed to affix the official seal of the Board to such instruments and to attest the same.

(b) The Board does hereby authorize the engagement of such advisors or other professionals as shall be necessary or desirable in connection with the termination of the in order to terminate the 2006 Swaption Transaction, including, without limitation, such processionals as shall be necessary in order for the University to comply with its derivatives policies or procedures.

Chair Mitchell called for a report from the Long-Range Planning Committee, **Item 16**. On behalf of Ms. Brown Stewart, Committee Chair, Dr. Stokes, Vice Chair, advised of a Committee meeting held on June 6, 2024, and he provided an overview on the business that occurred.

Chair Mitchell called for consideration of the minutes for a Board of Trustees meeting held on March 15, 2024, **Item 2**. On motion by Judge Windom, seconded by Mr. Yance, the Board voted unanimously to adopt the minutes.

Chair Mitchell called on President Bonner for the presentation of **Item 17** as follows. President Bonner invited Mrs. Chronister and her guests, Mr. Robert Adams and Dr. Dave Johnson, to join him, along with Ms. Atkins, who read the resolution. On motion by Judge Windom, seconded by Mr. Corcoran, the Board voted unanimously to approve the resolution. Mrs. Chronister talked about her affinity for the people of the University and conveyed appreciation for the opportunity to serve.

RESOLUTION
COMMENDATION OF MRS. LYNNE U. CHRONISTER

WHEREAS, Mrs. Lynne U. Chronister has faithfully and honorably served the University of South Alabama for nearly 20 years, culminating in her role as Vice President for Research and Economic Development, and

WHEREAS, Mrs. Chronister has served under all four University of South Alabama presidents, and

WHEREAS, Mrs. Chronister began her university research administration career at the University of South Alabama, serving as a Grants Development Specialist before being promoted to Associate Director of Sponsored Programs, and

WHEREAS, Mrs. Chronister has spent more than 40 years in higher education, also serving in leadership roles at Mississippi State University, the University of Utah, the University of California, Davis, and the University of Washington, and

WHEREAS, under Mrs. Chronister's leadership, the University of South Alabama has seen external funding increase from approximately $35 million per year to more than $139 million per year, and

WHEREAS, Mrs. Chronister authored *Research Administration and Management*, the definitive book available for researchers and research administrators on building and managing university research administration programs, and

WHEREAS, Mrs. Chronister is listed in International Who's Who, as well as in Who's Who of Business Executives, and was selected by Yellowhammer News as an Alabama Woman of Impact in 2020, and

WHEREAS, Mrs. Chronister served as mentor to many during her years of service and built a reputation as a skilled leader and administrator who exhibited confidence, fairness and integrity and who demanded excellence from herself and her staff,

THEREFORE, BE IT RESOLVED, the Board of Trustees of the University of South Alabama hereby extends its heartfelt appreciation to Mrs. Lynne U. Chronister for her voluminous contributions to the University of South Alabama and offers Mrs. Chronister and her husband, Mr. Robert Adams, best wishes in their future endeavors.

President Bonner invited Mr. Abe Mitchell, Honorary Trustee, to join him for the presentation of **Item 18** as follows, along with his guests, Ms. Janie Allen and Mr. and Mrs. Jay Weber; Dr. Michael Capella, *Abraham A. Mitchell Endowed Dean* of the Mitchell College of Business; and Mr. Yance, who read the resolution and moved for its approval. Mr. Shumock seconded and the Board voted unanimously to approve the resolution. Mr. Mitchell reflected on the life of the University and expressed gratitude for being a part of its progress.

RESOLUTION
COMMENDATION OF MR. ABRAHAM A. MITCHELL

WHEREAS, the University of South Alabama ("University") celebrates its founding and 60 years of service and achievement in pursuit of excellence in education, research and health care with gratitude for its alumni, students, faculty, staff and friends whose creativity,

dedication and generosity have fueled the progress of the University, ensuring its recognition as a leading comprehensive public university and affirming its commitment to serve as the *Flagship of the Gulf Coast*, and

WHEREAS, Mr. Abraham A. Mitchell has distinguished himself as an extraordinary friend and benefactor of the University, and his visionary philanthropy has promoted progress in the education, research, health care, and service missions of the University through diverse projects, including the Mitchell Center, the USA Mitchell Cancer Institute, the Mitchell-Moulton Scholarship Initiative, the Abraham A. Mitchell Field at Hancock Whitney Stadium and construction of a state-of-the-art performing arts center, for which Mr. Mitchell provided a lead gift, and

WHEREAS, the Mitchell College of Business has been immeasurably advanced through Mr. Mitchell's philanthropy supporting its academic programs and facilities, the Joseph and Rebecca Mitchell Learning Resource Center and the Mitchell Scholars Program, and

WHEREAS, the Mitchell College of Business, having earned accreditation by the Association to Advance Collegiate Schools of Business – a distinction achieved by fewer than five percent of business schools, signifying the highest standards of business education – contributes to the economic vitality of the University and communities across the Gulf Coast and throughout the world, and

WHEREAS, Mr. Mitchell desires to empower the Mitchell College of Business to continue among leading collegiate business schools far into the future through the exceptional academic leadership of its deans, and

WHEREAS, Mr. Mitchell has extended his legacy of transformative philanthropy through a commitment of $2.5 million to create the University's first endowed deanship, the *Abraham A. Mitchell Endowed Deanship* in the Mitchell College of Business,

THEREFORE, BE IT RESOLVED, the Board of Trustees of the University of South Alabama hereby extends deepest gratitude to Mr. Abraham A. Mitchell on behalf of the students, faculty, staff, alumni, friends and neighbors who benefit from his wisdom and generosity.

There being no further business, the meeting was adjourned at 12:01 p.m.

Attest to: Respectfully submitted:

Lenus M. Perkins, Secretary Arlene Mitchell, 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:

6562 Old Shell Road
Mobile, AL 36608

Parcel Number: 28-04-17-4-000-011.XXX
Key Number: 492782

APPRAISAL INFORMATION:

No appraisal obtained as the price for which the property was obtained was 23.34% lower than the 2024 appraised values of the improvements and land as calculated by the Mobile County Revenue Commissioner.

CONTRACTS RELATED TO THE PURCHASE:

Attached as Exhibit "A"

PURCHASE TERMS:

Cash Purchase

SOURCES OF FUNDS USED IN THE PURCHASE:

Unrestricted Funds

OFFICE OF REAL ESTATE SERVICES AND ASSET MANAGEMENT
775 N. University Blvd. | Suite 150 | Mobile, Alabama 36608-4548
TEL: (251) 460-6100 | FAX: (251) 461-1765 | SouthAlabama.edu

REAL ESTATE PURCHASE CONTRACT

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 **Ashbury Manor, Inc.** ("Seller"), whose principal address is 3988 Bienville Drive, Saraland, AL 36571 ("Seller's Address"), hereby agrees to sell for the consideration and upon the terms hereinafter set forth, the real estate commonly known as:

6562 Old Shell Road, Mobile, Alabama 36608
Parcel: R28 04 17 4 000 011.000 (Key#: 492782)

LOT 1 ASHBURY MANOR SUBDIVISION MBK 123/30 LESS AND EXCEPT THAT PART INTO R/W FOR OLD SHELL ROAD.

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 ***SEVEN HUNDRED NINETY-FIVE THOUSAND AND NO/100 DOLLARS ($795,000.00)*** (the "Purchase Price") and shall be payable on the day of Closing ("Closing Date") by cash, cashier's check, certified check or wire transfer. Seller 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 agrees to pay other closing and settlement costs but shall not be responsible for Seller's attorney's fees, if any. Property taxes shall be prorated as of the Closing Date.

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 thirty (30) days of the notice from Buyer to Seller that it is satisfied Seller has met all conditions to closing as referenced in Section 9.1 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 tbe 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) Appraisal. Buyer may obtain prior to Closing an appraisal stating that the appraised value of the Property is at least the Purchase Price. If the appraisal states that the appraised value of the Property is less than the Purchase Price, Buyer may deliver a copy of such appraisal to Seller and deliver written notice to Seller, either: a) terminating this Contract, thereby releasing Buyer and Seller from all further obligations under this Contract; or b) waiving and removing this contingency and continuing with this Contract without regard to the appraised value of the Property. Seller agrees to reasonably cooperate with Buyer in obtaining any such appraisal.

(c) 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.

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

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

(f) 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.

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

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

(i) Removal of all parties in possession of the Property or operating on the Property on or before June 30, 2024.

(j) There shall exist no pending or threatened actions, suits, arbitrations, claims, attachments, proceedings, assignments for the benefit of creditors, insolvency, bankruptcy, reorganization or other proceedings, pending or threatened against the Seller or involving the Property that would materially and adversely affect the operation or value of the Property or the Seller's ability to perform its obligations under this Agreement.

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 3988 Bienville Drive, Saraland, AL 36571, 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.

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, Friday, March 22, 2024, 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	**Zarzour Companies**
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: KLR _____	☒ 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: WGM _____

ARTICLE XVI – Broker Commissions

16.1 Both Buyer and Seller agree and understand that USA Properties ("Buyer's Broker") is acting as an agent of the Buyer in this transaction. Seller understands that Buyer is under no obligation to pay a commission to Zarzour Companies ("Seller's Broker") with respect to this transaction. Any commission agreement between the Brokers shall be held outside of this transaction via a separate agreement.

Signed by Buyer this 12 day of March, 2024.

BUYER:

UNIVERSITY OF SOUTH ALABAMA

By: Kristen C Roberts

Kristen C. Roberts
Chief Financial Officer

Signed by Seller(s) this 14 day of March, 2024.

SELLER:

ASHBURY MANOR, INC.

By: _____
WALTER S. MCNEELY III

_____

_____
RANDAL BROWN

ADDENDUM TO

REAL ESTATE PURCHASE CONTRACT

THIS ADDENDUM TO REAL ESTATE PURCHASE CONTRACT (the "Addendum") is entered into on this 13TH day of JUNE, 2024, by and between the University of South Alabama ("Buyer") and Ashbury Manor, Inc. ("Seller").

WITNESSETH:

WHEREAS, Buyer and Seller have entered into that certain Real Estate Purchase Contract, dated March 14, 2024 (the "Contract"), pertaining to certain real property located at 6562 Old Shell Road in Mobile County, Alabama; and

WHEREAS, the parties wish to amend the terms of the Contract as set forth herein.

NOW, THEREFORE, in consideration of the foregoing premises and of the mutual terms, restrictions, covenants and conditions hereinafter expressed, the parties hereto do hereby agree as follows:

1. Article 1.1 is hereby amended such that the Purchase Price shall be ***SEVEN HUNDRED THIRTY-FIVE THOUSAND AND NO/100 DOLLARS ($735,000.00)***.

2. Except as amended hereby, the Contract referred to above shall remain in full force and effect.

IN WITNESS WHEREOF, the Parties have executed this Addendum as of the day and year first above written.

BUYER:

UNIVERSITY OF SOUTH ALABAMA

Kristen Roberts

Kristen Roberts
Chief Financial Officer

SELLER:

ASHBURY MANOR, INC.

By: WALTER S MCNELLAGE III
Its: MINORITY SHAREHOLDER

By:
Its:

By:
Its:

UNIVERSITY OF SOUTH ALABAMA
BOARD OF TRUSTEES



AUDIT COMMITTEE

UNIVERSITY OF SOUTH ALABAMA
BOARD OF TRUSTEES

Audit Committee

June 6, 2024
1:30 p.m.

A meeting of the Audit Committee of the University of South Alabama (USA) Board of Trustees was duly convened by Ms. Alexis Atkins, Vice Chair, on behalf of Mr. Ron Graham, Chair, on Thursday, June 6, 2024, at 1:35 p.m. in the Board Room of the Frederick P. Whiddon Administration Building. Meeting attendance was open to the public.

Members:	Alexis Atkins, Tom Corcoran and Lenus Perkins were present, and Ron Jenkins participated remotely.
Members Absent:	Ron Graham and Bill Lewis.
Other Trustees:	Chandra Brown Stewart, Scott Charlton, Luis Gonzalez, Arlene Mitchell, Jimmy Shumock, Steve Stokes, Mike Windom and Jim Yance.
Administration & Guests:	Owen Bailey, Jim Berscheidt, Joél Billingsley, Jo Bonner, Michael Chambers, Lynne Chronister, Kristin Dukes, Joel Erdmann, Monica Ezell, Charlie Guest, Buck Kelley, Andi Kent, Nick Lawkis, John Marymont, Mike Mitchell, Kristen Roberts, Margaret Sullivan, Peter Susman, and Christina Wassenaar and Bret Webb (Faculty Senate).

Following the attendance roll call, **Item 1**, Ms. Atkins called for consideration of the minutes for a Committee meeting held on March 14, 2024, **Item 2**. On motion by Mr. Corcoran, seconded by Capt. Jenkins, the Committee voted unanimously to adopt the minutes.

Ms. Atkins called on Mr. Susman for a report on the activities of the Office of Internal Audit (OIA), **Item 3**. Mr. Susman discussed the quality assessment review being conducted by Warren Averett and indicated that a final report was expected in the coming weeks. He also advised of an OIA staff member hired recently and noted that efforts to fill the position of OIA director were ongoing.

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

Respectfully submitted: On behalf of:

Katherine Alexis Atkins, Vice Chair William Ronald Graham, Chair

UNIVERSITY OF SOUTH ALABAMA FOUNDATION

Consolidated Financial Statements as of and for the
Years Ended June 30, 2024 and 2023, and
Independent Auditor's Report

UNIVERSITY OF SOUTH ALABAMA
FOUNDATION

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INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the consolidated financial statements of the University of South Alabama Foundation (the "Foundation"), which comprise the consolidated statements of financial position as of June 30, 2024 and 2023, 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 (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as of June 30, 2024 and 2023, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Foundation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and

therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Deloitte + Touche LLP

August 15, 2024

UNIVERSITY OF SOUTH ALABAMA
FOUNDATION

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS OF JUNE 30, 2024 AND 2023
(Dollars in thousands)

	2024	2023
ASSETS		
CASH AND CASH EQUIVALENTS	$ 1,819	$ 1,718
INVESTMENTS AT FAIR VALUE:		
Equity securities	262,850	223,532
Timber and mineral properties	178,218	176,002
Real estate	6,375	9,064
Other	5,815	5,814
OTHER ASSETS	504	603
TOTAL	$ 455,581	$ 416,733
LIABILITIES AND NET ASSETS		
LIABILITIES:		
Accounts payable	$ 162	$ 103
Other liabilities	876	861
Total liabilities	1,038	964
NET ASSETS:		
Without donor restrictions	61,833	62,190
With donor restrictions	392,710	353,579
Total net assets	454,543	415,769
TOTAL	$ 455,581	$ 416,733

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, 2024
(Dollars in thousands)

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, GAINS, (LOSSES), AND OTHER SUPPORT:			
Net realized and unrealized gains on investments	$ 7,675	$ 48,900	$ 56,575
Rents, royalties, and timber sales	3,200	161	3,361
Interest and dividends	893	2,163	3,056
Gifts	3	9	12
Required match of donor contributions	(4)	4	-
Interfund interest	(892)	892	-
Other income	43		43
Transfer of net assets	(24)	24	-
Net assets released from program restrictions (Note 10)	13,022	(13,022)	-
Total revenues, gains, and other support	23,916	39,131	63,047
EXPENDITURES:			
Program services:			
Faculty support	3,380		3,380
Scholarships	1,231		1,231
Other academic programs	11,942		11,942
Total program services	16,553	-	16,553
Management and general	2,936		2,936
Other investment expense	1,105		1,105
Depletion expense	3,631		3,631
Depreciation expense	48		48
Total expenditures	24,273	-	24,273
(DECREASE) INCREASE IN NET ASSETS	(357)	39,131	38,774
NET ASSETS—Beginning of year	62,190	353,579	415,769
NET ASSETS—End of year	$ 61,833	$ 392,710	$ 454,543

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, 2023
(Dollars in thousands)

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, GAINS, (LOSSES), AND OTHER SUPPORT:			
Net realized and unrealized gains on investments	$ 4,208	$ 37,345	$ 41,553
Rents, royalties, and timber sales	3,779	198	3,977
Interest and dividends	1,579	1,317	2,896
Gifts	1	68	69
Required match of donor contributions	(4)	4	-
Interfund interest	(712)	712	-
Other income	30		30
Net assets released from program restrictions (Note 10)	11,987	(11,987)	-
Total revenues, gains, and other support	20,868	27,657	48,525
EXPENDITURES:			
Program services:			
Faculty support	3,003		3,003
Scholarships	1,245		1,245
Other academic programs	9,012		9,012
Total program services	13,260	-	13,260
Management and general	2,696		2,696
Other investment expense	1,159		1,159
Depletion expense	4,195		4,195
Depreciation expense	44		44
Total expenditures	21,354	-	21,354
(DECREASE) INCREASE IN NET ASSETS	(486)	27,657	27,171
NET ASSETS—Beginning of year	62,676	325,922	388,598
NET ASSETS—End of year	$ 62,190	$ 353,579	$ 415,769

See notes to consolidated financial statements.

UNIVERSITY OF SOUTH ALABAMA
FOUNDATION

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023
(Dollars in thousands)

	2024	2023
OPERATING ACTIVITIES:		
Increase in net assets	$ 38,774	$ 27,171
Adjustments to reconcile increase in net assets to net cash used in operating activities:		
Net realized and unrealized gains on investments	(56,575)	(41,553)
Gift of equity securities	(3)	
Contribution of real estate	1,920	
Depletion	3,631	4,195
Depreciation	48	44
Changes in operating assets and liabilities:		
Other assets	84	(100)
Accounts payable	59	27
Other liabilities	14	(40)
Net cash used in operating activities	(12,048)	(10,256)
INVESTING ACTIVITIES:		
Purchase of equity securities	(903)	(859)
Sale of equity securities	13,500	11,500
Reforestation of timber property	(305)	(226)
Purchase of timberland	(120)	
Other	(23)	3
Net cash provided by investing activities	12,149	10,418
NET INCREASE IN CASH AND CASH EQUIVALENTS	101	162
CASH AND CASH EQUIVALENTS—Beginning of year	1,718	1,556
CASH AND CASH EQUIVALENTS—End of year	$ 1,819	$ 1,718

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. and Shubuta Timber Services, Inc. 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. The Foundation has elected to include in investments cash held temporarily by a custodian for investment purposes.

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 consolidated 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.

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 $160,615 and $133,476 at June 30, 2024 and 2023, 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 $102,235 and $90,056 at June 30, 2024 and 2023, 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 (loss) includes not only realized gains, but also unrealized gains (losses) in securities, timberland investments, and real estate.

Investment income for the years ended June 30, 2024 and 2023, consisted of the following:

	2024	2023
Unrealized gains	$ 50,890	$ 35,902
Realized gains	5,685	5,651
Net realized and unrealized gains on investments	56,575	41,553
Timber sales	2,576	3,064
Rents	697	785
Royalties	88	128
Rents, royalties, and timber sales	3,361	3,977
Interest and dividends	3,056	2,896
Total investment income	$ 62,992	$ 48,426

Investments consisted of participation in the Foundation's pooled investment funds. Investment-related expenses of $440 and $404 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, 2024 and 2023, 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 former wholly owned subsidiary Brookley Bay Front Properties, LLC ("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 would be recorded as an asset of the Foundation held as a part of the New Investment Pool.

On December 18, 2020, BBFP sold 196.6 acres of the Brookley Complex to the City of Mobile and the Industrial Development Board of the City of Mobile for $30,959. Thereafter, BBFP made a distribution of $30,959 to the Foundation. The Foundation, in accordance with the June 4, 2015 resolution, invested the proceeds in the Commonfund Multi-Strategy Equity Fund.

Under the Purchase and Sale Agreement, the City of Mobile agreed to purchase 45 acres of wetlands for $2,000 and entered into a five-year option (ending December 1, 2025) to purchase the remaining 50 acres for $9,000. On October 20, 2021, the Foundation Board approved a gift to the University of South Alabama of $30,000 to facilitate the construction of a state-of-the-art center for medical and scientific education for future physicians and research. As a part of that gift, the Foundation Board provided the remaining real property at the Brookley Complex, valued at $11,000, through assignment to the University of the contract between BBFP and the City of Mobile, dated December 1, 2020, providing for the purchase of the 45-acre tract and the 50-acre tract.

In August 2023, the Board of the Foundation approved a gift of approximately 63 acres on Dauphin Island, Alabama to support research and a living classroom for the Stokes School of Marine and Environmental Sciences and related programs. The property contributed was valued at $1,920.

Real estate as of June 30, 2024 and 2023 consisted of the following property held:

	2024	2023
Land and land improvements—held for investment	$ 5,314	$ 7,991
Building and building improvements—held for investment	1,061	1,073
Total	$ 6,375	$ 9,064

Other—Investments at June 30, 2024 and 2023 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 U.S. GAAP, 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, 2024 and 2023 are summarized as follows:

	Fair Value Measurements at June 30, 2024			
Description	**Observable Inputs Based on Quoted Prices**	**Other Observable Inputs**	**Unobservable Inputs**	**Total**
Marketable equity securities	$ 160,615	$ -	$ -	$ 160,615
Timber and mineral properties			178,218	178,218
Real estate			6,375	6,375
Other investments			5,815	5,815
Total	$ 160,615	$ -	$ 190,408	351,023
Investment in Commonfund, measured at NAV				102,235
Total investment assets at fair value				$ 453,258

	Fair Value Measurements at June 30, 2023			
Description	**Observable Inputs Based on Quoted Prices**	**Other Observable Inputs**	**Unobservable Inputs**	**Total**
Marketable equity securities	$ 133,476	$ -	$ -	$ 133,476
Timber and mineral properties			176,002	176,002
Real estate			9,064	9,064
Other investments			5,814	5,814
Total	$ 133,476	$ -	$ 190,880	324,356
Investment in Commonfund, measured at NAV				90,056
Total investment assets at fair value				$ 414,412

For the year ended June 30, 2024, 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	$ 176,002	$ 9,064	$ 5,814	$ 190,880
Net realized and unrealized gains (losses)	5,422	(759)	1	4,664
Reforestation	305			305
Purchase of timberland	120			120
Purchase of building improvements		23		23
Contribution of real estate		(1,920)		(1,920)
Depreciation/depletion	(3,631)	(33)		(3,664)
Ending balance	$ 178,218	$ 6,375	$ 5,815	$ 190,408

For the year ended June 30, 2023, 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	$ 176,680	$ 9,034	$ 5,809	$ 191,523
Net realized and unrealized gains	3,291	48	5	3,344
Reforestation	226			226
Purchase of building improvements		14		14
Depreciation/depletion	(4,195)	(32)		(4,227)
Ending balance	$ 176,002	$ 9,064	$ 5,814	$ 190,880

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, 2024, by type of fund is as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-Restricted Endowment Funds	$ 44,895	$ 392,710	$ 437,605
Board-Designated Endowment Funds	16,938		16,938
Total	$ 61,833	$ 392,710	$ 454,543

Endowment net asset composition as of June 30, 2023, by type of fund is as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-Restricted Endowment Funds	$ 45,688	$ 353,579	$ 399,267
Board-Designated Endowment Funds	16,502		16,502
Total	$ 62,190	$ 353,579	$ 415,769

Changes in endowment net assets during the year ended June 30, 2024, are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Beginning balance	$ 62,190	$ 353,579	415,769
Investment return:			
Investment income	4,093	2,324	6,417
Net realized and unrealized gains	7,675	48,900	56,575
Other income	43		43
Interfund interest	(892)	892	-
Total investment return	10,919	52,116	63,035
Gifts	3	9	12
Required match	(4)	4	-
Transfer of net assets	(24)	24	-
Net assets released from restrictions	13,022	(13,022)	-
Expenditures	(24,273)		(24,273)
Net change	(357)	39,131	38,774
Ending balance	$ 61,833	$ 392,710	$ 454,543

Changes in endowment net assets during the year ended June 30, 2023, are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Beginning balance	$ 62,676	$ 325,922	388,598
Investment return:			
Investment income	5,358	1,515	6,873
Net realized and unrealized gains	4,208	37,345	41,553
Other income	30		30
Interfund interest	(712)	712	-
Total investment return	8,884	39,572	48,456
Gifts	1	68	69
Required match	(4)	4	-
Net assets released from restrictions	11,987	(11,987)	-
Expenditures	(21,354)		(21,354)
Net change	(486)	27,657	27,171
Ending balance	$ 62,190	$ 353,579	$ 415,769

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, 2024 were as follows:

Financial assets:	
Cash and cash equivalents	$ 1,819
Other assets	32
Equity securities appropriated for spending in the following year	15,000
Total financial assets available within one year	$ 16,851

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, 2024 and 2023.

	June 30, 2024			
	Program Services	Management and General	Fundraising	Total
Grants to supporting organization	$ 16,553	$ -	$ -	$ 16,553
Depletion	3,631			3,631
Salaries and benefits	1,415	329	21	1,765
Professional services	442	112		554
Other expenses	395	95		490
Investment management expense	440			440
Property taxes	247	7		254
Insurance	245	59		304
Forestry	234			234
Depreciation	41	7		48
	$ 23,643	$ 609	$ 21	$ 24,273

	June 30, 2023			
	Program Services	Management and General	Fundraising	Total
Grants to supporting organization	$ 13,260	$ -	$ -	$ 13,260
Depletion	4,195			4,195
Salaries and benefits	1,465	311	21	1,797
Professional services	356	90		446
Other expenses	342	89		431
Investment management expense	404			404
Property taxes	255	7		262
Insurance	232	56		288
Forestry	227			227
Depreciation	37	7		44
	$ 20,773	$ 560	$ 21	$ 21,354

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. On November 10, 2010, BBFP purchased the Brookley Complex from the University for Twenty Million Dollars ($20,000) payable in five annual installments of Four Million Dollars ($4,000).

On December 18, 2020, BBFP sold 196.6 acres of the Brookley Complex to the City of Mobile and the Industrial Development Board of the City of Mobile for $30,959. Thereafter, BBFP made a distribution of $30,959 to the Foundation which was reinvested in the Commonfund Multi Strategy Equity Fund in accordance with the June 4, 2015 resolution.

On October 20, 2021, the Foundation Board approved a gift to the University of South Alabama of $30,000 to facilitate the construction of a state-of-the-art center for medical and scientific education for future physicians and research. As a part of that gift, the Foundation Board provided the remaining real property at the Brookley Complex, valued at $11,000, through assignment to the University of the contract between BBFP and the City of Mobile, dated December 1, 2020, providing for the purchase of the 45-acre tract and the 50-acre tract. The contribution is fully described in Note 8, Funding for Medical Education and Research.

8. FUNDING FOR MEDICAL EDUCATION AND RESEARCH

In the Fall of 2021, the University requested that the Foundation provide funding in the amount of $30,000 to facilitate the construction of a state-of-the-art center for medical and scientific education for future physicians and research. On October 20, 2021, the Foundation approved by resolution a $30,000 gift, determining that the request for funding of the medical school facility would be for the benefit of the University's hospitals and clinics and the programs of the University that benefit such hospitals and clinics and in accordance with the September 9, 2010 resolution pertaining to DSH Funds. The contribution by the Foundation to be distributed from DSH Funds was approved as follows: $10,151 to be provided within 45 days of the adoption of the resolution; $11,000 through assignment to the University of the purchase and sale agreement between BBFP and the City of Mobile, dated December 1, 2020, providing for the purchase of property owned by BBFP, along with the transfer of the property to the University, as described in Note 7; and $1,770 in each of the fiscal years 2023 through 2027, all in accordance with the resolution.

In addition to funding provided to facilitate construction of a state-of-the-art center for medical and scientific education and research, during the fiscal years ended June 30, 2024 and 2023, in accordance with the intent of the Board of the Foundation and with the applicable resolutions, the Board of the Foundation approved a total distribution of DSH Funds of $6,635 and $6,022 that included $4,500 and $3,997 for projects supporting USA Health hospitals and clinics, $1,346 and $1,277 for the Clinical Support Fund, and $789 and $748 for the Hospital Equipment Fund, respectively. Therefore, total distributions from the DSH Funds were $8,405 and $7,792 for the fiscal years 2024 and 2023, respectively.

9. NET ASSETS WITH DONOR RESTRICTIONS

At June 30, 2024 and 2023, net assets with donor restrictions were for the following purposes:

	2024	2023
Hospital, clinics, and related programs	$ 229,957	$ 207,944
Instruction	85,362	76,346
College of medicine—other than instruction	35,300	30,361
Student aid	31,124	28,920
Other	10,967	10,008
Total	$ 392,710	$ 353,579

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 $209,189 and $183,521 at June 30, 2024, and $170,078 and $183,501 at June 30, 2023, respectively.

At June 30, 2024 and 2023, net assets with board designated restrictions were for the following purposes:

	2024	2023
College of medicine—other than instruction	10,110	$ 10,263
Instruction	4,975	4,506
Student aid	971	949
Other	882	784
Total	$ 16,938	$ 16,502

10. 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, 2024 and 2023, as follows:

	2024	2023
Instruction	$ 12,633	$ 11,555
Student aid	355	375
Other	34	57
Total	$ 13,022	$ 11,987

11. OTHER RELATED-PARTY TRANSACTIONS

At June 30, 2024 and 2023, 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 $229,957 and $207,944 respectively.

12. RETIREMENT PLANS

The Foundation sponsors a contributory defined-contribution retirement plan for certain employees. The Foundation's contributions to the retirement plan were approximately $190 and $197 for the years ended June 30, 2024 and 2023, respectively.

13. SUBSEQUENT EVENTS

The Foundation evaluated subsequent events through August 15, 2024, 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, 2024 that would require disclosure in or would be required to be recognized in the consolidated financial statements.

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UNIVERSITY OF SOUTH ALABAMA
FOUNDATION

Disproportionate Share Hospital Funds
Combined Financial Statements as of and
for the Years Ended June 30, 2024 and 2023, and
Independent Auditor's Report

UNIVERSITY OF SOUTH ALABAMA
FOUNDATION

DISPROPORTIONATE SHARE HOSPITAL FUNDS
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INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the 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, 2024 and 2023, 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 (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the DSH Funds as of June 30, 2024 and 2023, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the DSH Funds and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the DSH Funds' ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and

therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the DSH Funds' ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Deloitte + Touche LLP

August 15, 2024

UNIVERSITY OF SOUTH ALABAMA
FOUNDATION

DISPROPORTIONATE SHARE HOSPITAL FUNDS
COMBINED STATEMENTS OF FINANCIAL POSITION
AS OF JUNE 30, 2024 AND 2023
(Dollars in thousands)

	2024	2023
ASSETS		
INVESTMENTS:		
New Investment Pool—interest in	$ 226,061	$ 203,741
Real estate	3,330	3,700
RECEIVABLE FROM AFFILIATES	566	503
TOTAL	$ 229,957	$ 207,944
NET ASSETS		
NET ASSETS:		
Without donor restrictions	$ -	$ -
With donor restrictions	229,957	207,944
Total net assets	229,957	207,944
TOTAL	$ 229,957	$ 207,944

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, 2024
(Dollars in thousands)

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, GAINS, AND OTHER SUPPORT:			
Net realized and unrealized gains on investments	$ 18	$ 28,632	$ 28,650
Interest and dividends		1,249	1,249
Interfund interest		537	537
Net assets released from program restrictions	8,405	(8,405)	-
Total revenues, gains, and other support	8,423	22,013	30,436
EXPENDITURES:			
Program Services—other academic programs	8,405		8,405
Other investment expense	18		18
Total expenditures	8,423	-	8,423
INCREASE IN NET ASSETS	-	22,013	22,013
NET ASSETS AT BEGINNING OF YEAR		207,944	207,944
NET ASSETS AT END OF YEAR	$ -	$ 229,957	$ 229,957

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, 2023
(Dollars in thousands)

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, GAINS, AND OTHER SUPPORT:			
Net realized and unrealized gains on investments	$ 18	$ 21,851	$ 21,869
Interest and dividends		742	742
Interfund interest		429	429
Net assets released from program restrictions	7,792	(7,792)	-
Total revenues, gains, and other support	7,810	15,230	23,040
EXPENDITURES:			
Program Services—other academic programs	7,792		7,792
Other investment expense	18		18
Total expenditures	7,810	-	7,810
INCREASE IN NET ASSETS	-	15,230	15,230
NET ASSETS AT BEGINNING OF YEAR		192,714	192,714
NET ASSETS AT END OF YEAR	$ -	$ 207,944	$ 207,944

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, 2024 AND 2023
(Dollars in thousands)

	2024	2023
OPERATING ACTIVITIES:		
Increase in net assets	$ 22,013	$ 15,230
Adjustments to reconcile increase in net assets to net cash used in operating activities:		
Net realized and unrealized gains on investments	(28,650)	(21,869)
Changes in operating assets and liabilities:		
Receivable from affiliate	(63)	(23)
Net cash used in operating activities	(6,700)	(6,662)
INVESTING ACTIVITIES:		
Purchases of securities	(1,795)	(1,196)
Sale of securities	8,495	7,858
Net cash provided by investing activities	6,700	6,662
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 combined 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.

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, 2024 and 2023, consisted of the following:

	2024	2023
Unrealized gains	$ 27,488	$ 20,348
Realized gains	1,162	1,521
Interest and dividends	1,249	742
Interfund interest	537	429
Total investment income	$ 30,436	$ 23,040

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 former wholly owned subsidiary Brookley Bay Front Properties, LLC ("BBFP"), of 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-Strategy Equity 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 would be recorded as an asset of the Foundation held as a part of the New Investment Pool.

On December 18, 2020, BBFP sold 196.6 acres of the Brookley Complex to the City of Mobile and the Industrial Development Board of the City of Mobile for $30,959. Thereafter, BBFP made a distribution of $30,959 to the Foundation which was reinvested in the Commonfund Multi Strategy Equity Fund in accordance with the June 4, 2015 resolution.

On October 20, 2021, the Foundation Board approved a gift to the University of South Alabama of $30,000 to facilitate the construction of a state-of-the-art center for medical and scientific education for

future physicians and research. As a part of that gift, the Foundation Board provided the remaining real property at the Brookley Complex, valued at $11,000, through assignment to the University of the contract between BBFP and the City of Mobile, dated December 1, 2020, providing for the purchase of the 45-acre tract and the 50-acre tract.

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 U.S. GAAP, 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, 2024 and 2023, are summarized as follows:

	Fair Value Measurements at June 30, 2024			
Description	**Observable Inputs Based on Quoted Prices**	**Other Observable Inputs**	**Unobservable Inputs**	**Total**
New Investment Pool interest in marketable equity securities	$ 160,615	$ -	$ -	$ 160,615
New Investment Pool interest in timber			127,300	127,300
New Investment Pool interest in real estate				-
Real estate			3,330	3,330
Total	$ 160,615	$ -	$ 130,630	291,245
Investment in Commonfund, measured at NAV				102,235
Total assets at fair value				$ 393,480

Description	Fair Value Measurements at June 30, 2023 Observable Inputs Based on Quoted Prices	Other Observable Inputs	Unobservable Inputs	Total
New Investment Pool interest in marketable equity securities	$ 133,476	$ -	$ -	$ 133,476
New Investment Pool interest in timber			126,600	- 126,600
New Investment Pool interest in real estate				-
Real estate			3,700	3,700
Total	$ 133,476	$ -	$ 130,300	263,776
Investment in Commonfund, measured at NAV				90,056
Total assets at fair value				$ 353,832

For the year ended June 30, 2024, 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	$ 126,600	$ -	$ 3,700	130,300
Net realized and unrealized gains (losses)	4,015		(370)	3,645
Reforestation	173			173
Depletion	(3,488)			(3,488)
Ending balance	$ 127,300	$ -	$ 3,330	$ 130,630

For the year ended June 30, 2023, 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	$ 125,000	$ -	$ 3,700	128,700
Net realized and unrealized gains	4,100			4,100
Reforestation	161			161
Depletion	(2,661)			(2,661)
Ending balance	$ 126,600	$ -	$ 3,700	$ 130,300

The DSH Funds hold a proportionate interest in the value of the Foundation's Investment Pool. On June 30, 2024, the value of DSH Funds units in the Pool was $226,061 and on June 30, 2023, the value of DSH Funds units in the Pool was $203,741.

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, 2024 and 2023, receivables from affiliated entities totaled $566 and $503, 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 $537 and $429 for the years ended June 30, 2024 and 2023, 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. 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).

On December 18, 2020, BBFP sold 196.6 acres of the Brookley Complex to the City of Mobile and the Industrial Development Board of the City of Mobile for $30,959. Thereafter, BBFP made a distribution of $30,959 to the Foundation which was reinvested in the Commonfund Multi Strategy Equity Fund in accordance with the June 4, 2015 resolution.

On October 20, 2021, the Foundation Board approved a gift to the University of South Alabama of $30,000 to facilitate the construction of a state-of-the-art center for medical and scientific education for future physicians and research. As a part of that gift, the Foundation Board provided the remaining real property at the Brookley Complex, valued at $11,000, through assignment to the University of the contract between BBFP and the City of Mobile, dated December 1, 2020, providing for the purchase of the 45-acre tract and the 50-acre tract.

In approving the $30 Million gift to the University, the Foundation Board determined that the request for funding of the medical school facility would be for the benefit of the University's hospitals and clinics and the programs of the University that benefit such hospitals and clinics and in accordance with the September 9, 2010, resolution pertaining to DSH Funds. In addition to the distribution of $11,000 through assignment to the University of the purchase and sale contract and option to purchase between BBFP and the City of Mobile, dated December 1, 2020, providing for the purchase of property owned by BBFP, along with the transfer of the property to the University, the contribution was to be distributed from DSH Funds as follows: $10,151 to be provided within 45 days of the adoption of the resolution and $1,770 in each of the fiscal years 2023 through 2027, all in accordance with the resolution.

In addition to funding provided to facilitate construction of a state-of-art center for medical and scientific education and research, during the fiscal year ended June 30, 2024, 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 $6,635 that included $4,500 for projects supporting USA Health hospitals and clinics, $1,346 for the Clinical Support Fund, and $789 for the Hospital Equipment Fund. Therefore, total distributions from the DSH Funds were $8,405 for the fiscal year 2024.

8. NATURE AND AMOUNT NET ASSETS WITH DONOR RESTRICTIONS

At June 30, 2024 and 2023, net assets with donor restrictions were $229,957 and $207,944 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 15, 2024, 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, 2024, that would require disclosure in or would be required to be recognized in the combined financial statements.

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UNIVERSITY OF SOUTH ALABAMA
BOARD OF TRUSTEES

DEVELOPMENT, ENDOWMENT AND INVESTMENTS COMMITTEE

UNIVERSITY OF SOUTH ALABAMA
BOARD OF TRUSTEES

Development, Endowment and Investments Committee

June 6, 2024
1:37 p.m.

A meeting of the Development, Endowment and Investments Committee of the University of South Alabama (USA) Board of Trustees was duly convened by Mr. Jim Yance, Chair, on Thursday, June 6, 2024, at 1:37 p.m. in the Board Room of the Frederick P. Whiddon Administration Building. Meeting attendance was open to the public.

Members:	Scott Charlton, Luis Gonzalez, Jimmy Shumock, Steve Stokes, Mike Windom and Jim Yance were present, and Chandra Brown Stewart participated remotely.
Other Trustees:	Alexis Atkins, Tom Corcoran, Ron Jenkins, Arlene Mitchell and Lenus Perkins.
Administration & Guests:	Terry Albano, Owen Bailey, Jim Berscheidt, Joél Billingsley, Jo Bonner, Michael Chambers, Lynne Chronister, Kristin Dukes, Mike Douglas (Gerber/Taylor), Joel Erdmann, Monica Ezell, Charlie Guest, Rich Johns (Gerber/Taylor), Buck Kelley, Andi Kent, Nick Lawkis, John Marymont, Mike Mitchell, Norman Pitman, Kristen Roberts, Margaret Sullivan, Peter Susman, and Christina Wassenaar and Bret Webb (Faculty Senate).

Mr. Yance made opening comments related to oversight of the University's investment managers and the recent liquidation of assets to preserve cash. Following the attendance roll call, **Item 4**, Mr. Albano, along with Mr. Norman Pitman, the University's investment consultant, reported on endowment and investment outcomes, as well as manager performance, for the first six months of fiscal year 2024, **Item 6**, advising of just over $23 million in investment earnings for the period, a return of approximately 12.5 percent. Also detailed were performance results since the inception of the endowment.

Mr. Albano introduced Mr. Mike Douglas and Mr. Rich Johns of the management firm of Gerber/Taylor, who provided background on Gerber/Taylor; reviewed the University's portfolio consisting of private equity, hedge and international investments; and shared views on the future movement of the market.

Mr. Yance called on Ms. Sullivan, who presented **Item 7**, a resolution expressing gratitude to Mr. Abe Mitchell for his recent commitment of $2.5 million to establish the *Abraham A. Mitchell Endowed Deanship* in the Mitchell College of Business, the University's first endowed deanship. (For copies of resolutions, policies and other documents authorized, refer to the minutes of the Board of Trustees meeting held on June 7, 2024.) On motion by Mr. Shumock, seconded by Ms. Atkins, the Committee voted unanimously to recommend approval of the resolution by the Board of Trustees.

Ms. Sullivan provided an update on the activities of the Division of Development and Alumni Relations, **Item 8**, advising of close to $28 million in new gifts and commitments secured for fiscal year 2024 and detailing the results of the *Make Way for USA* employee annual fund and the annual G*iving Day* campaigns. She also shared information on fundraising and engagement events held recently and scheduled in the coming weeks, and commented briefly on efforts concerning a capital campaign.

Mr. Yance called for consideration of the minutes for a meeting held on March 14, 2024, **Item 5**. On motion by Mr. Shumock, seconded by Judge Windom, the committee voted unanimously to adopt the minutes.

There being no further business, the meeting was adjourned at 2:03 p.m.

Respectfully submitted:

James A. Yance, Chair

University of South Alabama Endowment Investment Performance Review/Analysis

Fiscal Year 2024

USA Endowment Fund Performance - Fiscal Year to Date
October 1, 2023 to June 30, 2024

- USA Endowment Fund is up 14.29% versus its blended benchmark of 16.61%. The USA Endowment Fund underperforms its blended benchmark by 2.32% fiscal year to date.

USA Endowment Manager Performance - Fiscal Year to Date
October 1, 2023 to June 30, 2024

Individual Manager versus Benchmark performance:

- Commonfund is up 18.60% versus its benchmark return of 17.42%.
- Charles Schwab is up 16.93% versus its benchmark return of 19.92%.
- Gerber Taylor is up 7.41% versus its benchmark return of 8.04%.
- Gerber Taylor International is up 7.26% versus its benchmark return of 16.33%.
- Hancock Whitney is up 17.44% versus its benchmark return of 18.88%.
- JP Morgan is up 14.02% versus its benchmark return of 16.01%.
- USAFund (Student Investment Fund) is up 24.60% versus its benchmark return of 28.78%.

USA Endowment Annualized Fund Performance Since Inception
As of June 30, 2024

- USA Endowment Fund has an annualized return of approximately 5.80% since inception versus its blended benchmark return of approximately 4.88%. The USA Endowment Fund outperforms by 0.92% since inception.

USA Endowment Investment Earnings and Appreciation Since Inception
March 31, 2000 to June 30, 2024

- USA Endowment Fund Market Value at Inception (March 31, 2000): $5.7 million.
- USA Endowment Fund Net Invested Capital as of June 30, 2024: $50.1 million.
- USA Endowment Fund Market Value as of June 30, 2024: $205.8 million.
- USA Endowment Fund Income and Appreciation since Inception: $155.8 million.

RESOLUTION

COMMENDATION OF MR. ELLIOT B. MAISEL

WHEREAS, Mr. Elliot B. Maisel has for many years demonstrated unwavering support for the University of South Alabama ("University"), both personally and through his business, making impactful contributions to key initiatives, including the Mitchell Cancer Institute, the scholarship established in honor of his beloved mother, Mrs. Frieda Gutlow Maisel, and the enhancement of Jewish Studies at the University, and

WHEREAS, Mr. Maisel serves as a valued member of the President's Cabinet, offering leadership, insight, and dedication for the advancement of the University's mission and strategic priorities, and

WHEREAS, Mr. Maisel is widely recognized among the region's foremost business leaders as Chairman and CEO of Gulf Distributing Holdings, LLC, a company founded by his mother which began with 15 employees and has grown to include more than 1,200 employees; represent more than 100 suppliers; and distribute over 1,000 beverage brands across the region, and

WHEREAS, in 2024, *Business Alabama* honored Mr. Maisel as Alabama's *CEO of the Year* in recognition of his vision, leadership, and remarkable contributions to the business community and the regional economy, and

WHEREAS, in addition to his contributions to Alabama's business community, Mr. Maisel, who also serves as Chairman of the Board of the Mobile Airport Authority, is strengthening the economic infrastructure of the region, ensuring its growth and prosperity, and leading the planning for the new passenger terminal needed to establish the Mobile International Airport, and

WHEREAS, in making the largest gift thus far from an individual to the campaign for the Frederick P. Whiddon College of Medicine ("College"), Mr. Maisel has created a transformational opportunity for the College, enabling profound and lasting beneficial impacts on medical education, research, and healthcare in our community and beyond, and

WHEREAS, in recognition of Mr. Maisel's extraordinary generosity, the large forum in the College's new building, that will host a wide range of medical, University and community events, will be named the *Maisel Family Forum*, forever associating the Maisel family with excellence in education, healthcare, and community engagement,

THEREFORE, BE IT RESOLVED, the Board of Trustees of the University of South Alabama extends its deepest appreciation and admiration to Mr. Elliot B. Maisel for his extraordinary generosity, vision and leadership; celebrates his enduring legacy of philanthropy and service to the University, the community, and the region; and extends profound thanks on behalf of the entire University community.

UNIVERSITY OF SOUTH ALABAMA

MEMORANDUM

Office of Development and Alumni Relations

DATE: August 29, 2024

TO: President Jo Bonner

FROM: Margaret Sullivan

SUBJECT: Resolution of Commendation for Mr. Elliot B. Maisel

As you are aware, Mr. Elliot B. Maisel has recently committed $5 million in support of the new Frederick P. Whiddon College of Medicine education and research building. This support will promote continued excellence in the Whiddon College of Medicine.

This transformational gift is the largest donation by an individual to the Whiddon College of Medicine, and we hope it will serve as inspiration for other donors to support this project.

To recognize this generous commitment from Mr. Maisel, I request your approval of the attached resolution of commendation by the Board of Trustees and the approval to name the large forum space as the entrance of the College of Medicine the Maisel Family Forum.

Margaret M. Sullivan

Jo Bonner

UNIVERSITY OF SOUTH ALABAMA
BOARD OF TRUSTEES



HEALTH AFFAIRS COMMITTEE

UNIVERSITY OF SOUTH ALABAMA
BOARD OF TRUSTEES

Health Affairs Committee

June 6, 2024
2:03 p.m.

A meeting of the Health Affairs Committee of the University of South Alabama (USA) Board of Trustees was duly convened by Mr. Jimmy Shumock, Chair, on Thursday, June 6, 2024, at 2:03 p.m. in the Board Room of the Frederick P. Whiddon Administration Building. Meeting attendance was open to the public.

Members:	Scott Charlton, Tom Corcoran, Jimmy Shumock, Steve Stokes and Jim Yance were present, and Chandra Brown Stewart participated remotely.
Member Absent:	Steve Furr.
Other Trustees:	Alexis Atkins, Luis Gonzalez, Ron Jenkins, Arlene Mitchell and Lenus Perkins.
Administration & Guests:	Owen Bailey, Jim Berscheidt, Joél Billingsley, Jo Bonner, Michael Chambers, Lynne Chronister, Vicki Curtis, Kristin Dukes, Joel Erdmann, Monica Ezell, Charlie Guest, Emily Hughes, Buck Kelley, Andi Kent, Nick Lawkis, John Marymont, Mike Mitchell, Kristen Roberts, Margaret Sullivan, Peter Susman, and Christina Wassenaar and Bret Webb (Faculty Senate).

Following the attendance roll call, **Item 9**, Mr. Shumock called for adoption of the revised agenda, **Item 9.A**. On motion by Mr. Yance, seconded by Dr. Charlton, the Committee voted unanimously to adopt the revised agenda. Mr. Shumock called for consideration of the minutes for a meeting held on March 14, 2024, **Item 10**. On motion by Mr. Yance, seconded by Dr. Stokes, the Committee voted unanimously to adopt the minutes.

Mr. Shumock called on Mr. Bailey, who discussed **Item 11**, a resolution authorizing the USA Health Hospitals medical staff appointments and reappointments for February, March and April 2024. (To view resolutions, policies and other documents authorized, refer to the minutes of the Board of Trustees meeting held on June 7, 2024.) On motion by Dr. Charlton, seconded by Mr. Yance, the Committee voted unanimously to recommend approval of the resolution by the Board of Trustees.

Mr. Shumock called on Provost Kent to explain **Item 11.A**, a resolution authorizing the USA Health Care Authority's (HCA) amended and restated Articles of Incorporation (Articles) and Bylaws, as well as authorizing Provost Kent, HCA Secretary, to execute these documents and file and record them with the appropriate state and county offices, as well as to take any other action to execute the amendments set forth. Provost Kent advised that the HCA Board of Directors approved the amended and restated HCA Articles and Bylaws at a recent meeting, subject to the

approval of the USA Board of Trustees. On motion by Mr. Corcoran, seconded by Dr. Stokes, the Committee voted unanimously to recommend approval by the Board of Trustees.

As to **Item 12**, a report on the activities of USA Health and the Whiddon College of Medicine (WCOM), Dr. Marymont called on Mr. Kelley, who provided an update on the WCOM project. Drone footage of the construction site was shown.

Dr. Marymont turned to Mr. Bailey for remarks. Mr. Bailey credited Chair Mitchell for her leadership and determination to see the Pediatric Emergency Department (PED) project at USA Health Children's & Women's Hospital (CWH) to completion, and he recognized others involved as well. He introduced and gave background on Ms. Vicki Curtis and Ms. Emily Hughes, CWH Chief Nursing Officer and PED Nurse Manager, respectively. Ms. Curtis gave an overview on the postpartum bracelet initiative that inspired a statewide pilot program sponsored through the Alabama Perinatal Quality Collaborative. As photos were shown, Ms. Hughes discussed highlights of the new PED, which she noted would include the installation of a commissioned sculpture by Ms. Gay Outlaw. She also presented charts reflecting rising volumes across CWH units and mentioned plans for adding a Safe Haven Baby Box, a program for reducing illegal abandonment of newborn babies.

There being no further business, the meeting was adjourned at 2:27 p.m.

Respectfully submitted:

James H. Shumock, Chair

UNIVERSITY OF SOUTH ALABAMA

MEMORANDUM

USA Health

DATE: August 12, 2024

TO: Jo Bonner
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 Health Hospitals Medical Staff Appointments and Reappointments for May, June and July 2024

- USA Health Hospitals Medical Staff Appointments and Reappointments Board of Trustees Report

OB/kh

Attachments

RESOLUTION

USA HEALTH HOSPITALS MEDICAL STAFF APPOINTMENTS AND REAPPOINTMENTS FOR MAY, JUNE AND JULY 2024

WHEREAS, the Medical Staff appointments and reappointments for May, June and July 2024 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 Board of Trustees of the University of South Alabama hereby authorizes the appointments and reappointments as submitted.

USA BOARD OF TRUSTEES REPORT
USA HEALTH HOSPITALS MEDICAL STAFF
APPOINTMENTS APPROVED IN MAY, JUNE, AND JULY 2024

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 Committees of the respective hospitals.

NAME	USA Health Children's & Women's Hospital			USA Health University Hospital			USA Health Ambulatory Care		
Initial Appointments:	**Type/Status**	**Category**	**Department**	**Type/Status**	**Category**	**Department**	**Type/Status**	**Category**	**Department**
Bertolla, Alexis, CRNP	Initial Appointment	APP USA	Ped. Emerg. Medicine	N/A	N/A	N/A	N/A	N/A	N/A
Ali, Mohammad A., MD	Initial Appointment	Contract/Locums	Radiology	Initial Appointment	Contract/Locums	Radiology	Initial Appointment	Contract/Locums	Radiology
Byrd, Sheena A., RN	Initial Appointment	APP	OBGYN	Initial Appointment	APP	OBGYN	N/A	N/A	N/A
Coldwell, Douglas M., MD	Initial Appointment	Contract/Locums	Radiology	Intial Appointment	Contract/Locums	Radiology	Initial Appointment	Contract/Locums	Radiology
Coots, Riley David, MD	N/A	N/A	N/A	Initial Appointment	Active USA	Emergency Medicine	N/A	N/A	N/A
Cosgrove, Emily, CRNP	Initial Appointment	APP USA	Surgery	Initial Appointment	APP USA	Surgery	Initial Appointment	APP USA	Surgery
Dauenheimer, Kelly V., CRNP	Initial Appointment	APP USA	OBGYN	N/A	N/A	N/A	Initial Appointment	APP USA	OBGYN
DeLavallade, Dawn N., MD	Initial Appointment	Consulting	Radiology	Initial Appointment	Consulting	Radiology	N/A	N/A	N/A
Detrinis, Robert B., MD	Initial Appointment	Consulting	Psychiatry	Initial Appointment	Consulting	Psychiatry	N/A	N/A	N/A
Fairley, Sherrinekia L., CRNP	N/A	N/A	N/A	Initial Appointment	APP USA	Emergency Medicine	N/A	N/A	N/A
Fountain, Summer, CRNP	N/A	N/A	N/A	Initial Appointment	APP USA	Neurology	Initial Appointment	APP USA	Neurology
Fuqua, Jessica K., PA	Initial Appointment	APP USA	Orthopaedics	Initial Appointment	APP USA	Orthopaedics	Initial Appointment	APP USA	Orthopaedics
Garlapati, Srikanth, MD	Initial Appointment	Active USA	Pediatrics	Initial Appointment	Active USA	Pediatrics	Initial Appointment	Active USA	Pediatrics
Hall, Kaitlyn L., MD	N/A	N/A	N/A	Intial Appointment	Active USA	Emergency Medicine	N/A	N/A	N/A
Hoover, Nancy G., MD	Initial Appointment	Active USA	Anesthesiology	Initial Appointment	Active USA	Anesthesiology	N/A	N/A	N/A
Horner, Joseph D., DO	Initial Appointment	Consulting	Radiology	Initial Appointment	Consulting	Radiology	N/A	N/A	N/A
Kaplan, Liat J., MD	Initial Appointment	Consulting	Radiology	Initial Appointment	Consulting	Radiology	N/A	N/A	N/A
King, Staci D., MD	Initial Appointment	Contract/Locums	Neurology (Pediatric)	Initial Appointment	Contract/Locums	Neurology (Pediatric)	Initial Appointment	Contract/Locums	Neurology (Pediatric)
Kiviat, Leah N., MD	Initial Appointment	Consulting	Radiology	Initial Appointment	Consulting	Radiology	N/A	N/A	N/A
Lewis, Tawny W., CRNP	N/A	N/A	N/A	Initial Appointment	APP USA	Emergency Medicine	N/A	N/A	N/A
Long, Cameron M., CRNP	Initial Appointment	APP USA	Surgery	Initial Appointment	APP USA	Surgery	Initial Appointment	APP USA	Surgery
McRae, Carly T., MD	N/A	N/A	N/A	Initial Appointment	Active USA	Emergency Medicine	N/A	N/A	N/A
Melton, Casey W., MD	N/A	N/A	N/A	Initial Appointment	Community Staff	Internal Medicine	N/A	N/A	N/A
Murphy, Ava, CRNP	Initial Appointment	APP HCA	OBGYN	N/A	N/A	N/A	Initial Appointment	APP HCA	OBGYN
Nguyen, Kay L., CRNA	Initial Appointment	APP USA	Anesthesiology	Initial Appointment	APP USA	Anesthesiology	N/A	N/A	N/A
O'Donnell, Stacey E., CRNA	Initial Appointment	APP USA	Anesthesiology	Initial Appointment	APP USA	Anesthesiology	N/A	N/A	N/A
Pierce, Michael T., MD	Initial Appointment	Consulting	Radiology	Intial Appointment	Consulting	Radiology	N/A	N/A	N/A
Ramsay, Richard E., MD	Initial Appointment	Active USA	Neurology	Initial Appointment	Active USA	Neurology	Initial Appointment	Active USA	Neurology
Rehder, Dirk, MD	Initial Appointment	Consulting	Radiology	Initial Appointment	Consulting	Radiology	N/A	N/A	N/A
Richardson, Christopher C., DO	Initial Appointment	Active USA	Ped. Emerg. Medicine	N/A	N/A	N/A	N/A	N/A	N/A
Seibert, IV, Allan F., MD	N/A	N/A	N/A	Initial Appointment	Community Staff	Internal Medicine	N/A	N/A	N/A
Sohal, Ravender, MD	Initial Appointment	Consulting	Radiology	Initial Appointment	Consulting	Radiology	N/A	N/A	N/A
Stroud, Soterios Channing, DO	N/A	N/A	N/A	Initial Appointment	Active USA	Emergency Medicine	N/A	N/A	N/A
Sumner, Tyler O., PA	Initial Appointment	APP USA	Pediatric Emerg. Med.	N/A	N/A	N/A	N/A	N/A	N/A
Thomas, Laura D., DO	Initial Appointment	Contract/Locums	Neurology	Initial Appointment	Contract/Locums	Neurology	Initial Appointment	Contract/Locums	Neurology
Tinnell, Windham M., CRNP	Initial Appointment	APP USA	Neurology	N/A	N/A	N/A	Initial Appointment	APP USA	Neurology
Vitale, Marci, CRNP	N/A	N/A	N/A	Initial Appointment	APP Non-Privileged	Emergency Medicine	N/A	N/A	N/A
Walters, Charles B., PA	N/A	N/A	N/A	Initial Appointment	APP USA	Emergency Medicine	N/A	N/A	N/A
Welsh, Raymond H., MD	Initial Appointment	Consulting	Radiology	Initial Appointment	Consulting	Radiology	N/A	N/A	N/A
Wiggins, Mary Katherine, CRNI	Initial Appointment	APP USA	OBGYN	N/A	N/A	N/A	Initial Appointment	APP USA	OBGYN
Winter, Emily L., PA	Initial Appointment	APP USA	Ped. Emerg. Medicine	N/A	N/A	N/A	N/A	N/A	N/A

NAME	USA Health Children's & Women's Hospital			USA Health University Hospital			USA Health Ambulatory Care		
Reappointments:	**Type/Status**	**Category**	**Department**	**Type/Status**	**Category**	**Department**	**Type/Status**	**Category**	**Department**
Adams, II, Curtis L., MD	Reappointment	Active	Radiology	Reappointment	Active	Radiology	N/A	N/A	N/A
Ahmed, Hamdy M., MD	Reappointment	Active USA	Internal Medicine	Reappointment	Active USA	Internal Medicine	Reappointment	Active USA	Internal Medicine
Albright, Amanda B., RN	Reappointment	APP Non-Privileged	Internal Medicine	Reappointment	APP Non-Privileged	Internal Medicine	N/A	N/A	N/A
Alkharabsheh, Omar A., MD	Reappointment	Active USA	Internal Medicine	Reappointment	Active USA	Internal Medicine	Reappointment	Active USA	Internal Medicine
Alshehri, Wael A., MD	Reappointment	Consulting	Radiology	Reappointment	Consulting	Radiology	N/A	N/A	N/A
Baginski, Scott G., MD	Reappointment	Consulting	Radiology	Reappointment	Consulting	Radiology	N/A	N/A	N/A
Baker, Susan L., MD	Reappointment	Active USA	OBGYN	Reappointment	Active USA	OBGYN	Reappointment	Active USA	OBGYN
Baldy, Maureen T., DMD	Reappointment	APP	Surgery	Reappointment	APP	Surgery	N/A	N/A	N/A
Baliem, Wilma D., CRNP	Reappointment	APP USA	Internal Medicine	Reappointment	APP USA	Internal Medicine	Reappointment	APP USA	Internal Medicine
Ballard, Haley H., MD	Reappointment	Courtesy USA	Internal Medicine	Reappointment	Active USA	Internal Medicine	Reappointment	Courtesy USA/Active USA	Internal Medicine
Ballard, Jr., Barry D., MD	Reappointment	Community Staff	Surgery	Reappointment	Community Staff	Surgery	N/A	N/A	N/A
Banerjee, Sara, MD	Reappointment	Consulting	Radiology	Reappointment	Consulting	Radiology	N/A	N/A	N/A
Bartel, Melissa M., MD	Reappointment	Consulting	Radiology	Reappointment	Consulting	Radiology	N/A	N/A	N/A

USA BOARD OF TRUSTEES REPORT
USA HEALTH HOSPITALS MEDICAL STAFF
APPOINTMENTS APPROVED IN MAY, JUNE, AND JULY 2024

Batton, Haley A., CRNP	Reappointment	APP USA	Radiology	Reappointment	APP USA	Radiology	Reappointment	APP USA	Radiology
Bishop, Breanne C., CRNP	N/A	N/A	N/A	Reappointment	APP Non-Privileged	Internal Medicine	N/A	N/A	N/A
Blanchard-Burch, Kristie A., MI	Reappointment	Active USA	Urology	Reappointment	Active USA	Urology	Reappointment	Active USA	Urology
Blewett, Christopher J., MD	Reappointment	Contract/Locums	Surgery	N/A	N/A	N/A	Reappointment	Contract/Locums	Surgery
Bolling, Nicholas K., PA	Reappointment	APP	Orthopaedics	N/A	N/A	N/A	N/A	N/A	N/A
Bowman, Ashleigh F., CRNP	Reappointment	APP USA	Ped. Emerg. Medicine	N/A	N/A	N/A	N/A	N/A	N/A
Brevard, Sidney B.,MD	Reappointment	Community Staff USA	Surgery	Reappointment	Community Staff USA	Surgery	N/A	N/A	N/A
Brown, Christopher S., MD	Reappointment	Consulting	Internal Medicine	Reappointment	Active	Internal Medicine	N/A	N/A	N/A
Brown, Mark S., MD	N/A	N/A	N/A	Reappointment	Consulting	Surgery	N/A	N/A	N/A
Brutkiewicz, Barbara V., CRNP	Reappointment	APP USA	Pediatrics	N/A	N/A	N/A	Reappointment	APP USA	Pediatrics
Burkett, Jared L., MD	Reappointment	Active	Orthopaedics	Reappointment	Active	Orthopaedics	N/A	N/A	N/A
Cameron, Daniel G., MD	Reappointment	Active USA	Internal Medicine	Reappointment	Active USA	Internal Medicine	Reappointment	Active USA	Internal Medicine
Camp, Pamela R., CRNP	Reappointment	APP USA	Surgery	Reappointment	APP USA	Surgery	Reappointment	APP USA	Surgery
Chang, Michael C., MD	Reappointment	Coverage USA	Surgery	Reappointment	Active USA	Surgery	Reappointment	Coverage USA/Active USA	Surgery
Chhetri, Sumit, MD	Reappointment	Courtesy USA	Internal Medicine	Reappointment	Active USA	Internal Medicine	Reappointment	Courtesy USA/Active USA	Internal Medicine
Clarke, Ronald W., MD	Reappointment	Active	OBGYN	N/A	N/A	N/A	N/A	N/A	N/A
Cole, Jennifer G., MD	Reappointment	Active USA	Pediatrics	N/A	N/A	N/A	Reappointment	Active USA	Pediatrics
Correa, Kristin E., DMD	Reappointment	APP	Surgery	N/A	N/A	N/A	N/A	N/A	N/A
Crews, LaDonna M., MD	Reappointment	Active USA	Pediatrics	Reappointment	Active USA	Pediatrics	Reappointment	Active USA	Pediatrics
Crosswhite, Kenneth S., CRNA	Reappointment	APP Contract/Locums	Anesthesiology	Reappointment	APP Contract/Locums	Anesthesiology	N/A	N/A	N/A
Cunningham, Jennifer A., MD	Reappointment	Active	OBGYN	N/A	N/A	N/A	N/A	N/A	N/A
Davila-McCarthy, Maria F., MD	Reappointment	Consulting HCA	OBGYN	N/A	N/A	N/A	Reappointment	Consulting HCA	OBGYN
Davis, Charles S., CRNP	Reappointment	APP Non-Privileged	Pediatrics	Reappointment	APP Non-Privileged	Pediatrics	N/A	N/A	N/A
DeAndrade, Kevin B., MD	Reappointment	Consulting	Internal Medicine	Reappointment	Active	Internal Medicine	N/A	N/A	N/A
Dhillon, Reshvinder S., MD	Reappointment	Active USA	Ped. Emerg. Medicine	N/A	N/A	N/A	N/A	N/A	N/A
Douglas, Mark J., MD	Reappointment	Consulting	Surgery	Reappointment	Consulting	Surgery	N/A	N/A	N/A
Duke, Jonathan B., CRNA	Reappointment	APP Contract/Locums	Anesthesiology	Reappointment	APP Contract/Locums	Anesthesiology	N/A	N/A	N/A
Elkadi, Osama R., MD	Reappointment	Active USA	Pathology	Reappointment	Active USA	Pathology	Reappointment	Active USA	Pathology
Evans, Charla J., DO	Reappointment	Active HCA	Family Medicine	Reappointment	Active HCA	Family Medicine	Reappointment	Active HCA	Family Medicine
Farquhar, Donald S., MD	Reappointment	Courtesy USA	Pediatrics	N/A	N/A	N/A	N/A	N/A	N/A
Fedok, Frederick G., MD	Reappointment	Consulting	Surgery	Reappointment	Consulting	Surgery	Reappointment	Consulting	Surgery
Fouty, Christine L., MD	Reappointment	Consulting HCA/JAG	Internal Medicine	Reappointment	Active HCA/JAG	Internal Medicine	Reappointment	Cons. HCA/JAG/Act. HCA/JAG	Internal Medicine
Frame, Kevin C., MD	Reappointment	Consulting	Radiology	Reappointment	Consulting	Radiology	N/A	N/A	N/A
Gaudet, Alyssa B., CRNA	Reappointment	APP USA	Anesthesiology	Reappointment	APP USA	Anesthesiology	N/A	N/A	N/A
Greer, Jr., Robert A., MD	Reappointment	Active HCA	Internal Medicine	Reappointment	Active HCA	Internal Medicine	Reappointment	Active HCA	Internal Medicine
Gutstein, Laurie L., MD	Reappointment	Consulting	Radiology	Reappointment	Consulting	Radiology	N/A	N/A	N/A
Hall, Samuel C., DO	Reappointment	Active USA	Internal Medicine	Reappointment	Active USA	Internal Medicine	Reappointment	Active USA	Internal Medicine
Hamilton, Maria A., MD	Reappointment	Consulting	Psychiatry	Reappointment	Consulting	Psychiatry	N/A	N/A	N/A
Harless, Hilary A., CRNP	N/A	N/A	N/A	Reappointment	APP USA	Surgery	Reappointment	APP USA	Surgery
Hart, Katharine E., CRNP	Reappointment	APP USA	Pediatrics	N/A	N/A	N/A	Reappointment	APP USA	Pediatrics
Henderson, Phillip K., DO	Reappointment	Active USA	Internal Medicine	Reappointment	Active USA	Internal Medicine	Reappointment	Active USA	Internal Medicine
Henning, Paul R., MD	Reappointment	Coverage USA	Ped. Emerg. Medicine	Reappointment	Active USA	Emergency Medicine	N/A	N/A	N/A
Herrera, Guillermo A., MD	Reappointment	Active USA	Pathology	Reappointment	Active USA	Pathology	Reappointment	Active USA	Pathology
Herring, Adam, MD	N/A	N/A	N/A	Reappointment	Active HCA	Internal Medicine	Reappointment	Active HCA	Internal Medicine
Hewitt, Jocelyn E., MD	N/A	N/A	N/A	Reappointment	Community Staff HCA	Internal Medicine	N/A	N/A	N/A
Hill, Grayson B., CCC-SLP	Reappointment	APP USA	Surgery	Reappointment	APP USA	Surgery	Reappointment	APP USA	Surgery
Hixson, William C., MD	Reappointment	Consulting USA	Radiology Oncology	Reappointment	Courtesy USA	Radiology Oncology	Reappointment	Consulting USA/Courtesy USA	Radiology Oncology
Hogue, Antwan J., MD	Reappointment	Courtesy USA	Internal Medicine	Reappointment	Active USA	Internal Medicine	Reappointment	Courtesy USA/Active USA	Internal Medicine
Hollis, Maridith J., MD	Reappointment	Consulting	Psychiatry	Reappointment	Consulting	Psychiatry	N/A	N/A	N/A
Howard, John H., MD	Reappointment	Active USA	Surgery	Reappointment	Active USA	Surgery	Reappointment	Active USA	Surgery
Howell, Druhan L., MD	Reappointment	Active	Pediatrics	N/A	N/A	N/A	N/A	N/A	N/A
Hudson, Devin W., CRNP	N/A	N/A	N/A	Reappointment	APP USA	Surgery	Reappointment	APP USA	Surgery
Hunter, III, John D., MD	Reappointment	Courtesy USA	Surgery	Reappointment	Active USA	Surgery	Reappointment	Courtesy USA/Active USA	Surgery
Hunter, Rachel L., MD	Reappointment	Active USA	Surgery	Reappointment	Active USA	Surgery	Reappointment	Active USA	Surgery
Hussain, Zeiad, MD	Reappointment	Courtesy USA	Radiology	Reappointment	Active USA	Radiology	Reappointment	Courtesy USA/Active USA	Radiology
Idriss, Rajab, MD	Reappointment	Courtesy USA	Internal Medicine	Reappointment	Active USA	Internal Medicine	Reappointment	Courtesy USA/Active USA	Internal Medicine
Jones, Joseph A., MD	Reappointment	Courtesy USA	Radiology Oncology	Reappointment	Active USA	Radiology Oncology	Reappointment	Courtesy USA/Active USA	Radiology Oncology
Jones, Loren L., CRNP	N/A	N/A	N/A	Reappointment	APP USA	Surgery	Reappointment	APP USA	Surgery
Karki, Nabin R., MD	Reappointment	Active USA	Internal Medicine	Reappointment	Active USA	Internal Medicine	Reappointment	Active USA	Internal Medicine
Kestler, Brianne E., PA	Reappointment	APP USA	OBGYN	N/A	N/A	N/A	Reappointment	APP USA	OBGYN
King, Jessica L., CRNP	Reappointment	APP USA	Internal Medicine	Reappointment	APP USA	Internal Medicine	Reappointment	APP USA	Internal Medicine
Kirkland, Jordan C., CRNA	Reappointment	APP USA	Anesthesiology	Reappointment	APP USA	Anesthesiology	N/A	N/A	N/A

USA BOARD OF TRUSTEES REPORT
USA HEALTH HOSPITALS MEDICAL STAFF
APPOINTMENTS APPROVED IN MAY, JUNE, AND JULY 2024

Kobelja, Robert P., MD	Reappointment	Active USA	Neurology	Reappointment	Active USA	Neurology	Reappointment	Active USA	Neurology
Lawrence, III, James M., MD	Reappointment	Active	Internal Medicine	Reappointment	Active	Internal Medicine	N/A	N/A	N/A
Lawrence, III, James M., MD	Reappointment	Active	Pediatrics	Reappointment	Active	Pediatrics	N/A	N/A	N/A
Lim, Whei Ying, MD	Reappointment	Active USA	Pediatrics	Reappointment	Coverage USA	Pediatrics	Reappointment	Active USA/Coverage USA	Pediatrics
Linter, Alicia C., CRNP	Reappointment	APP USA	Surgery	Reappointment	APP USA	Surgery	Reappointment	APP USA	Surgery
Little, Jr., Walter K., DDS	Reappointment	APP Non-Privileged	Surgery	Reappointment	APP Non-Privileged	Surgery	N/A	N/A	N/A
Lutz, Peter O., MD	N/A	N/A	N/A	Reappointment	Active	Internal Medicine	N/A	N/A	N/A
Maguire, Raymond J., MD	Reappointment	Active USA	Ped. Emerg. Medicine	Reappointment	Active USA	Emergency Medicine	N/A	N/A	N/A
Mannion, Melissa L., MD	Reappointment	Active	Pediatrics	N/A	N/A	N/A	N/A	N/A	N/A
Marshall, Mary C., MD	Reappointment	Courtesy USA	Internal Medicine	Reappointment	Active USA	Internal Medicine	Reappointment	Courtesy USA/Active USA	Internal Medicine
Martin, Brett S., MD	Reappointment	Active USA	Radiology	Reappointment	Active USA	Radiology	Reappointment	Active USA	Radiology
McCoy, Amy M., MD	Reappointment	Active HCA	OBGYN	N/A	N/A	N/A	Reappointment	Active HCA	OBGYN
McCoy, Mia P., CRNP	Reappointment	APP USA	Pediatrics	N/A	N/A	N/A	Reappointment	APP USA	Pediatrics
McDaniel, Mark A., MD	Reappointment	Community Staff	Family Medicine	Reappointment	Community Staff	Family Medicine	N/A	N/A	N/A
McKee, Kelsey C., MD	Reappointment	Active USA	Surgery	Reappointment	Active USA	Surgery	Reappointment	Active USA	Surgery
McMahon, Daniel P., MD	Reappointment	Consulting USA	Surgery	Reappointment	Active USA	Surgery	Reappointment	Consulting USA/Active USA	Surgery
McRae, James W., CRNA	Reappointment	APP USA	Anesthesiology	Reappointment	APP USA	Anesthesiology	N/A	N/A	N/A
Millenbine, Courtney M., CRNP	Reappointment	APP Non-Privileged	Family Medicine	Reappointment	APP Non-Privileged	Family Medicine	N/A	N/A	N/A
Mullen, Parker R., MD	Reappointment	Active USA	Surgery	Reappointment	Active USA	Surgery	Reappointment	Active USA	Surgery
Myers, Lori A., MD	N/A	N/A	N/A	Reappointment	Active USA	Emergency Medicine	N/A	N/A	N/A
Naman, Michelle K., MD	Reappointment	Active	Pediatrics	N/A	N/A	N/A	N/A	N/A	N/A
Nelson, Jr., Hunter B., MD	Reappointment	Active USA	Radiology	Reappointment	Active USA	Radiology	Reappointment	Active USA	Radiology
Nguyen, Joanne M., CRNP	Reappointment	APP USA	Pediatrics	N/A	N/A	N/A	Reappointment	APP USA	Pediatrics
Oh, Richard J., MD	Reappointment	Consulting	Radiology	Reappointment	Consulting	Radiology	N/A	N/A	N/A
Parker, Jr., Cecil L., MD	N/A	N/A	N/A	Reappointment	Community Staff	Internal Medicine	N/A	N/A	N/A
Peace, Ashley D., PA	Reappointment	APP USA	Internal Medicine	Reappointment	APP USA	Internal Medicine	Reappointment	APP USA	Internal Medicine
Persing, Brian E., MD	Reappointment	Active USA	Internal Medicine	Reappointment	Active USA	Internal Medicine	Reappointment	Active USA	Internal Medicine
Petersen, Madison P., MD	Reappointment	Active USA	Anesthesiology	Reappointment	Active USA	Anesthesiology	N/A	N/A	N/A
Petrossian, Robert, MD	Reappointment	Active USA	Internal Medicine	Reappointment	Active USA	Internal Medicine	Reappointment	Active USA	Internal Medicine
Petty, Melody L., MD	Reappointment	Active USA	Pediatrics	N/A	N/A	N/A	Reappointment	Active USA	Pediatrics
Pittman, Kathryn P., CRNA	Reappointment	APP USA	Anesthesiology	Reappointment	APP USA	Anesthesiology	N/A	N/A	N/A
Quatrino, Gregory M., MD	Reappointment	Community Staff	Surgery	Reappointment	Community Staff	Surgery	N/A	N/A	N/A
Rachel, James N., MD	Reappointment	Consulting	Orthopaedics	Reappointment	Consulting	Orthopaedics	N/A	N/A	N/A
Radcliff, Virginia S., MD	N/A	N/A	N/A	Reappointment	Courtesy	Internal Medicine	N/A	N/A	N/A
Rather, Lydia G., PharmD	Reappointment	APP Non-Privileged	Internal Medicine	Reappointment	APP Non-Privileged	Internal Medicine	N/A	N/A	N/A
Reed, Claudia M., CRNP	Reappointment	APP USA	OBGYN	N/A	N/A	N/A	Reappointment	APP USA	OBGYN
Reed, Jason M., CRNA	Reappointment	APP USA	Anesthesiology	Reappointment	APP USA	Anesthesiology	N/A	N/A	N/A
Rich, Jamie L., CRNP	Reappointment	APP USA	Internal Medicine	Reappointment	APP USA	Internal Medicine	Reappointment	APP USA	Internal Medicine
Richerson, Jason M., MD	Reappointment	Active USA	Pediatric Emerg. Med.	Reappointment	Consulting USA	Emergency Medicine	N/A	N/A	N/A
Rivers, Terry N., MD	N/A	N/A	N/A	Reappointment	Community Staff	Emergency Medicine	N/A	N/A	N/A
Rodning, Kai J., MD	Reappointment	Active USA	Anesthesiology	Reappointment	Active USA	Anesthesiology	N/A	N/A	N/A
Rodriguez-Feo, John A., MD	Reappointment	Consulting	Orthopaedics	Reappointment	Consulting	Orthopaedics	N/A	N/A	N/A
Scalici, Jennifer M., MD	Reappointment	Active USA	Gynecology	Reappointment	Active USA	Gynecology	Reappointment	Active USA	Gynecology
Self, John A., CRNA	Reappointment	APP USA	Anesthesiology	Reappointment	APP USA	Anesthesiology	N/A	N/A	N/A
Semple, Henry C., MD	Reappointment	Consulting	Surgery	Reappointment	Consulting	Surgery	N/A	N/A	N/A
Sharma, Kamal P., MD	Reappointment	Active USA	Ped. Emerg. Medicine	Reappointment	Coveage USA	Emergency Medicine	N/A	N/A	N/A
Shell, Grantham M., MD	Reappointment	Consulting	Orthopaedics	Reappointment	Consulting	Orthopaedics	N/A	N/A	N/A
Sindel, Lawrence J., MD	Reappointment	Active	Pediatrics	N/A	N/A	N/A	N/A	N/A	N/A
Sivanandam, Hari K., MD	Reappointment	Active USA	Pediatric Emerg. Med.	N/A	N/A	N/A	N/A	N/A	N/A
Skipper, Caitlin E., CRNP	Reappointment	APP USA	Pediatrics	N/A	N/A	N/A	Reappointment	APP USA	Pediatrics
Smith, James M., DO	Reappointment	Community Staff	Family Medicine	Reappointment	Community Staff	Family Medicine	N/A	N/A	N/A
Sonnier, William P., MD	Reappointment	Active USA	Internal Medicine	Reappointment	Active USA	Internal Medicine	Reappointment	Active USA	Internal Medicine
Statkewicz, Payton L., MD	Reappointment	Consulting HCA	Internal Medicine	Reappointment	Active HCA	Internal Medicine	Reappointment	Consulting HCA/Active HCA	Internal Medicine
Stokes, Timothy C., MD	Reappointment	Active USA	Ped. Emerg. Medicine	Reappointment	Active USA	Emergency Medicine	N/A	N/A	N/A
Stover, Cheryl D., CRNA	Reappointment	APP USA	Anesthesiology	Reappointment	APP USA	Anesthesiology	N/A	N/A	N/A
Sugg, Rebecca L., MD	Reappointment	Active USA	Neurology	Reappointment	Active USA	Neurology	Reappointment	Active USA	Neurology
Talerico, Christina M., MD	Reappointment	Consulting	Psychiatry	Reappointment	Consulting	Psychiatry	N/A	N/A	N/A
Teplick, Richard S., MD	Reappointment	Community Staff	Internal Medicine	Reappointment	Community Staff	Internal Medicine	N/A	N/A	N/A
Terry, Andrew P., MD	Reappointment	Active	Surgery	N/A	N/A	N/A	N/A	N/A	N/A
Trail, Kristina M., CRNP	Reappointment	APP USA	Internal Medicine	Reappointment	APP USA	Internal Medicine	Reappointment	APP USA	Internal Medicine
Trice, Celeste S., DO	Reappointment	Active USA	Internal Medicine	Reappointment	Active USA	Internal Medicine	Reappointment	Active USA	Internal Medicine
Trisel, Zachary M., MD	Reappointment	Active USA	Internal Medicine	Reappointment	Active USA	Internal Medicine	Reappointment	Active USA	Internal Medicine

USA BOARD OF TRUSTEES REPORT
USA HEALTH HOSPITALS MEDICAL STAFF
APPOINTMENTS APPROVED IN MAY, JUNE, AND JULY 2024

Turbat Herrera, Elba A., MD	Reappointment	Active USA	Pathology	Reappointment	Consulting USA	Pathology	Reappointment	Active USA/Consulting USA	Pathology
Vick, Valerie L., MD	Reappointment	Active	Surgery	Reappointment	Consulting	Surgery	N/A	N/A	N/A
Wattenbarger, Sara L., DO	Reappointment	Active USA	Ped. Emerg. Medicine	Reappointment	Active USA	Emergency Medicine	N/A	N/A	N/A
Wiles, Brent L, CCC-SLP	Reappointment	APP USA	Surgery	Reappointment	APP USA	Surgery	Reappointment	APP USA	Surgery
Wilhite, Annelise M., MD	Reappointment	Active USA	OBGYN	Reappointment	Active USA	OBGYN	N/A	N/A	N/A
Williams, Alexandria E., CRNP	Reappointment	APP USA	Pediatrics	N/A	N/A	N/A	Reappointment	APP USA	Pediatrics
Williams, Amanda L., CRNP	Reappointment	APP USA	Pediatrics	N/A	N/A	N/A	Reappointment	APP USA	Pediatrics
Williams, Jennifer G., CRNP	Reappointment	APP USA	Pediatrics	N/A	N/A	N/A	Reappointment	APP USA	Pediatrics
Wilson, Brittany M., CRNP	Reappointment	APP USA	OBGYN	N/A	N/A	N/A	Reappointment	APP USA	OBGYN
Winkler, Carey L., MD	Reappointment	Active USA	OBGYN	Reappointment	Active USA	OBGYN	Reappointment	Active USA	OBGYN
Wojtala, Kathleen Q., CRNP	Reappointment	APP USA	Pediatrics	N/A	N/A	N/A	Reappointment	APP USA	Pediatrics
Wong, Waikeong P., MD	Reappointment	Consulting	Radiology	Reappointment	Consulting	Radiology	N/A	N/A	N/A
Yarbrough, Theresa N., MD	N/A	N/A	N/A	Reappointment	Active HCA	Internal Medicine	Reappointment	Active HCA	Internal Medicine

NAME	**USA Health Children's & Women's Hospital**			**USA Health University Hospital**			**USA Health Ambulatory Care**		
Change Requests:	**Type/Status**	**Category**	**Department**	**Type/Status**	**Category**	**Department**	**Type/Status**	**Category**	**Department**
Batton, Haley H.,CRNP	Added privileges	APP USA	Radiology	N/A	N/A	N/A	N/A	N/A	N/A
Bowen, Charles H., MD	Added Privileges	Active USA	Anesthesiology	Added Privileges	Active USA	Anesthesiology	N/A	N/A	N/A
Bowman, Ashleigh F., CRNP	Changed Collab.	APP USA	Ped. Emerg. Medicine	N/A	N/A	N/A	N/A	N/A	N/A
Braswell, David C., MD	N/A	N/A	N/A	Added privileges	Active USA	Anesthesiology	N/A	N/A	N/A
Campbell, Joshua T., CRNA	N/A	N/A	N/A	Added Privileges	APP USA	Anesthesiology	N/A	N/A	N/A
Davila-McCarthy, Maria F., MD	Changed Status	Active HCA	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Eldridge, Lena M., CRNP	Added Privileges	APP USA	Pediatric Emerg. Med.	Added Privileges	APP USA	Emergency Medicine	N/A	N/A	N/A
Garrett, Kellie, CRNP	Added Privileges	APP USA	Surgery	Added Privileges	APP USA	Surgery	Added Privileges	APP USA	Surgery
Hall, Kaitlyn L., MD	Added privileges	Active USA	Ped. Emerg. Medicine	Changed Status	Active USA	Emergency Medicine	N/A	N/A	N/A
Halliburton, Amy B., MD	N/A	N/A	N/A	Changed Status	Coverage USA	Anesthesiology	N/A	N/A	N/A
Johnson, Taylor M., CRNP	N/A	N/A	N/A	Deleted privileges	APP USA	OBGYN	N/A	N/A	N/A
King, Jessica L., CRNP	Added Collab. Physician	APP USA	Internal Medicine	Added Collab. Physician	APP USA	Internal Medicine	Added Collab.	APP USA	Internal Medicine
McBride, Bryan M., CRNA	N/A	N/A	N/A	Added privileges	APP USA	Anesthesiology	N/A	N/A	N/A
McInnis, Cameron H., PA	Added Privileges	APP USA	Neurosurgery	Added Privileges	APP USA	Neurosurgery	Added Privileges	APP USA	Neurosurgery
McNeil, Megan I., MD	N/A	N/A	N/A	Changed Status	Active USA	Emergency Medicine	N/A	N/A	N/A
Meredith, Courtney E., MD	N/A	N/A	N/A	Deleted Privileges	Active HCA	OBGYN	N/A	N/A	N/A
Myc, Lukasz A., MD	N/A	N/A	N/A	Changed Status	Community Staff	Internal Medicine	N/A	N/A	N/A
Petrossian, Robert, MD	Changed Status	Active USA	Internal Medicine	Changed Status	Active USA	Internal Medicine	Changed Status	Active USA	Internal Medicine
Reeves, Mary B., CRNP	Changed Collab.	APP USA	Urology	N/A	N/A	N/A	Changed Collab.	APP USA	Urology
Revuri, Vamshi R., MD	Add Privileges	Active USA	Ped. Emerg. Medicine	N/A	N/A	N/A	N/A	N/A	N/A
Rochford, Elizabeth K., CRNP	Changed Collab.	APP USA	Radiology	Changed Collab.	APP USA	Radiology	Changed Collab.	APP USA	Radiology
Sansing, Jason P., CRNA	Added privileges	APP USA	Anesthesiology	Added privileges	APP USA	Anesthesiology	N/A	N/A	N/A
Smith, David R., CRNA	N/A	N/A	N/A	Added privileges	APP Contract Locums	Anesthesiology	N/A	N/A	N/A
Sprague, Billye R., CRNP	N/A	N/A	N/A	Added Privileges	APP USA	Pediatrics	N/A	N/A	N/A
Steadman, Joy L., MD	N/A	N/A	N/A	Added privileges	Active USA	Anesthesiology	N/A	N/A	N/A
Stuck, Nathanael C., PA	Added Privilege	APP USA	Neurosurgery	Added Privilege	APP USA	Neurosurgery	Added Privilege	APP USA	Neurosurgery
Trail, Kristina M., CRNP	Changed Collab.	APP USA	Internal Medicine	Changed Collab.	APP USA	Internal Medicine	Changed Collab.	APP USA	Internal Medicine
Walters, Thomas M., CRNA	N/A	N/A	N/A	Added privileges	APP Contract Locums	Anesthesiology	N/A	N/A	N/A
Watson, Brian G., CRNA	N/A	N/A	N/A	Added privileges	APP Contract Locums	Anesthesiology	N/A	N/A	N/A
Williams, Alexandria E., CRNP	Changed Collab.	APP USA	Pediatrics	N/A	N/A	N/A	Changed Collab.	APP USA	Pediatrics

NAME	**USA Health Children's & Women's Hospital**			**USA Health University Hospital**			**USA Health Ambulatory Care**		
Resigned/Retired	**Reason**	**Date**	**Department**	**Reason**	**Date**	**Department**	**Reason**	**Date**	**Department**
Al-Beshri, Ali S., MD	Resigned	07/02/2024	Internal Medicine	Resigned	07/02/2024	Internal Medicine	N/A	N/A	N/A
Baugh, Tiffany P., MD	Resigned	07/01/2024	Surgery	Resigned	07/01/2024	Surgery	Resigned	7/1/2024	Surgery
Blair, Evan T., MD	Resigned	07/01/2024	Radiology	Resigned	07/01/2024	Radiology	N/A	N/A	N/A
Byrd, Tyler B., DO	Resigned	05/20/2024	Psychiatry	Resigned	05/20/2024	Psychiatry	N/A	N/A	N/A
Catranis, Theodore N., MD	Resigned	06/01/2024	OBGYN	N/A	N/A	N/A	N/A	N/A	N/A
Cole, Jason H., MD	N/A	N/A	N/A	Resigned	05/08/2024	Internal Medicine	N/A	N/A	N/A
Cook, James P., MD	Resigned	04/11/2024	Radiology	Resigned	04/11/2024	Radiology	N/A	N/A	N/A
Finn, Edgar W., MD	Resigned	04/18/2024	Psychiatry	Resigned	04/18/2024	Psychiatry	N/A	N/A	N/A
Gallaspy, III, Glenn T., MD	Resigned	06/11/2024	OBGYN	N/A	N/A	N/A	N/A	N/A	N/A
Gerjoi, Marcello N., PA	Resigned	06/19/2024	Surgery	Resigned	06/19/2024	Surgery	Resigned	06/19/2024	Surgery
Hale, Kathryn A., MD	Resigned	04/30/2024	OBGYN	Resigned	04/30/2024	OBGYN	Resigned	04/30/2024	OBGYN
Hartman, Catherine A., CRNP	Resigned	06/25/2024	Pediatrics	N/A	N/A	N/A	Resigned	06/25/2024	Pediatrics
Hayes, Lorna S., CRNP	Resigned	05/28/2024	OBGYN	N/A	N/A	N/A	Resigned	05/28/2024	OBGYN

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Herrera, Danilo V., MD	Resigned	05/29/2024	OBGYN	N/A	N/A	N/A	N/A	N/A	N/A
Huckabee, Rife E., MD	Resigned	04/30/2024	Radiology	Resigned	04/30/2024	Radiology	Resigned	04/30/2024	Radiology
Huguley, Chastity, CRNP	Resigned	06/27/2024	Internal Medicine	Resigned	06/27/2024	Internal Medicine	Resigned	06/27/2024	Internal Medicine
Hutchens, Dennis W., MD	Resigned	05/10/2024	Anesthesiology	Resigned	05/10/2024	Anesthesiology	N/A	N/A	N/A
Irvin, Jr., Ralph L., MD	Resigned	06/01/2024	Anesthesiology	Resigned	06/01/2024	Anesthesiology	Resigned	06/01/2024	Anesthesiology
Johnson, David P., MD	Resigned	04/11/2024	Anesthesiology	Resigned	04/11/2024	Anesthesiology	N/A	N/A	N/A
Jones, III, Richard E., MD	Resigned	04/15/2024	Pediatrics	N/A	N/A	N/A	N/A	N/A	N/A
Krueger, Margaret S., DO	Resigned	06/11/2024	OBGYN	N/A	N/A	N/A	N/A	N/A	N/A
Lambrecht, Lauren E., MD	Resigned	06/11/2024	OBGYN	N/A	N/A	N/A	N/A	N/A	N/A
McDonnell, Kevin M., MD	Resigned	06/27/2024	Radiology	Resigned	06/27/2024	Radiology	N/A	N/A	N/A
Morgan, Jr., Robert C., CRNA	Resigned	06/27/2024	Anesthesiology	Resigned	06/27/2024	Anesthesiology	N/A	N/A	N/A
Paul, Ashton L., DA	Resigned	05/29/2024	Surgery	Resigned	05/29/2024	Surgery	N/A	N/A	N/A
Richard, John D., MD	Resigned	05/15/2024	OBGYN	Resigned	05/15/2024	OBGYN	N/A	N/A	N/A
Robinson, Matthew A., MD	Resigned	07/01/2024	Radiology	Resigned	07/01/2024	Radiology	N/A	N/A	N/A
Rogers, Helen H., MD	Resigned	05/29/2024	OBGYN	N/A	N/A	N/A	N/A	N/A	N/A
Sbravati, Nathanael D., MD	Resigned	07/02/2024	Orthopaedics	Resigned	07/02/2024	Orthopaedics	N/A	N/A	N/A
Self, Lauren C., MD	Resigned	06/11/2024	OBGYN	N/A	N/A	N/A	N/A	N/A	N/A
Sheppard, Ryan S., DMD	Resigned	06/18/2024	Surgery	N/A	N/A	N/A	N/A	N/A	N/A
Smith, Anna M., RN	Resigned	04/16/2024	Internal Medicine	Resigned	04/16/2024	Internal Medicine	N/A	N/A	N/A
Subramanian, Veerakesari, MD	N/A	N/A	N/A	Resigned	07/01/2024	Internal Medicine	Resigned	07/01/2024	Internal Medicine
Thompson, Jacquelyn, PA	Resigned	06/21/2024	Neurosurgery	Resigned	06/21/2024	Neurosurgery	Resigned	06/21/2024	Neurosurgery
Tillman, Lisa M., RN	N/A	N/A	N/A	Resigned	04/16/2024	Internal Medicine	N/A	N/A	N/A
Val-Gallas, John M., MD	Resigned	05/29/2024	OBGYN	N/A	N/A	N/A	N/A	N/A	N/A
Ward, Aisha N., CRNP	N/A	N/A	N/A	Resigned	06/11/2024	Emergency Medicine	N/A	N/A	N/A

UNIVERSITY OF SOUTH ALABAMA

MEMORANDUM

USA Health

DATE: September 4, 2024

TO: Jo Bonner
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 Health Department of Pediatrics Waiver of Eligibility Request

- Waiver of Eligibility Request Letters of Support & Curriculum Vitae – Charbel El Kosseifi, MD

OB/kh

Attachments

RESOLUTION

DEPARTMENT OF PEDIATRICS WAIVER OF ELIGIBILITY REQUEST

WHEREAS, as part of the leading academic health system on the upper Gulf Coast, USA Health Children's & Women's Hospital is the only stand-alone inpatient facility in the region dedicated to providing the most advanced and comprehensive healthcare to children and women, with services such as the Pediatric Epilepsy Program and Epilepsy Monitoring Unit that allow neurologists and other epilepsy specialists to monitor patients closely while an advanced diagnosis and treatment plan is developed, and

WHEREAS, recruitment for the Pediatric Neurology sub-specialty has been difficult in previous years, and

WHEREAS, Charbel El Kosseifi, MD, is an excellent candidate who could be a valuable faculty member and director for the Pediatric Epilepsy Program at Children's & Women's Hospital, as demonstrated by his curriculum vitae, yet he does not meet the eligibility criteria to join the medical staff in that, due to his foreign training, he is ineligible for American Board of Medical Specialties board certification; and, while the American Board of Psychiatry and Neurology requires at least two years of training in the United States to be board-ineligible, Dr. El Kosseifi is board eligible in Canada, and

WHEREAS, a waiver of eligibility request for up to five years, with the requirement that Dr. El Kosseifi complete Canadian neurology board certification within this period of time, is recommended for Board approval by the Children's & Women's Hospital Medical Executive Committee and Credentialing Board of the USA Health Hospitals,

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

UNIVERSITY OF SOUTH ALABAMA

Dear Credentials Committee at USA Health Children's & Women's Hospital,

This letter is in support of Dr. Charbel El Kosseifi's application for medical staff privileges at USA Children's and Women's Hospital. We are requesting a waiver of American board certification due to his foreign training in a difficult to recruit sub-specialty. Dr. El Kosseifi's completed medical school in Beirut, Lebanon, Pediatric Residency in Beirut, Lebanon, Pediatric Neurology Residency in Belgium, an additional Pediatric Neurology Training in Paris, France, Neuromuscular Fellowship in Montreal, Canada, and continued on to an Epilepsy Fellowship in Montreal, Canada. He is currently employed in the United States at Gillette Children's Hospital in St. Paul, MN.

The American Board of Psychiatry and Neurology requires at least 2 years of training in the United States, so he will not be board eligible in the United States. He is board eligible in Canada. He has interviewed with the University of South Alabama Department of Pediatrics and if granted this exception by the Medical Staff would serve as a pediatric neurologist and director of the pediatric epilepsy program at Children's and Women's Hospital. My recommendation is for medical staff waiver for up to 5 years and require within this period of time he complete Canadian neurology board certification.

Best regards,

Gul H. Dadlani

Gul H. Dadlani, MD
Hollis J. Wiseman Eminent Chair
USA Health Department of Pediatrics
Professor of Pediatrics
Frederick P. Whiddon College of Medicine
University of South Alabama

Dear Credentials Committee at USA Health Children's and Women's,

This letter is in support of my application for medical staff privileges at USA Children's and Women's Hospital. I am requesting a waiver of American board certification due to my foreign training in pediatric neurology.

I did medical school in Beirut, Lebanon, pediatric residency in Beirut, Lebanon, pediatric neurology residency in Belgium, additional pediatric neurology training Paris, France, neuromuscular fellowship in Montreal, Canada, and Epilepsy fellowship in Montreal, Canada.

I am currently employed in the United States at Gillette Children's Hospital in St. Paul, MN.

I am board eligible in Canada (Royal College of Physicians and Surgeons Canada). I interviewed with the University of South Alabama Department of Pediatrics and if granted this exception by the medical staff would serve as a pediatric neurologist and director of the pediatric epilepsy program at Children's and Women's Hospital.

My recommendation is for medical staff waiver for up to 5 years and within this period of time I will complete the Canadian neurology board certification.

Best regards

Charbel El Kosseifi, MD

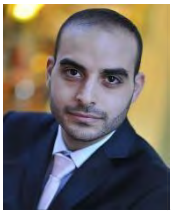
Pediatric Neurology

Neurophysiology and Epileptology

Charbel EL KOSSEIFI, M.D
Pediatric Neurology

PERSONAL

Date of Birth: October 28, 1987
Nationality: Lebanese
Address: Apartment # 330, 101 10th street East, St. Pau, Minnesota, United States.
Mobile: (001) 514-797-9167
E-mail: charbel.elkosseifi@mail.mcgill.ca



LANGUAGES

Fluent in English, French & Arabic
Beginner in Latin & Spanish

COMPETENCES:

- **Pediatric Neurology Clinic and Hospital Care (Epilepsy, Headache, tics, Neuromuscular, and Neurodevelopment)**
- **Pediatric epilepsy, refractory epilepsy and epilepsy surgery**
- **Electrophysiology interpretation including EEG (scalp and invasive), and performing ENMG**
- **Conducting research in the field of Pediatrics and Pediatric Neurology**
- **Cerebral palsy, developmental disabilities, behavioral disorders, movement disorders.**

EDUCATION:

Eligible to sit for the neurology board at the Royal College of Physicians and Surgeons in Canada.

February 2022 till now	**Pediatric Neurologist at Gillette Children's Specialty Healthcare (St. Paul, MN)**
July 2021 till February 2022	**Postdoctoral Clinical / Research Refractory Epilepsy/Epilepsy surgery/EEG Fellow (more research oriented)** McGill University - Montreal Children's Hospital - Canada
July 2020 till June 2021	**Postdoctoral Clinical / Research Epilepsy/EEG Fellow** McGill University - Montreal Children's Hospital - Canada
July 2019 till June 2020	**Postdoctoral Clinical / Research Neurodevelopmental Neuromuscular Fellow** McGill University - Montreal Children's Hospital – Canada
March 2021	**Passed USMLE Step 3**
February 2020	**USMLE Certificate** (United States Medical Licensing Examination)
Dec. 2017 till Dec. 2019	**Diplôme Inter-Universitaire of Pediatric Neurology** Lille 2 University - France.
Nov. 2018 till July 2019	**Diplôme de Formation Spécialisée Approfondie (DFMSA)** Université Paris Diderot – Paris VII (clinical training required for the Diplôme Inter- Universitaire of Pediatric Neurology)
November 2018	**Pediatric Neurology Subspecialty Certificate** Université Catholique de Louvaine Cliniques Universitaires Saint Luc - Belgium
Jan 2015 – Dec. 2015	**University Diploma in « Handicap Mental et Neurosensoriel »**, University Saint Joseph, School of Medicine, Beirut - Lebanon.
July 2013 till July 2017	**Pediatric Resident** Lebanese University, Beirut - Lebanon.
2006 – 2013	**General Medicine** **Lebanese university, School of Medicine, Beirut - Lebanon.**
2006	**Lebanese Baccalaureate** Rosary Sisters' school, Jbeil - Lebanon.

MEMBERSHIP

March 2021	**Member of the American Epilepsy Society**
October 2019	**Member of the American Academy of Neurology**
January 2019	**Member of the American Association of Neuromuscular and Electro-diagnostic Medicine.**

December 2017	**Member of the European Pediatric Neurology Society (EPNS)**
March 2017	**Member of the Lebanese Order of Physicians – Beirut.**
July 2019	**Affiliated with Shriner's Hospitals for Children, Montreal - Canada.**

TRAINING

July 2021 till February 2022 — **Pediatric Neurology; Postdoctoral Clinical / Research Fellowship in Pediatric Epilepsy / EEG (more research oriented)**
Montreal Children's Hospital; McGill University Health Center.
McGill University, Quebec, Canada.
- Program director: Dr. Bradley Osterman, MD.

July 2020 till July 2021 — **Pediatric Neurology; Postdoctoral Clinical / Research Fellowship in Pediatric Epilepsy / EEG**
Montreal Children's Hospital; McGill University Health Center.
McGill University, Quebec, Canada.
- Program director: Dr. Bradley Osterman, MD.

July 2019 till July 2020 — **Pediatric Neurology; Postdoctoral Clinical / Research Fellowship in Neurodevelopmental/Neuromuscular disorders.**
Montreal Children's Hospital; McGill University Health Center.
McGill University, Quebec, Canada.
- Program director: Dr. Maryam Oskoui, MD.

Nov. 2018 till Oct. 2019 — **Pediatric Neurology; Neuromuscular and Pediatric Neuro-reanimation.**
Centre Hospitalier Raymond Poincaré (Garches-Paris).
Université Paris Diderot - France
- Supervisors: Susana Quijano-Roy, MD, PhD.
  Isabelle Desguerre, MD, PhD.
  Jean Bergounioux, MD.

October 2017 - November 2018 — **Pediatric Neurology Fellow,**
Cliniques Universitaires Saint Luc;
Université Catholique de Louvaine - Belgium
- Supervisor: Marie Cécile Nassogne, MD, PhD.

Jun 2013 – July 2017 — **Residency**
Lebanese University - Lebanon
- Medical Director: Dr. Ghassan Chehab, MD (deceased)

PUBLICATIONS

- Utility and practice of electrodiagnostic medicine in the pediatric population. An AANEM consensus statement. Muscle Nerve. 2020 Feb;61(2):143-155. https://pubmed.ncbi.nlm.nih.gov/31724199/

- Neonatal Developmental and Epileptic Encephalopathies, Seminars in Pediatric Neurology (2019). https://pubmed.ncbi.nlm.nih.gov/31813518/

- Neonatal Genetic Epilepsies: electroclinical phenotypes and basic mechanisms. Chapter in Developmental Epilepsy: From Clinical Medicine to Neurobiological Mechanisms: World

Scientific; 2019. Stafstrom CE, Velíšek L. https://www.worldscientific.com/doi/abs/10.1142/9789813277731_0003

- A Progressive hemiparesis reveals X-linked adrenoleukodystrophy in a 3.5-year-old boy. Acta Neurol Belg. 2020 Feb 27. doi: 10.1007/s13760-020-01306-5. https://pubmed.ncbi.nlm.nih.gov/32107715 /

- PCDH12 variants are associated with basal ganglia anomalies and exudative vitreoretinopathy. Eur J Med Genet. 2022 Feb;65(2):104405. doi: 10.1016/j.ejmg.2021.104405. Epub 2021 Dec 17. PMID: 34929393. PCDH12 variants are associated with basal ganglia anomalies and exudative vitreoretinopathy - PubMed (nih.gov)

- Differing Effects of Sleep on Ictal and Interictal Network Dynamics in Drug-Resistant Epilepsy. Ann Neurol. 2023 Sep 15. doi: 10.1002/ana.26796. Epub ahead of print. PMID: 37712215. The Differing Effects of Sleep on Ictal and Interictal Network Dynamics in Drug-Resistant Epilepsy - PubMed (nih.gov)

- Focal epilepsy impacts rapid eye movement sleep microstructure. Sleep. 2023 Feb 8;46(2):zsac250. doi: 10.1093/sleep/zsac250. PMID: 36242588; PMCID: PMC9905780. Focal epilepsy impacts rapid eye movement sleep microstructure - PubMed (nih.gov)

- Explaining slow seizure propagation with white matter tractography
  Azeem, Abdullah; Abdallah, Chifaou; von Ellenrieder, Nicolás; El Kosseifi, Charbel; Frauscher, Birgit; Gotman, Jean. Submitted to Brain March 2024.

- Falls from Heights during Childhood: Retrospective Study of a Belgian Cohort. Submitted to Brain Injury.

RESEARCH EXPERIENCE/PROJECTS IN PROGRESS

From May 2023 till now : **writing a book about pediatric epilepsy with Gillette Press/Mac Keith Press.**

From Oct 2017 - till Nov 2018: **Cliniques Universitaires Saint Luc, Bruxelles, Belgique.**
Research monitor, Marie Cécile Nassogne, MD, PhD.
Project entitled: "Chute de Grande Hauteur en Pédiatrie". In affiliation with "Université Catholique de Bruxelles".

From Jan 2017 – Jun 2017: **Sub-investigator of phase 3 clinical study;**
"VICTOR (AK0529-1003) A randomized, double blind, placebo controlled, 2- part study of orally administered AK0529 to evaluate the safety, tolerability, pharmacokinetics and antiviral effect of single and multiple dosing in hospitalized infants with Respiratory Syncytial Virus infection" under the surveillance of Increaserch and ARK Biosciences; at Beirut Governmental University Hospital.

June 2017: **Attended the international investigators'** meeting of VICTOR study in Shanghai – China. (Sub-investigator)

From Jan 2017 – Jun 2017: **Sub-investigator of a phase 3 clinical studies "A0081042"** a double blind, Placebo controlled, parallel group, multicenter study of the efficacy and safety of Pregabalin as adjunctive therapy in children 1 month through <4 years of age with partial onset seizures, in collaboration with Pfizer at Beirut Governmental University Hospital.

From Jan 2017 – Jun 2017: **Sub-investigator of a phase 3 clinical studies "A0081106"** a double blind, Placebo controlled, parallel group, multicenter study of the efficacy and safety

of Pregabalin as adjunctive therapy in children over 4 years of age with partial onset seizures, in collaboration with Pfizer at Beirut Governmental University Hospital.

From July 2011- June2016: Lebanese University, School of Medicine, Beirut, Lebanon Research monitor, Adib Moukarzel, MD, PhD.
Project entitled: "Ghrelin, gastrin, and endorphine serum levels, in infants with infantile colic and in healthy infants". In affiliation with "Saint Joseph University", Beirut, "Hotel Dieu De France Hospital".

EXTRA-CURRICULAR ACTIVITIES

- Member of the Lebanese American Men's Club

REFERENCES

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UNIVERSITY OF SOUTH ALABAMA
BOARD OF TRUSTEES

ACADEMIC EXCELLENCE
AND STUDENT SUCCESS COMMITTEE

UNIVERSITY OF SOUTH ALABAMA
BOARD OF TRUSTEES

Academic Excellence and Student Success Committee

June 6, 2024
2:27 p.m.

A meeting of the Academic Excellence and Student Success Committee of the University of South Alabama (USA) Board of Trustees was duly convened by Judge Mike Windom, Chair, on Thursday, June 6, 2024, at 2:27 p.m. in the Board Room of the Frederick P. Whiddon Administration Building. Meeting attendance was open to the public.

Members:	Scott Charlton, Luis Gonzalez, Lenus Perkins and Mike Windom were present, and Ron Jenkins participated remotely.
Members Absent:	Steve Furr, Ron Graham and Bill Lewis.
Other Trustees:	Alexis Atkins, Chandra Brown Stewart, Tom Corcoran, Arlene Mitchell, Jimmy Shumock, Steve Stokes and Jim Yance.
Administration & Guests:	Owen Bailey, Jim Berscheidt, Joél Billingsley, Jo Bonner, Michael Chambers, Lynne Chronister, Kristin Dukes, Joel Erdmann, John Friend, Chelsea Greer, Monica Ezell, Charlie Guest, Buck Kelley, Andi Kent, Nick Lawkis, John Marymont, Mike Mitchell, Lauren Rhodes, Kristen Roberts, Margaret Sullivan, Peter Susman, and Christina Wassenaar and Bret Webb (Faculty Senate).

Following the attendance roll call, **Item 13**, Judge Windom called for consideration of the minutes for a meeting held on March 14, 2024, **Item 14**. On motion by Mr. Perkins, seconded by Dr. Charlton, the Committee voted unanimously to adopt the minutes.

Judge Windom called for consideration of **Item 15**, a resolution granting tenure and/or promotion to faculty from the Division of Academic Affairs and the Whiddon College of Medicine (WCOM). (To view resolutions, policies and other documents authorized, refer to the minutes of the Board of Trustees meeting held on June 7, 2024.) On motion by Dr. Charlton, seconded by Capt. Jenkins, the Committee voted unanimously to recommend approval of the resolution by the Board of Trustees.

Judge Windom called on Provost Kent to discuss **Item 16**, a resolution authorizing changes to the academic infrastructure and technology fee (fee) and to housing and dining rates for the 2024-2025 academic year as set forth. Provost Kent explained the proposal to change the existing per-semester fee to a $35 per-credit-hour fee, noting that this adjustment would not compromise the University's competitive standing in the market. She also pointed out that adjustments to WCOM tuition and fees were not being recommended. On motion by Mr. Perkins, seconded by Dr. Charlton, the Committee voted unanimously to recommend approval of the fee as proposed by the Board of Trustees.

Concerning a report on the activities of the Division of Academic Affairs, **Item 17**, Provost Kent gave an update on the national searches underway to fill the positions of Vice President for Research and Economic Development and College of Engineering Dean.

Returning to **Item 16**, Judge Windom called on Dr. Mitchell to discuss the recommendation to adjust housing and dining rates for 2024-2025. Dr. Mitchell detailed housing and dining projects recently completed or underway and presented the proposal to raise housing rates by an average 3.8 percent and dining rates by an average 2.6 percent. He further noted that the proposal included raising housing rates for the 2025 summer semester by an average 3.4 percent. On motion by Capt. Jenkins, seconded by Dr. Charlton, the Committee voted unanimously to recommend approval of the housing and dining rates by the Board of Trustees as proposed.

Dr. Mitchell addressed **Item 18**, the annual report to the Alabama Commission on Higher Education that documents infringement of the University's Speech, Expressive Activities and Use of University Space, Facilities and Grounds Policy, as well as the Institution's response. With reference to the draft report in the meeting materials, he advised that infractions had not occurred thus far for the reporting period of August 1, 2023, through July 31, 2024, and welcomed questions and feedback. The Committee did not suggest revisions to the report.

As to a report on the activities of the Division of Student Affairs, **Item 19**, Dr. Mitchell shared details on the Jaguar Senior Medallion Society program that recognizes seniors who demonstrate a strong commitment to leadership and student engagement. As photos from the recent induction ceremony were shown, he noted that the third class consisted of 24 seniors and stated four new awards had been added to the program. He recognized Capt. Jenkins and Ms. Chronister for their generosity as supporting donors for the program.

Dr. Mitchell called on Dr. John Friend, Director of the Counseling and Wellness Center (CWS), who introduced Dr. Chelsea Greer and Ms. Lauren Rhodes, CWS Associate Director and Senior Associate Director on the Office of Financial Aid, respectively. Dr. Greer and Ms. Rhodes provided an update on the University earning the *JED Campus* designation – the first institution in Alabama to do so – in partnership with the JED Foundation, an organization that collaborates with schools nationwide to reduce student suicide, substance abuse and self-harm, and promote mental well-being. The University's commitment as a *JED Campus* and efforts moving forward were discussed. Also detailed were the results of the *Healthy Minds Study* conducted in the 2023 Fall Semester.

Judge Windom acknowledged that Ms. Chronister would soon retire and conveyed his appreciation for the opportunity to work with her. Ms. Chronister thanked Judge Windom. She also noted that **Item 20**, a report on the activities of the Division of Research and Economic Development, would take place at a future meeting.

There being no further business, the meeting was adjourned at 2:55 p.m.

Respectfully submitted:

Michael P. Windom, Chair

RESOLUTION

TENURE

WHEREAS, in accordance with University policy, an application for tenure from Darryl James, Ph.D., who joins the University of South Alabama as College of Engineering Dean on October 1, 2024, has been reviewed by faculty peers, the departmental chair and college dean, and by the Executive Vice President and Provost, as well as by the President, and is hereby recommended for approval effective October 1, 2024,

THEREFORE, BE IT RESOLVED, the University of South Alabama Board of Trustees hereby approves and grants tenure as recommended.

UNIVERSITY OF SOUTH ALABAMA

MEMORANDUM

Academic Affairs

DATE: August 29, 2024

TO: Jo Bonner, President

FROM: Andrea M. Kent, Ph.D., Executive Vice President and Provost

SUBJECT: Faculty Tenure Recommendation

Recommend Awarding Tenure:

Darryl James – Mechanical Engineering

The portfolio and recommendation with accompanying rationale is available for your review. Upon your final action, a resolution for the Board of Trustees will be forwarded.

UNIVERSITY OF SOUTH ALABAMA
BOARD OF TRUSTEES

BUDGET AND FINANCE COMMITTEE

UNIVERSITY OF SOUTH ALABAMA
BOARD OF TRUSTEES

Budget and Finance Committee

June 6, 2024
2:55 p.m.

A meeting of the Budget and Finance Committee of the University of South Alabama (USA) Board of Trustees was duly convened by Mr. Tom Corcoran, Chair, on Thursday, June 6, 2024, at 2:55 p.m. in the Board Room of the Frederick P. Whiddon Administration Building. Meeting attendance was open to the public.

Members:	Alexis Atkins, Tom Corcoran, Lenus Perkins, Jimmy Shumock and Steve Stokes were present, and Chandra Brown Stewart participated remotely.
Member absent:	Ron Graham.
Other Trustees:	Scott Charlton, Luis Gonzalez, Ron Jenkins, Arlene Mitchell, Mike Windom and Jim Yance.
Administration & Guests:	Owen Bailey, Jim Berscheidt, Joél Billingsley, Jo Bonner, Michael Chambers, Lynne Chronister, Kristin Dukes, Joel Erdmann, Monica Ezell, Charlie Guest, Buck Kelley, Andi Kent, Nick Lawkis, John Marymont, Mike Mitchell, Kristen Roberts, Margaret Sullivan, Peter Susman, and Christina Wassenaar and Bret Webb (Faculty Senate).

Following the attendance roll call, **Item 21**, Mr. Corcoran called for consideration of the minutes for a meeting held on March 14, 2024, **Item 22**. On motion by Dr. Stokes, seconded by Ms. Atkins, the Committee voted unanimously to adopt the minutes.

Mr. Corcoran called on Ms. Roberts to discuss the quarterly financial statements for the six months ended March 31, 2024, **Item 23**. Ms. Roberts stated that University assets and liabilities for the second quarter of fiscal year 2024 totaled approximately $2.1 billion and $1.6 billion, respectively. She added that the University's net position, totaling about $542 million, increased by approximately $120 million as compared with the net position reported for the same period in fiscal year 2023.

Ms. Roberts explained **Item 24**, a resolution authorizing the termination of the 2006 swaption transaction and the issuance of University Facilities Revenue Bonds to refinance the University's variable-rate Series 2016-B, -C and -D bonds. (To view resolutions, policies and other documents authorized, refer to the minutes of the Board of Trustees meeting held on June 7, 2024.) She noted that the parameters resolution would provide the flexibility to secure fixed-rate debt when interest rates are advantageous, which could result in present value savings. She added that this action did not involve new debt or an extended amortization. On motion by Mr. Corcoran, seconded by Mr. Shumock, the Committee voted unanimously to recommend approval of the resolution by the Board of Trustees.

Mr. Corcoran called on Mr. Kelley for a report on University facilities, **Item 25**. Mr. Kelley gave an update on the Whiddon College of Medicine project, detailing construction elements completed, such as the demolition of Alpha Hall South and East and site work, and ongoing, to include dirt removal. He advised that the next steps involved the installation of concrete pilings for each level of the building and indicated that seismic activity would be monitored to track potential disturbances in the surrounding areas.

There being no further business, the meeting was adjourned at 3:03 p.m.

Respectfully submitted:

E. Thomas Corcoran, Chair

UNIVERSITY OF SOUTH ALABAMA

(A Component Unit of the State of Alabama)

Basic Financial Statements

Nine Months Ended June 30, 2024 and 2023

(Unaudited)

UNIVERSITY OF SOUTH ALABAMA
(A Component Unit of the State of Alabama)
Basic Financial Statements
Nine months Ended June 30, 2024 and 2023

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UNIVERSITY OF SOUTH ALABAMA
(A Component Unit of the State of Alabama)
Management's Discussion and Analysis (Unaudited)
June 30, 2024 and 2023

Introduction

The following discussion presents an overview of the financial position and financial activities of the University of South Alabama (the University), including the University of South Alabama Health System (USA Health), a division of the University, at June 30, 2024 and 2023, and for the nine months then ended. This discussion has been prepared by University management and should be read in conjunction with the financial statements and notes thereto, which follow.

The basic financial statements of the University consist of the University and its component units. The financial position and results of operations of the component units either are blended with the University's financial position and results of operations or are discretely presented. The treatment of each component unit is governed by pronouncements issued by the Governmental Accounting Standards Board (GASB). As more fully described in note 1 to the basic financial statements, the University of South Alabama Professional Liability Trust Fund, the University of South Alabama General Liability Trust Fund, USA HealthCare Management, LLC, Jaguar Realty, LLC, and various billing entities are reported as blended component units. The University of South Alabama Foundation, the USA Research and Technology Corporation, and the University of South Alabama Health Care Authority are discretely presented.

Financial Highlights

At June 30, 2024 and 2023, the University had total assets and deferred outflows of $2,294,052,000 and $1,983,937,000, respectively; total liabilities and deferred inflows of $1,695,478,000 and $1,505,803,000, respectively; and net position of $598,574,000 and $478,134,000, respectively.

The University has experienced a significant growth in its healthcare operations over the past several years incurring increases in net patient service revenues of $91,460,000, or 16%, between 2023 and 2024 and $71,095,000, or 14%, between 2022 and 2023.

An overview of each statement is presented herein along with financial analysis of the transactions impacting each statement. Where appropriate, comparative financial information is presented to assist in the understanding of this analysis.

Analysis of Financial Position and Results of Operations

Statement of Net Position

The statement of net position presents the assets, deferred outflows, liabilities, deferred inflows, and net position of the University at June 30, 2024 and 2023. Net position is displayed in three parts: net investment in capital assets, restricted, and unrestricted. Restricted net position may be either expendable or nonexpendable and is the net position that is restricted by law or 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 statement of net position, along with all of the University's basic financial statements, is prepared under the economic resources measurement focus and the accrual basis of accounting, whereby revenues are recognized when earned and expenses are recognized when incurred by the University, regardless of when cash is exchanged.

The condensed schedules of net position at June 30, 2024, 2023, and 2022 follow (in thousands):

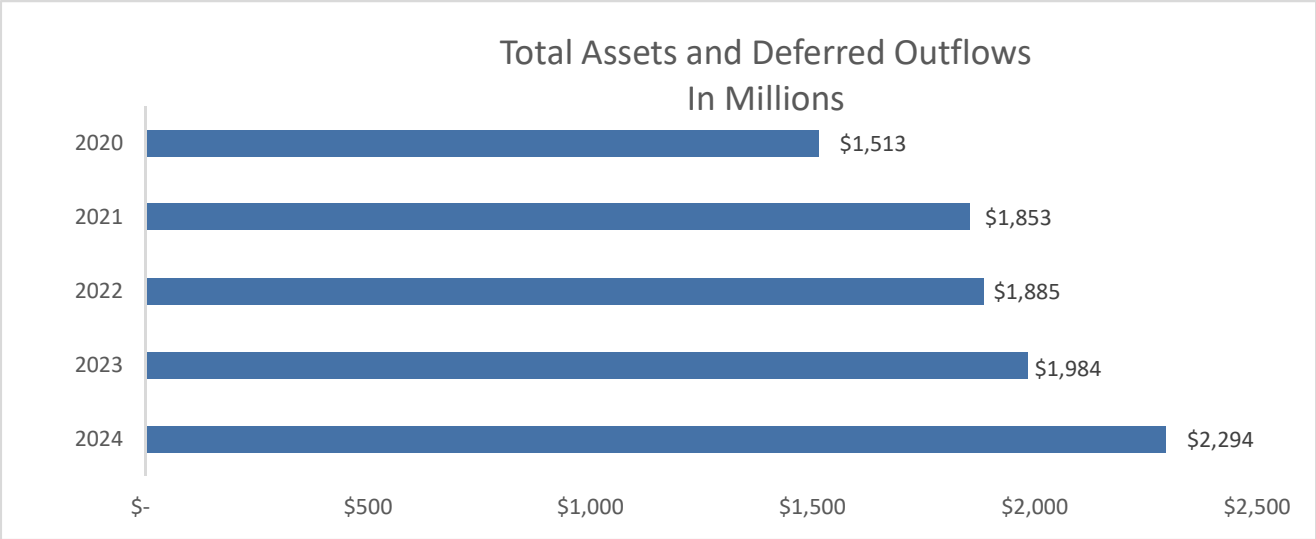
Condensed Schedules of Net Position

	2024	2023	2022
Assets:			
Current	$ 499,490	432,564	389,252
Capital assets, net	1,026,914	894,527	848,448
Other noncurrent	507,059	414,239	421,402
Total assets	2,033,463	1,741,330	1,659,102
Deferred outflows	260,589	242,607	225,961
Total assets and deferred outflows	2,294,052	1,983,937	1,885,063
Liabilities:			
Current	$ 344,536	236,660	228,938
Noncurrent	940,445	956,568	962,838
Total liabilities	1,284,981	1,193,228	1,191,776
Deferred inflows	410,497	312,575	295,222
Total liabilities and deferred inflows	$ 1,695,478	1,505,803	1,486,998
Net position:			
Net investment in capital assets	$ 461,133	412,393	415,368
Restricted, nonexpendable	81,929	78,104	72,800
Restricted, expendable	113,394	95,247	97,027
Unrestricted deficit	(57,882)	(107,610)	(187,130)
Total net position	$ 598,574	478,134	398,065

Assets included in the statement of net position are classified as current or noncurrent. Current assets consist primarily of cash and cash equivalents, accounts receivable, other, and patient receivables, net of allowance for doubtful accounts. Of these amounts, cash and cash equivalents, accounts receivable, other, and patient receivables, net comprise approximately 45%, 21%, and 15%, respectively, of current assets at June 30, 2024. Noncurrent assets consist primarily of restricted investments, capital assets, and lease receivables. The increase in total assets and deferred outflows is primarily attributed to capital assets purchased from Ascension Providence, an increase in the market value of investments, and an increase in lease receivables.

(Continued)

Total assets and deferred outflows of the University as of June 30 is as follows:



Net position represents the residual interest in the University's assets and deferred outflows after liabilities and deferred inflows are deducted. Net position is classified into one of four categories:

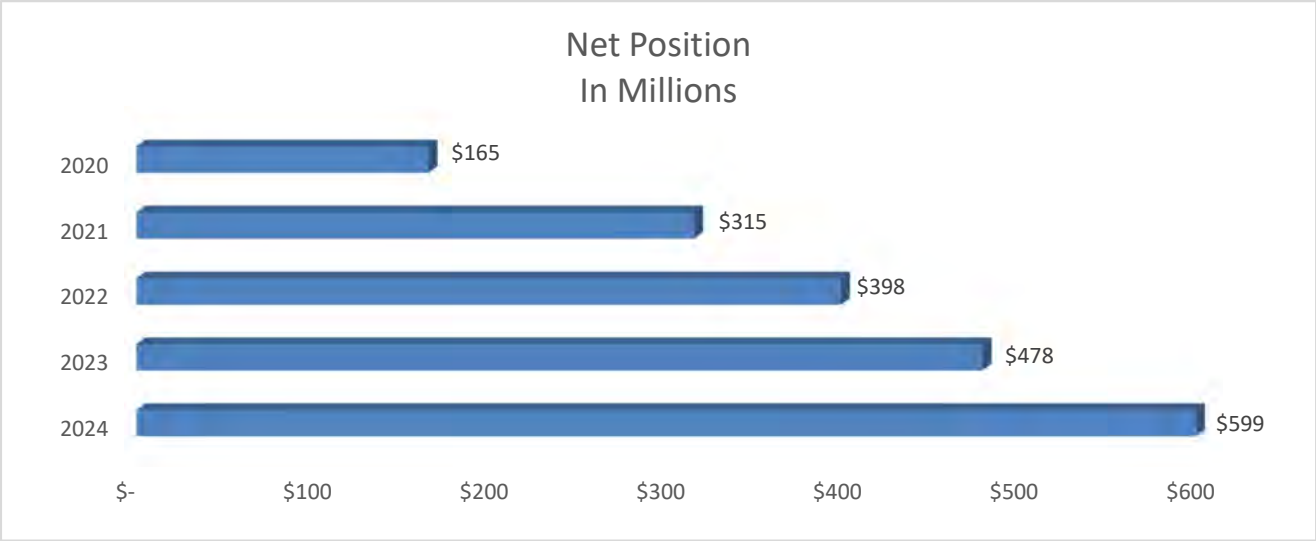
Net investment in capital assets represents the University's capital assets less accumulated depreciation and outstanding principal balances of the debt attributable to the acquisition, construction, or improvement of those assets.

Restricted nonexpendable net position consists primarily of the University's permanent endowment funds. In accordance with the policies of the University and donor agreements, 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.

Unrestricted deficit of net position represents amounts not invested in capital assets or not subject to externally imposed stipulations. Even though these funds are not legally restricted, the majority of the University's unrestricted net position has been internally designated for various projects, all supporting the mission of the University. Unrestricted net position includes funds for various academic and research programs, auxiliary operations (including student housing and dining services), student programs, capital projects, and general operations. Also included in unrestricted net position at June 30, 2024 and 2023 is the impact of the net pension liability recorded pursuant to the requirements of GASB Statement No. 68 and the impact of the net OPEB liability recorded pursuant to the requirements of GASB Statement No. 75.

Net position of the University as of June 30 is as follows:



All categories of restricted net position collectively increased by approximately $21,972,000 between June 30, 2024 and 2023, primarily due to market increases on investments. Unrestricted deficit decreased from $(107,610,000) to $(57,882,000) between June 30, 2024 and 2023. A summary of unrestricted net position (deficit) at June 30, 2024, 2023, and 2022 is summarized as follows (in thousands):

		2024	2023	2022
Unrestricted deficit related to net pension liability	$	(299,641)	(375,984)	(271,729)
Unrestricted deficit related to net OPEB liability		(166,955)	(53,421)	(229,496)
Unrestricted net position related to other activity		408,714	321,795	314,095
Unrestricted net position (deficit)	$	(57,882)	(107,610)	(187,130)

Statement of Revenues, Expenses, and Changes in Net Position

Changes in total University net position are based on the activity presented in the statement of revenues, expenses, and changes in net position. The purpose of this statement 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. These include patient service revenues (net of provision for bad debts), tuition and fees (net of scholarship allowances), most noncapital grants and contracts, revenues from auxiliary activities, and sales and services of educational activities (primarily athletic activities). 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 because, generally, no goods or services are provided. Such transactions include investment income, state appropriations, gifts, and other contributions. State appropriations are required by GASB to be classified as nonoperating revenues. Nonoperating expenses are those expenses required in the operation and administration of the University, but not directly incurred to acquire or produce the goods and services provided in return for operating revenues. Such nonoperating expenses include interest on the University's indebtedness, losses related to the disposition of capital assets, transfers to affiliates to fund operations, and transfers to intergovernmental agencies related to medical expenditures.

The condensed schedules of revenues, expenses, and changes in net position for the nine months ended June 30, 2024, 2023, and 2022 follow (in thousands):

Condensed Schedules of Revenues, Expenses, and Changes in Net Position

	2024	2023	2022
Operating revenues:			
Tuition and fees, net	$ 109,057	103,912	107,902
Patient service revenues, net	679,442	587,982	516,887
Federal, state, and private grants and contracts	44,816	41,794	31,183
Other	73,414	59,614	51,006
	906,729	793,302	706,978
Operating expenses:			
Salaries and benefits	549,776	476,175	427,501
Supplies and other services	349,667	321,802	290,777
Other	101,634	81,575	62,774
	1,001,077	879,552	781,052
Operating loss	(94,348)	(86,250)	(74,074)
Nonoperating revenues and expenses:			
State appropriations	150,065	144,735	108,460
Net investment income	57,871	39,541	(22,649)
Other, net	(38,610)	(14,589)	21,373
Net nonoperating revenues	169,326	169,687	107,184
Income before capital appropriations, capital contributions and grants, and additions to endowment	74,978	83,437	33,110

Condensed Schedules of Revenues, Expenses, and Changes in Net Position

	2024	2023	2022
Capital appropriations, contributions and grants, and additions to endowment	$ 30,357	33,509	22,270
Increase in net position	105,335	116,946	55,380
Beginning net position	493,239	361,188	342,685
Cumulative effect of change in account principle	—	—	(7,064)
Beginning balance, as adjusted	493,239	361,188	335,621
Ending net position	$ 598,574	478,134	391,001

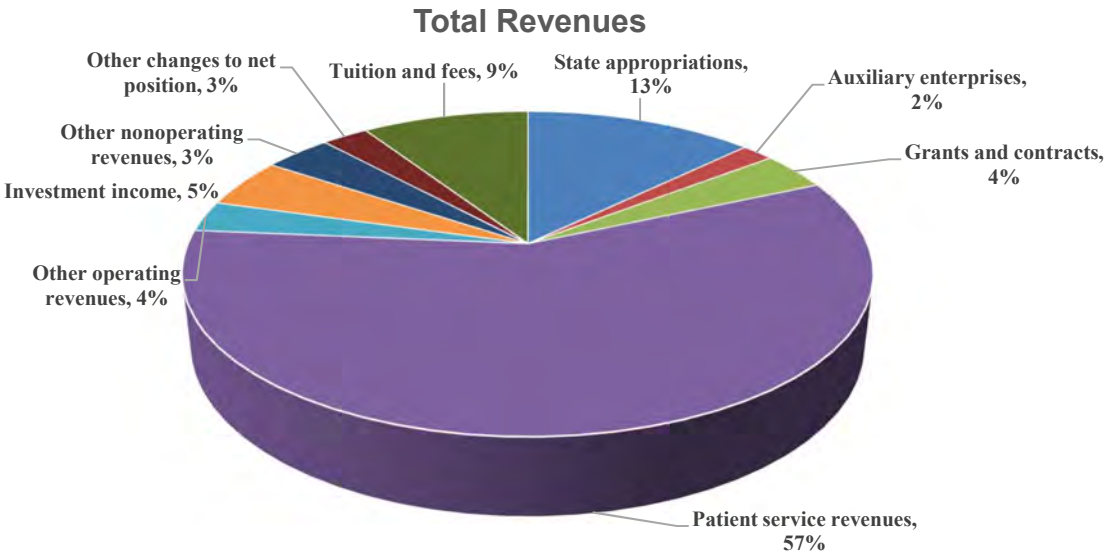
In 2022, the University adopted the provisions of GASB Statement No. 87, *Leases*, which establishes a single model for lease accounting, whereby certain leases that were previously classified as operating leases are now reported on the statement of net position. GASB Statement No. 87 required the University to record right-of-use assets and the corresponding current and noncurrent portions of lease liabilities for noncancelable, long-term contracts related to use of tangible property under which the University is the lessee. In addition, GASB Statement No. 87 required the University to record the current and noncurrent portions of lease receivables and the corresponding deferred inflow of resources for noncancelable, long-term contracts related to use of tangible property under which the University is the lessor. The adoption of the provisions of GASB Statement No. 87 resulted in a restatement of beginning unrestricted net position at October 1, 2021 by decreasing unrestricted net position $7,064,000.

In 2023, the University adopted the provisions of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, which requires subscription-based information technology arrangements (SBITA) be recorded as both an intangible asset and a corresponding subscription liability, provides capitalization criteria for outlays related to non-subscription payments, and requires note disclosures for SBITAs. This adoption resulted in increased right-of-use assets and the related lease and subscription obligations at the beginning of the fiscal year, in the amount of $25,081,000, which is represented in capital assets, net on the statement of net position. Upon analysis of the facts and circumstances at the time of adoption, the impact on beginning net position was deemed immaterial by management, and therefore, no prior-period adjustment was necessary.

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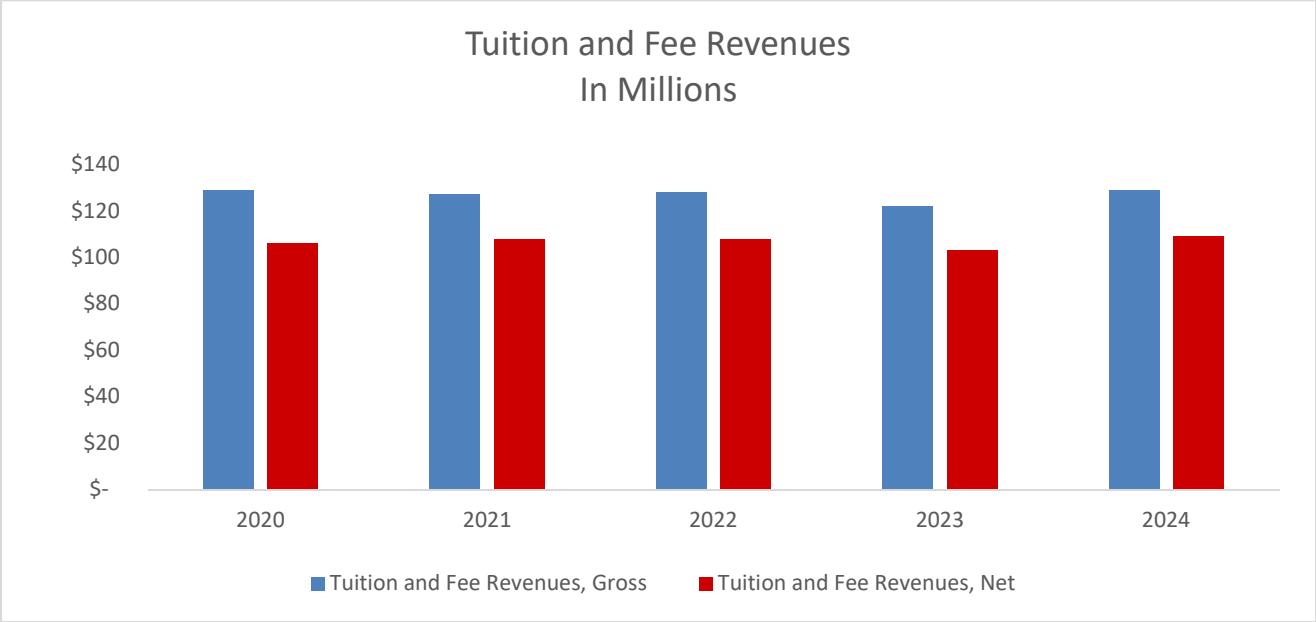
For the nine months ended June 30, 2024 and 2023, approximately 57% and 56% of total revenues of the University were related to net patient service revenues. Excluding patient service revenues, the largest component of total University revenues were state appropriations for 2024 and 2023, which represented approximately 13% and 14%. Tuition and fees represented approximately 9% and 10% of total University revenues in 2024 and 2023, while grants and contracts (federal, state, and private) represented approximately 4% in both 2024 and 2023.

A summary of University revenues for the nine months ended June 30, 2024 is presented as follows:



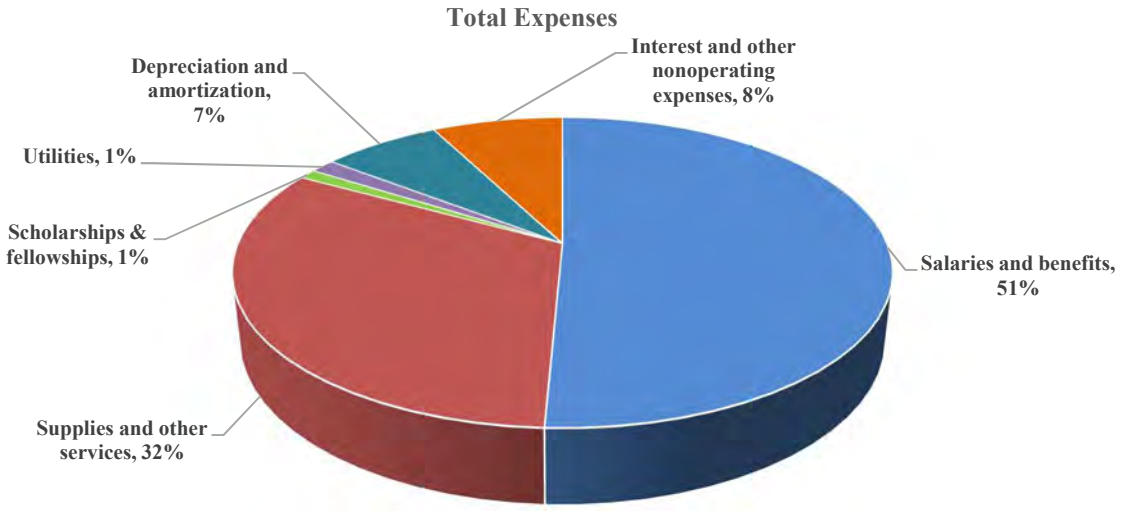
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Tuition revenues have generally remained steady in recent years. After experiencing several years of declining enrollment, the University had increased enrollment in the fall of 2022 and the fall of 2023. Enrollment increased approximately 2% between Fall 2022 and Fall 2023. Tuition and fees, gross and net of scholarship allowances, for the nine months ended June 30 are presented as follows:



(Continued)

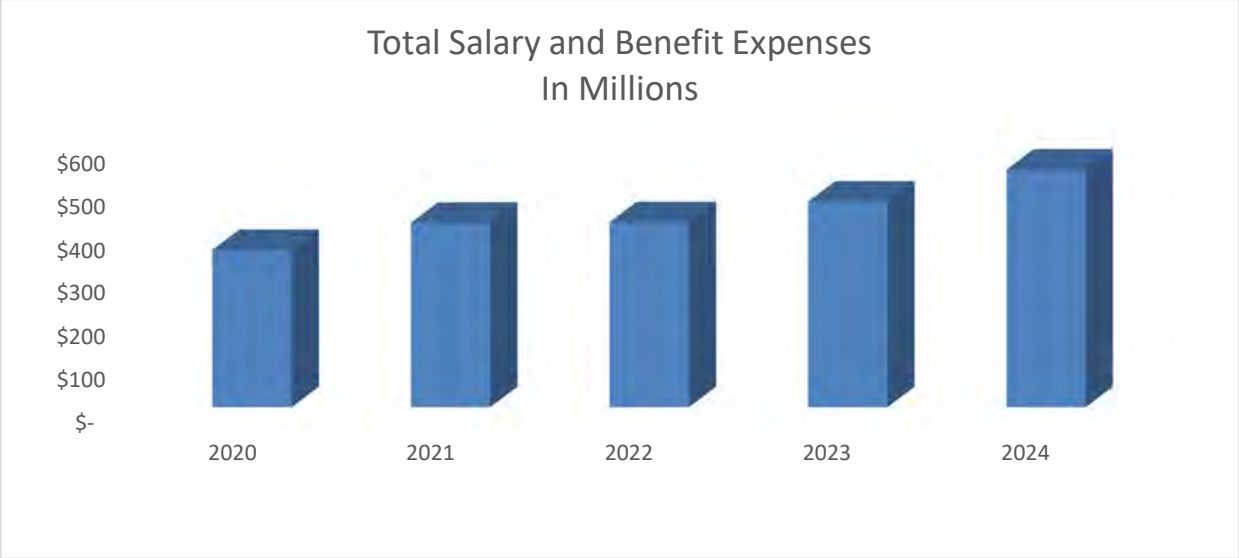
University expenses are presented using their natural expense classifications. A summary of University expenses for the nine months ended June 30, 2024 is presented as follows:



Functional classifications represent expenses categorized based on the function within the University. Such University functions include instruction, research, public service, academic support, student services, institutional support, operation and maintenance of plant, and scholarships. Expenses related to auxiliary enterprise activities, USA Health, and depreciation and amortization are presented separately. Functional expense information is presented in note 18 to the basic financial statements.

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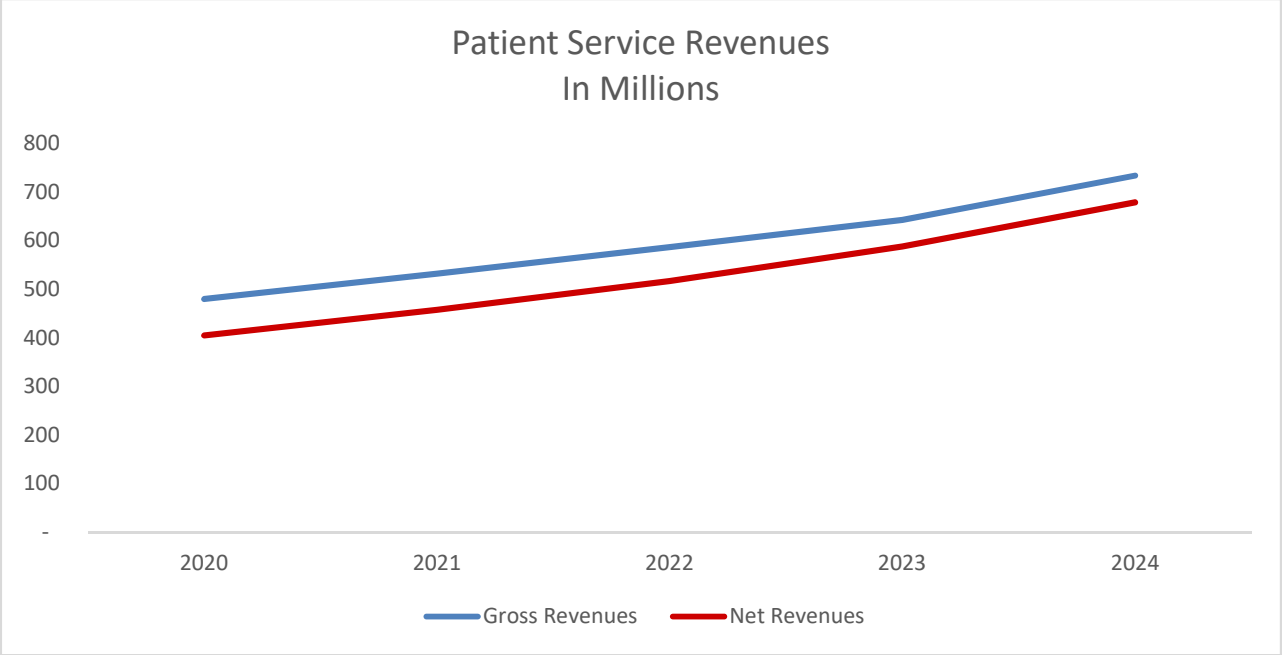
For both nine months ended June 30, 2024 and 2023, approximately 51% of the University's total expenses were salaries and benefits.



For the nine months ended June 30, 2024 and 2023, the University reported an operating loss of approximately $94,348,000 and $86,250,000. The operating loss is offset by state appropriations, which, as mentioned earlier, are reported as nonoperating revenues. After considering all nonoperating revenues and expenses, including capital appropriations, capital contributions and grants, and additions to the endowment, the total increase in net position was approximately $105,335,000 and $116,946,000 for the nine months ended June 30, 2024 and 2023.

(Continued)

USA Health represents a significant portion of total University revenues. Operating patient service revenues, gross and net, for the nine months ended June 30 are presented as follows:



Statement of Cash Flows

The statement of cash flows presents information related to cash flows of the University. The statement presents cash flows by category: operating activities, noncapital financing activities, capital and related financing activities, and investing activities. The net cash provided to, or used in, the University is presented by category.

Capital Assets and Debt Administration

Total capital asset additions for the University were approximately $196,048,000 for the nine months ended June 30, 2024. Significant construction projects that remain in progress as of June 30, 2024 include the Science Laboratory building renovation, new Central Energy Plant, the demolition of Alpha Hall South and East, utilities improvements in preparation for the new College of Medicine Building, Education and Outreach building renovation, and Dining Hall renovation. Major projects completed and placed into service in fiscal year 2024 include the campus storm shelter and 3D printer lab. Major projects completed and placed into service in fiscal year 2023 include Gamma 0-4 HVAC upgrade, Greek housing renovations, outdoor pool repairs, quantum cell service, Football Fieldhouse roof repairs, and the North Drive utilities project. At June 30, 2024, the University had outstanding commitments of approximately $203,366,000 for various capital projects. Additional information regarding the University's capital assets is included in note 5.

On June 5, 2021, the Financial Conduct Authority announced that the final publication date for US London Interbank Offered Rate (LIBOR) was June 30, 2023. Loans maturing after the end of LIBOR were reviewed to

determine if appropriate language, referred to as fallback language, was used to provide for the replacement of LIBOR with an alternative index. The Alternative Reference Rates Committee (ARRC) has recommended the Secured Overnight Financing Rate (SOFR) as an alternative to replace LIBOR. As recommended by the ARRC, all rate and fee settings for affected facilities maturing after the end of LIBOR have been replaced with a SOFR-based index.

In April 2023, the University of South Alabama Health Care Authority (HCA), a component of the University, entered into an agreement with Gulf Coast Health System to acquire an acute care hospital, its ancillary-related healthcare delivery businesses, and related facilities effective October 1, 2023. This acquisition is referred to as Ascension Providence. In April 2023, the University delivered up to $80,000,000 University Facilities Revenue Bond (Draw-Down Loan), Series 2023-A, and up to $20,000,000 Taxable University Facilities Revenue Bond (Draw-Down Loan), Series 2023-B. The short-term draw-down loan, along with internal contributions from the University, financed this acquisition. The 2023 Bonds were originally issued with April 2024 maturity dates. In March 2024, the University entered various amendments respecting the 2023 Bonds to extend the maturity date to April 18, 2025. The 2023 Bonds were structured as draw-down obligations under which the University, from time to time through April 14, 2025, may request funds from the 2023-A totaling up to $80,000,000 (2023-A Advances) and from the 2023-B totaling up to $20,000,000 (2023-B Advances). The principal balance, which will be paid with proceeds from a long-term bond issuance, will be due on April 19, 2025, but is expected to be paid off August 1, 2024. At June 30, 2024, the outstanding principal for 2023-A was $67,020,000 and 2023-B was $16,635,000. In July 2024, the University issued long-term financing to refund 2023 Bonds by issuing its $72,810,000 University Facilities Revenue Bonds, Series 2024-A and its $19,925,000 Taxable University Facilities Revenue Bonds, Series 2024-B.

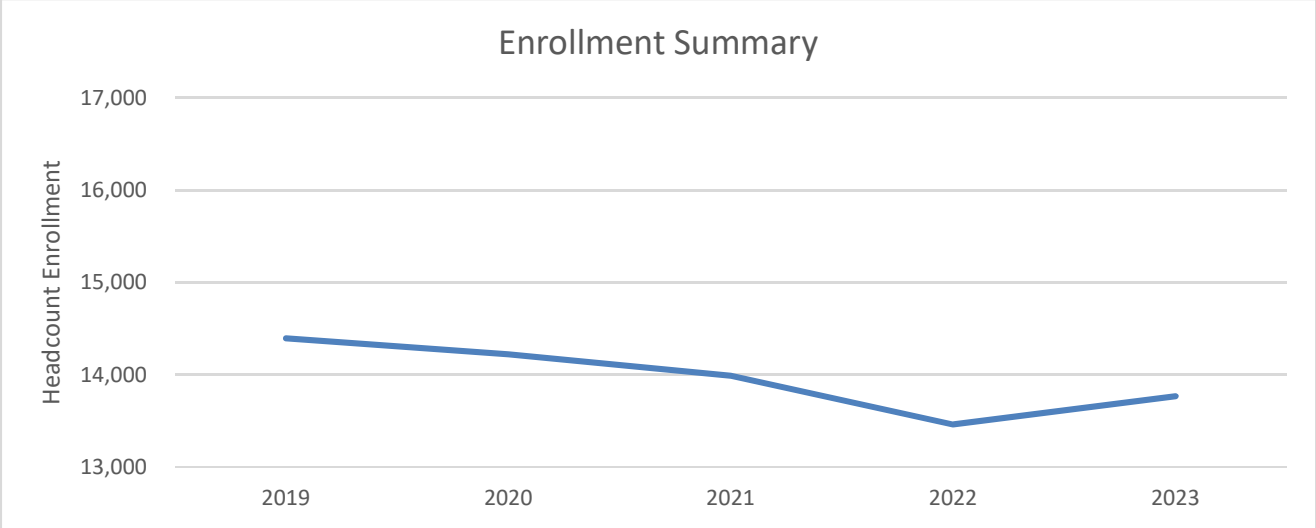
On October 1, 2023, HCA acquired an acute care hospital, its ancillary-related healthcare delivery businesses, and related facilities. The acquisition was made by the University on behalf of HCA, and all assets were signed over to the University at the time of acquisition. HCA entered into a 31 year lease with the University for the healthcare assets and facilities acquired in the acquisition in exchange for quarterly rental payments equal to the principal and interest incurred on the debt service related to the acquisition. This lease is accounted for in accordance with Statement No. 87, *Leases*, and is reflected in net capital assets and current and noncurrent lease obligations on the statement of net position. See notes 5, 6, 7, and 9 for additional information.

The University's credit rating is A1 (Stable) as rated by Moody's Ratings and A+ (Stable) as rated by Standard and Poor's Global Ratings. Moody's Ratings affirmed the University's A1 issuer and revenue bond rating and revised its outlook from negative to stable in June 2024. Standard and Poor's Global Ratings affirmed the University's A+ underlying rating and stable outlook in June 2024. Additional information regarding the University's debt is included in note 8.

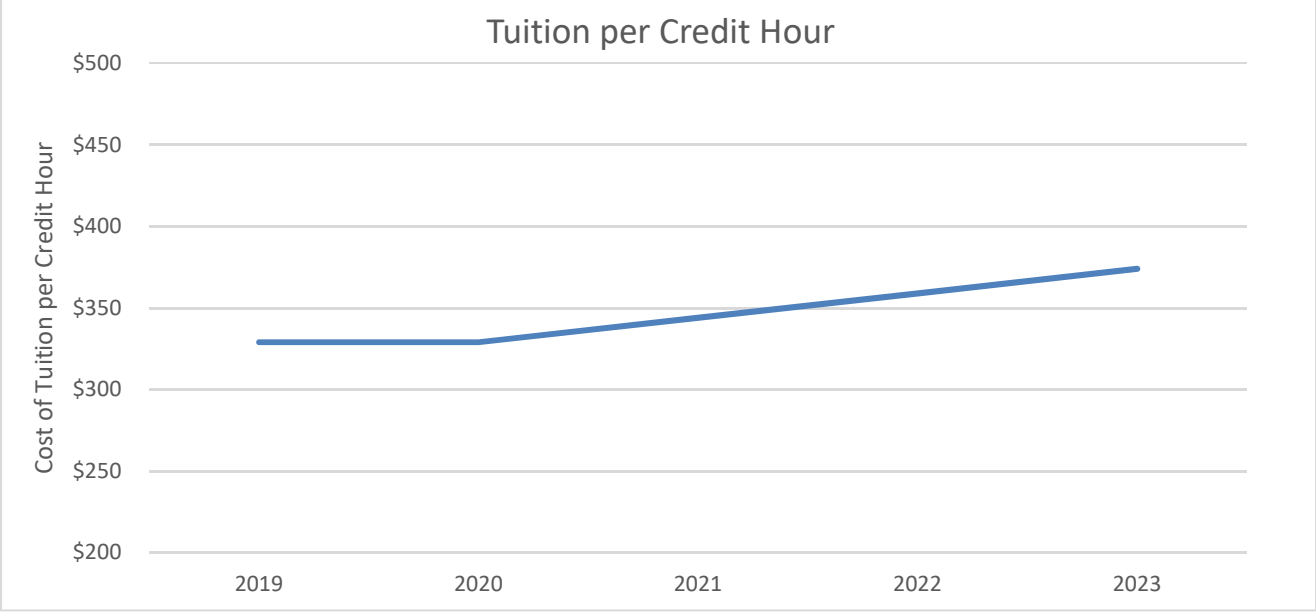
Economic Outlook

While tuition and fee rates per credit hour have increased over the past five years, there have been declines in enrollment from 2019 through 2022. After experiencing several years of declining enrollment, the University had

increased enrollment of 2% between Fall 2022 and Fall 2023, due primarily to increased freshman enrollment. The enrollment trend for the University between 2019 and 2023 is as follows:



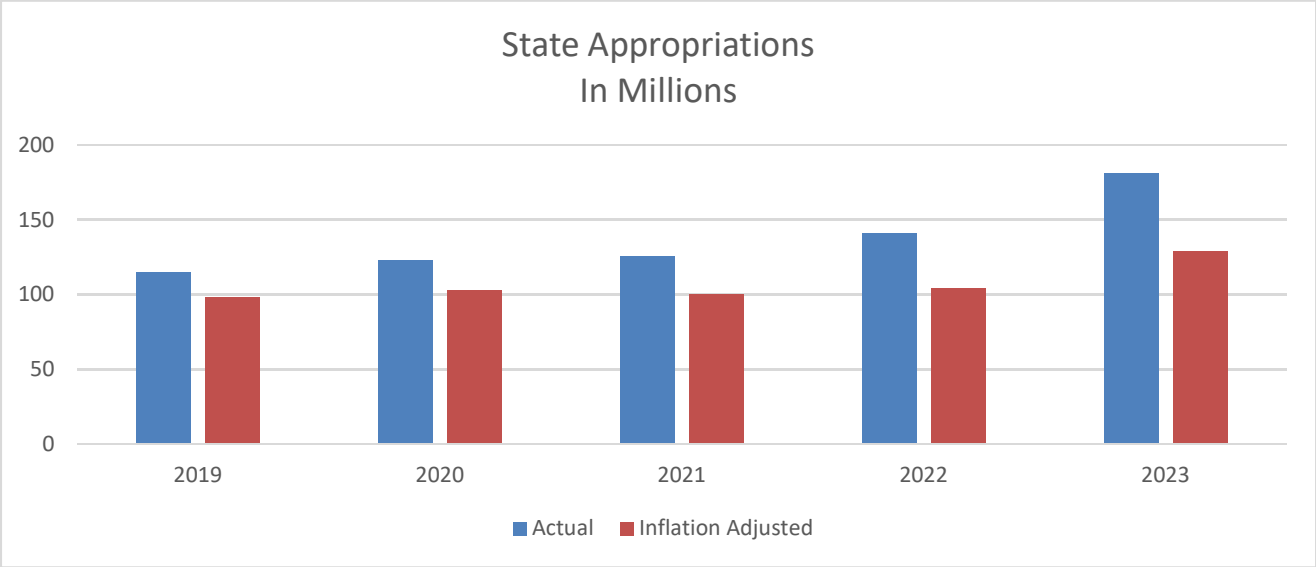
During the same period, in-state tuition per credit hour for in-person classes has increased by approximately 9%. Similar increases have been experienced in out-of-state tuition and College of Medicine tuition. Web tuition has decreased slightly during that period. The trend of in-state tuition per credit hour between 2019 and 2023 is as follows:



(Continued)

A state appropriation in the amount of approximately $150,375,000 and $140,714,000 was authorized for the years ended September 30, 2024 and 2023, respectively. Additional appropriations of approximately $37,494,000 and $40,463,000 were received in fiscal years 2024 and 2023 for advancement and technology, capital project improvements, and equipment. A state appropriation in the amount of approximately $161,458,000, representing an increase of approximately 7%, has been authorized for the year ending September 30, 2025. While no announcement has been made, the University is aware that reductions in fiscal year 2025 appropriations are possible.

The five-year trend of state appropriations for the University is as follows:



In addition to state appropriations, the University is subject to declines in general economic and political conditions in the United States and, specifically, the State of Alabama. Weakening of the economy, as well as changes in federal and state funding policies, could potentially have a negative impact on the University's enrollment, extramural funding, endowment performance, and healthcare operations.

During the second fiscal quarter of 2020, the United States was thrust into the midst of a pandemic health crisis related to the spread of COVID-19 (the Crisis). The University returned to normal operations for the Fall 2021 semester, and USA Health operations have returned to a normal level with minimum impact on the finances of USA Health.

The University has taken all necessary steps to ensure that the University takes full advantage of the Coronavirus Aid, Relief, and Economic Security Act of 2020 (the CARES Act). As of June 30, 2024, the University (including USA Health) has been awarded $107,390,000 in CARES Act and other funding from federal and state sources for COVID-19 relief. Of this amount, $1,934,000 and $3,244,000 was awarded in the nine months ended June 30, 2024 and 2023. Of the $107,390,000 total funds awarded, $472,000 and $9,088,000 has been recognized as nonoperating revenue in the statements of revenues, expenses, and changes in net position for the nine months ended June 30, 2024 and 2023.

(Continued)

Requests for Information

These basic financial statements are designed to provide a general overview of the University of South Alabama and its component units' financial activities and to demonstrate the University's accountability. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Kristen Roberts; Chief Financial Officer; University of South Alabama Administration Building Suite 353, Mobile, Alabama 36688. These basic financial statements can be obtained from our website at https://www.southalabama.edu/departments/financialaffairs/businessoffice/statements.html.

UNIVERSITY OF SOUTH ALABAMA
(A Component Unit of the State of Alabama)

Statement of Net Position

June 30, 2024 and 2023

(In thousands)

	2024	2023
Current assets:		
Cash and cash equivalents	$ 227,149	215,148
Investments	69,820	46,842
Patient receivables (net of allowance for doubtful accounts of $89,979 in 2024 and $127,806 in 2023)	74,848	58,154
Accounts receivable, other	103,793	94,093
Notes receivable, net	1,127	1,141
Prepaid expenses, inventories, and other	17,501	16,484
Lease receivable, current portion	5,252	702
Total current assets	499,490	432,564
Noncurrent assets:		
Restricted cash and cash equivalents	11,664	19,970
Restricted investments	294,382	275,316
Investments	67,993	89,438
Other noncurrent assets and accounts receivable	39,948	28,200
Lease receivable, less current portion	93,072	1,315
Capital assets, net	1,026,914	894,527
Total noncurrent assets	1,533,973	1,308,766
Total assets	2,033,463	1,741,330
Deferred outflows	260,589	242,607
Total assets and deferred outflows	2,294,052	1,983,937
Current liabilities:		
Accounts payable and accrued liabilities	99,607	82,453
Unrecognized revenues	107,663	100,727
Deposits	4,410	4,487
Current portion of other long-term liabilities	4,062	4,709
Current portion lease and subscription obligations	21,749	18,509
Current portion of long-term debt	107,045	25,775
Total current liabilities	344,536	236,660
Noncurrent liabilities:		
Long-term debt, less current portion	391,433	414,150
Lease and subscription obligations, less current portion	42,357	31,329
Other long-term liabilities, less current portion	78,137	81,774
Net pension liability	349,710	375,894
Net other postemployment benefits liability	78,808	53,421
Total noncurrent liabilities	940,445	956,568
Total liabilities	1,284,981	1,193,228
Deferred inflows	410,497	312,575
Total liabilities and deferred inflows	1,695,478	1,505,803
Net position:		
Net investment in capital assets	461,133	412,393
Restricted, nonexpendable:		
Scholarships	48,090	44,475
Other	33,839	33,629
Restricted, expendable:		
Scholarships	38,437	31,304
Other	74,957	63,943
Unrestricted deficit	(57,882)	(107,610)
Total net position	$ 598,574	478,134

See accompanying notes to basic financial statements.

UNIVERSITY OF SOUTH ALABAMA
(A Component Unit of the State of Alabama)

Statement of Revenues, Expenses, and Changes in Net Position

Nine months ended June 30, 2024 and 2023

(In thousands)

	2024	2023
Operating revenues:		
Tuition and fees (net of scholarship allowances of $24,423 in 2024 and $22,145 in 2023)	$ 109,057	103,912
Patient service revenues (net of provision for bad debts of $80,746 in 2024 and $82,046 in 2023)	679,442	587,982
Federal grants and contracts	24,716	21,037
State grants and contracts	7,526	9,184
Private grants and contracts	12,574	11,573
Auxiliary enterprises (net of scholarship allowances of $755 in 2024 and $685 in 2023)	21,114	17,944
Other operating revenues	52,300	41,670
Total operating revenues	906,729	793,302
Operating expenses:		
Salaries and benefits	549,776	476,175
Supplies and other services	349,667	321,802
Scholarships and fellowships	10,996	9,209
Utilities	15,582	13,917
Depreciation and amortization	75,056	58,449
Total operating expenses	1,001,077	879,552
Operating loss	(94,348)	(86,250)
Nonoperating revenues (expenses):		
State appropriations	150,065	144,735
Net investment income	57,871	39,541
Interest expense	(16,222)	(13,639)
Other nonoperating revenues	44,228	31,151
Other nonoperating expenses	(66,616)	(32,101)
Net nonoperating revenues	169,326	169,687
Income before capital appropriations, capital contributions and grants, and additions to endowment	74,978	83,437
Other changes in net position		
Capital appropriations	19,684	9,809
Capital contributions and grants	6,183	15,267
Additions to endowment	4,490	8,433
Total other changes in net position	30,357	33,509
Increase in net position	105,335	116,946
Net position:		
Beginning of year	493,239	361,188
End of year	$ 598,574	478,134

See accompanying notes to basic financial statements.

UNIVERSITY OF SOUTH ALABAMA
(A Component Unit of the State of Alabama)

Statement of Cash Flows

Nine months ended June 30, 2024 and 2023

(In thousands)

	2024	2023
Cash flows from operating activities:		
Receipts related to tuition and fees	$ 75,530	76,007
Receipts from and on behalf of patients and third-party payers	655,732	553,668
Receipts from grants and contracts	49,666	39,878
Receipts related to auxiliary enterprises	14,856	13,107
Payments to suppliers and vendors	(373,719)	(317,994)
Payments to employees and related benefits	(560,917)	(501,802)
Payments for scholarships and fellowships	(10,996)	(9,209)
Other operating receipts (expenses)	(46,686)	58,163
Net cash used in operating activities	(196,534)	(88,182)
Cash flows from noncapital financing activities:		
State appropriations	150,085	144,755
Endowment gifts	4,490	8,433
Agency funds received	2,551	2,537
Agency funds disbursed	(880)	(1,434)
Student loan program disbursements	(77,571)	(70,279)
Student loan program receipts	77,714	70,588
Other nonoperating revenues	134,931	30,346
Other nonoperating expenses	(54,645)	(29,210)
Net cash provided by noncapital financing activities	236,675	155,736
Cash flows from capital and related financing activities:		
Capital contributions and grants	6,183	15,267
Purchases of capital assets	(126,533)	(43,252)
Proceeds from sales of capital assets	174	78
Proceeds from issuance of capital debt	—	485
Principal payments on capital debt	(41,475)	(25,021)
Interest payments on capital debt	(29,309)	(19,885)
Net cash used in capital and related financing activities	(190,960)	(72,328)
Cash flows from investing activities:		
Interest and dividends on investments	28,467	10,049
Purchases of investments	(52,066)	(49,010)
Proceeds from sales of investments	55,261	30,252
Net cash (used in) provided by investing activities	31,662	(8,709)
Net decrease in cash and cash equivalents	(119,157)	(13,483)
Cash and cash equivalents (unrestricted and restricted):		
Beginning of year	357,970	248,601
End of year	$ 238,813	235,118

(Continued)

UNIVERSITY OF SOUTH ALABAMA
(A Component Unit of the State of Alabama)

Statement of Cash Flows

Nine months ended June 30, 2024 and 2023

(In thousands)

		2024	2023
Reconciliation of operating loss to net cash used in operating activities:			
Operating loss	$	(94,348)	(86,250)
Adjustments to reconcile operating loss to net cash used in operating activities:			
Depreciation and amortization		75,056	58,449
Changes in assets and liabilities, net:			
Student receivables		(60,745)	(52,488)
Net patient receivables		(26,497)	(7,547)
Grants and contracts receivables		3,766	1,165
Other receivables		(130,284)	(11,121)
Prepaid expenses, inventories, and other		(1,071)	560
Accounts payable and accrued liabilities		2,967	(18,175)
Unrecognized revenues		34,622	27,225
Net cash used in operating activities	$	(196,534)	(88,182)
Reconciliation of cash and cash equivalents to the statement of net position:			
Cash and cash equivalents classified as current assets	$	227,149	215,148
Restricted cash and cash equivalents classified as noncurrent assets		11,664	19,970
Total cash and cash equivalents	$	238,813	235,118
Noncash investing, noncapital financing, and capital and related financing transactions:			
Net increase in fair value of investments recognized as a component of investment gains	$	35,722	27,044
Payments on behalf of the University by the Alabama Public School and College Authority reducing purchases of capital assets		19,684	—
Addition of lease and subscription obligations		35,251	32,418
Increase in accounts payable related to capital assets		5,198	2,133
Loss on disposals of capital assets		174	—
Decrease in lease receivable related to interest income		3,175	63

See accompanying notes to basic financial statements.

UNIVERSITY OF SOUTH ALABAMA FOUNDATION
(Discretely Presented Component Unit of the University of South Alabama)

Consolidated Statement of Financial Position

March 31, 2024 and 2023

(In thousands)

	2024	2023
Assets		
Cash and cash equivalents	$ 898	1,430
Investments:		
Equity securities	258,739	209,658
Timber and mineral properties	177,002	174,230
Real estate	7,143	9,019
Other	5,814	5,809
Other assets	554	551
Total assets	$ 450,150	400,697
Liabilities and Net Assets		
Liabilities:		
Other liabilities	$ 558	554
Total liabilities	558	554
Net assets:		
Without donor restrictions	61,226	61,004
With donor restrictions	388,366	339,139
Total net assets	449,592	400,143
Total liabilities and net assets	$ 450,150	400,697

See accompanying notes to basic financial statements.

UNIVERSITY OF SOUTH ALABAMA FOUNDATION

(Discretely Presented Component Unit of the University of South Alabama)

Consolidated Statement of Activities and Changes in Net Assets

Nine months ended March 31, 2024

(In thousands)

	Without donor restrictions	With donor restrictions	Total
Revenues, gains, losses, and other support:			
Net realized and unrealized gains on investments	$ 3,890	39,926	43,816
Rents, royalties, and timber sales	2,347	139	2,486
Interest and dividends	1,485	776	2,261
Gifts	—	8	8
Other income	14	—	14
Required match of donor contributions	(4)	4	—
Interfund interest	(664)	664	—
Net assets released from program restrictions	6,730	(6,730)	—
Total revenues, gains, losses, and other support	13,798	34,787	48,585
Expenditures:			
Program services:			
Faculty support	1,698	—	1,698
Scholarships	796	—	796
Other academic programs	7,020	—	7,020
Total program service expenditures	9,514	—	9,514
Management and general	2,240	—	2,240
Other investment expense	792	—	792
Depletion and depreciation expense	2,216	—	2,216
Total expenditures	14,762	—	14,762
Change in net assets	(964)	34,787	33,823
Net assets – beginning of year	62,190	353,579	415,769
Net assets – end of year	$ 61,226	388,366	449,592

See accompanying notes to basic financial statements.

UNIVERSITY OF SOUTH ALABAMA FOUNDATION

(Discretely Presented Component Unit of the University of South Alabama)

Consolidated Statement of Activities and Changes in Net Assets

Nine months ended March 31, 2023

(In thousands)

	Without donor restrictions	With donor restrictions	Total
Revenues, gains, losses, and other support:			
Net realized and unrealized gains on investments	$ 1,269	18,133	19,402
Rents, royalties, and timber sales	2,713	174	2,887
Interest and dividends	1,379	750	2,129
Gifts	1	37	38
Required match of donor contributions	(4)	4	—
Interfund interest	(510)	510	—
Other income	2	—	2
Net assets released from program restrictions	6,391	(6,391)	—
Total revenues, gains, losses, and other support	11,241	13,217	24,458
Expenditures:			
Program services:			
Faculty support	1,479	—	1,479
Scholarships	807	—	807
Other academic programs	4,670	—	4,670
Total program service expenditures	6,956	—	6,956
Management and general	2,019	—	2,019
Other investment expense	898	—	898
Depletion and depreciation expense	3,040	—	3,040
Total expenditures	12,913	—	12,913
Change in net assets	(1,672)	13,217	11,545
Net assets – beginning of year	62,676	325,922	388,598
Net assets – end of year	$ 61,004	339,139	400,143

See accompanying notes to basic financial statements.

USA RESEARCH AND TECHNOLOGY CORPORATION
(Discretely Presented Component Unit of the University of South Alabama)

Statement of Net Position

June 30, 2024 and 2023

(In thousands)

	2024	2023
Assets:		
Current assets:		
Cash and cash equivalents	$ 1,894	2,188
Lease receivable, current portion	1,979	2,241
Prepaid expenses and other current assets	43	44
Accrued interest receivable	56	51
Total current assets	3,972	4,524
Noncurrent assets:		
Capital assets, net	17,695	18,352
Lease receivable, less current portion	11,880	9,316
Total noncurrent assets	29,575	27,668
Deferred outflows	497	645
Total assets and deferred outflows	34,044	32,837
Liabilities:		
Current liabilities:		
Deposits, other current liabilities, and accrued expenses	202	218
Unrecognized rent revenue	280	376
Notes payable, current portion	1,051	1,115
Total current liabilities	1,533	1,709
Noncurrent liabilities:		
Notes payable, less current portion	16,175	17,226
Total noncurrent liabilities	16,175	17,226
Deferred inflows	13,329	11,186
Total liabilities and deferred inflows	$ 31,037	30,121
Net position:		
Net investment in capital assets	$ 1,117	423
Unrestricted	1,890	2,293
Total net position	$ 3,007	2,716

See accompanying notes to basic financial statements.

USA RESEARCH AND TECHNOLOGY CORPORATION
(Discretely Presented Component Unit of the University of South Alabama)

Statement of Revenues, Expenses, and Changes in Net Position

Nine months ended June 30, 2024 and 2023

(In thousands)

	2024	2023
Operating revenues	$ 2,826	3,256
Operating expenses:		
Building management and operating expenses	955	875
Depreciation and amortization	996	984
Legal and administrative fees	322	382
Insurance	65	48
Total operating expenses	2,338	2,289
Operating income	488	967
Nonoperating revenues (expenses):		
Interest expense	(618)	(658)
Interest income	62	51
Other	323	284
Net nonoperating expenses	(233)	(323)
Increase in net position	255	644
Net position:		
Beginning of year	2,752	2,072
End of year	$ 3,007	2,716

See accompanying notes to basic financial statements.

UNIVERSITY OF SOUTH ALABAMA HEALTH CARE AUTHORITY
(A Component Unit of the University of South Alabama)

Statement of Net Position

June 30, 2024 and 2023

(In thousands)

		2024	2023
Current assets:			
Cash and cash equivalents	$	1,641	7,729
Restricted cash and cash equivalents		558	558
Patient receivables (net of allowance for doubtful accounts of approximately $13,508 in 2024 and $1,724 in 2023)		69,080	2,735
Accounts receivable, other		7,737	1,150
Notes receivable, net		604	648
Inventories		854	80
Lease receivable, current portion		641	314
Other current assets		1,077	427
Total current assets		82,192	13,641
Noncurrent assets:			
Capital assets, net		135,141	42,625
Investments		466	458
Lease receivable, less current portion		3,335	2,835
Total noncurrent assets		138,942	45,918
Total assets	$	221,134	59,559
Current liabilities:			
Accounts payable and accrued liabilities	$	31,580	6,375
Accrued salaries and wages		11,220	2,544
Deferred revenue		2,244	—
Lease and subscription obligations, current portion		5,353	458
Long-term debt, current portion		185	148
Total current liabilities		50,582	9,525
Noncurrent liabilities:			
Lease and subscription obligations, less current portion		95,398	3,223
Long-term debt, less current portion		21,529	21,714
Total noncurrent liabilities		116,927	24,937
Deferred inflows		3,877	3,079
Total liabilities and deferred inflows	$	171,386	37,541
Net position:			
Net investment in capital assets	$	12,676	16,437
Restricted		558	558
Unrestricted		36,514	5,023
Total net position	$	49,748	22,018

See accompanying notes to basic financial statements.

UNIVERSITY OF SOUTH ALABAMA HEALTH CARE AUTHORITY
(A Component Unit of the University of South Alabama)

Statement of Revenues, Expenses, and Changes in Net Position

Nine months ended June 30, 2024 and 2023

(In thousands)

	2024	2023
Operating revenues:		
Patient service revenues (net of provision for bad debts of $12,657 in 2024 and and $248 in 2023)	$ 216,158	34,319
Other operating revenues	25,809	11,491
Total operating revenues	241,967	45,810
Operating expenses:		
Salaries and benefits	122,275	36,570
Building and equipment expenses	11,984	4,091
Medical and surgical supplies	60,965	3,372
Other expenses	67,707	22,135
Depreciation and amortization	5,672	3,345
Total operating expenses	268,603	69,513
Operating loss	(26,636)	(23,703)
Nonoperating revenues (expenses):		
Investment income	146	107
Support from University of South Alabama	65,814	30,600
Interest expense	(4,005)	(791)
Other nonoperating revenues	1	—
Other nonoperating expenses	(3)	—
Total nonoperating revenues, net	61,953	29,916
Increase in net position	35,317	6,213
Net position:		
Beginning of year	14,431	15,805
End of year	$ 49,748	22,018

See accompanying notes to basic financial statements.

(1) Summary of Significant Accounting Policies

(a) Reporting Entity

On May 3, 1963, the Governor of Alabama signed enabling legislation creating the University of South Alabama (the University). The accompanying basic financial statements present the financial position and activities of 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. In addition, the primary government may determine, through exercise of management's professional judgment, that the inclusion of an organization that does not meet the financial accountability criteria is necessary in order to prevent the reporting entity's financial statements from being misleading. In such instances, that organization is included as a component unit. Accordingly, 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 amended 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 as of June 30, 2024, the University reports University of South Alabama Foundation (USA Foundation), USA Research and Technology Corporation (the Corporation), and University of South Alabama Health Care Authority (HCA) as discretely presented component units. Each of these entities issue separate audited financial statements, which can be obtained by contacting Kristen Roberts, Chief Financial Officer, University of South Alabama Administration Building, Suite 353, Mobile, Alabama 36688.

The University is also affiliated with the South Alabama Medical Science Foundation (SAMSF), Gulf Coast TotalCare (Gulf Coast), the University of South Alabama Foundation for Research and Commercialization (FRAC), Jaguar Athletic Fund (JAF), and the USA Presidential 1963 Fund. These entities are considered component units of the University under the provisions of GASB Statement Nos. 14, 39, 61, and 80. However, these entities are not presented in the accompanying basic financial statements as the University does not consider them significant enough to warrant inclusion in the University's reporting entity.

(Continued)

GASB requires the University, as the primary government, to include in its basic financial statements, as a blended component unit, organizations that, even though they are legally separate entities, meet certain requirements. Based on these requirements, the University reports the Professional Liability Trust Fund (PLTF); General Liability Trust Fund (GLTF); USA HealthCare Management, LLC; Jaguar Realty, LLC; USA Health Physician Billing Services, LLC; USA Health Hospital Billing Services, LLC; USA Health Anesthesia Billing Services, LLC; USA Health Reference Lab Billing Services, LLC; USA Health MCI Business Services, LLC; USA Health Children's and Women's Provider Based Clinics, LLC; and USA Health Community Providers, LLC as blended component units. All significant transactions between the University and its blended component units have been eliminated.

In October 2023, through the acquisition of Ascension Providence, the University attained joint ownership of South Coast Real Estate Venture, LLC, HighProv, LLC, Providence Home Medical Services, LLC, Providence Compass Urgent Care, LLLP, and Providence Medical Network IPA, LLC. The University is still evaluating these joint ventures for proper financial presentation.

(b) Professional Liability and General Liability Trust Funds

The medical malpractice liability of the University is maintained and managed in its separate PLTF 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 GLTF for which the University is responsible. The PLTF and GLTF are separate legal entities, which are governed by the University Board of Trustees through the University president. As such, PLTF and GLTF are reported as blended component units (see note 19 for further discussion of, and disclosure for, these entities).

(c) USA HealthCare Management, LLC

In June 2010, the University's Board of Trustees approved the formation of USA HealthCare Management, LLC (HCM). HCM was organized for the purpose of managing and operating on behalf of, and as agent for, payroll activities related to the healthcare clinical enterprise of the University. The University is the sole member of HCM. HCM commenced operations in October 2010 and is reported as a blended component unit (see note 19 for further discussion of, and disclosure for, this entity).

(d) USA Health Billing Limited Liability Companies

Over the last few years, the University formed the USA Health Physician Billing Services, LLC; USA Health Hospital Billing Services, LLC; USA Health Anesthesia Billing Services, LLC; USA Health Reference Lab Billing Services, LLC; USA Health MCI Business Services, LLC; USA Health Children's and Women's Provider Based Clinics, LLC; and USA Health Community Providers, LLC as 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, a free-standing emergency department, a cancer treatment center, and various health clinics. Based on GASB requirements, the University, as the primary government, includes these limited liability companies as blended component units. All significant transactions between the University and its blended component units have been eliminated.

(e) University of South Alabama Health Care Authority,

In May 2017, the University's Board of Trustees approved the formation of HCA. HCA is a public corporation created under and pursuant to the provisions of the State of Alabama University Authority Act of 2016. HCA employs physicians and staff of certain physician practice groups as determined appropriate by the University. HCA presents its financial statements in accordance with GASB.

HCA is the sole member of the following companies: Mobile Heart USA, LLC; USA Health HCA Industrial Medicine Clinic, LLC; USA Health Daphne Family Practice, LLC; USA Health IPA, LLC; USA Mobile County ASC, LLC; USA Health HCA Providence Hospital, LLC; and USA Health Providence Retail Pharmacy, LLC. Based on the criteria listed above, GASB requires HCA, as the primary government, to include each of these limited liability companies as blended component units. All significant transactions among HCA and its blended component units have been eliminated.

HCA holds a 51% equity interest in USA BC ASC Holdco, LLC, a limited liability company formed in 2020, and Surgery Center Holdings, Inc. owns the remaining 49%. USA BC ASC Holdco, LLC. owns 51% of USA Baldwin County ASC, LLC and the remaining 49% is owned by an unrelated third party. HCA's capital account balance is presented on the statement of net position as an investment.

During fiscal year 2022, HCA obtained equity interest in a multimember limited liability company, USA Fairhope Physician Investors, LLC (FPI). FPI was initially considered as a component unit under the provisions of GASB Statement Nos. 14 and 61. Amendment 1 to the initial agreement was executed during fiscal year 2023, removing HCA's control of the entity and ability to impose its will on the entity. The change resulted in HCA's relationship with FPI shifting from a component unit to an investment in a joint venture. HCA's capital account balance is presented on the June 30, 2024 and 2023 statement of net position as a noncurrent investment.

Since inception, HCA's operations have been partially funded by the University, with total support amounting to $65,814,000 during the nine months ended June 30, 2024 and $30,600,000 during the nine months ended June 30, 2023. This support is reported in nonoperating expenses on the University's statement of revenues, expenses, and changes in net position. Due to the significance of the relationship between the University and HCA, HCA is considered a component unit of the University. The accompanying statement of net position and statement of revenues, expenses, and changes in net position for HCA as of and for the nine months ended June 30, 2024 and 2023 are discretely presented.

(f) University of South Alabama Foundation

USA Foundation is a not-for-profit corporation that was organized for the purpose of promoting education, scientific research, and charitable purposes, and to assist in developing and advancing the University in furthering, improving, and expanding its properties, services, facilities, and activities. Because of the significance of the relationship between the University and USA Foundation, USA Foundation is considered a component unit of the University. The Board of Directors of USA Foundation is not appointed or controlled by the University. The University receives distributions from USA Foundation primarily for scholarship, faculty, and other support. Total distributions received or accrued by the University for the nine months ended June 30, 2024 and 2023 were $14,323,000 and $20,444,000, respectively, and are included primarily in other nonoperating revenues and capital contributions and grants in the University's statement of revenues, expenses, and changes in net position. Additionally, in fiscal year 2023, USA Foundation donated a 63-acre parcel of land on Dauphin Island, Alabama, which has an estimated value of approximately $1,000,000. This land donation is included in capital assets, net on the statement of net position and the gift revenue is in nonoperating revenues on the statement of revenues, expenses, and changes in net position for the University. USA Foundation presents its financial statements in accordance with standards issued by the Financial Accounting Standards Board (FASB). USA Foundation is reported in separate financial statements because of the difference in the financial reporting framework since USA Foundation follows FASB rather than GASB. USA Foundation has a June 30 fiscal year-end, which differs from the University's September 30 fiscal year-end. In accordance with GASB Statement No. 14 and GASB Statement No. 61, the University has included USA Foundation's statements for the nine months ended March 31, 2024 and 2023 in the University's financial statements as of June 30, 2024 and 2023. The accompanying consolidated statement of financial position and consolidated statement of activities and changes in net assets for USA Foundation as of and for the nine months ended March 31, 2024 and 2023 are discretely presented.

(g) USA Research and Technology Corporation

In June 2002, the University's Board of Trustees approved the formation of the Corporation. The Corporation is a not-for-profit corporation that exists for the purpose of furthering the educational and scientific mission of the University by developing, attracting, and retaining technology and research industries in Alabama that will provide professional and career opportunities to the University's students and faculty. Due to 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. The accompanying statement of net position and statement of revenues, expenses, and changes in net position for the Corporation as of and for the nine months ended June 30, 2024 and 2023 are discretely presented.

(h) 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.

(i) 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.

(j) Cash and Cash Equivalents (including restricted amounts)

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. Restricted cash and cash equivalents share the same definitions and maturities of unrestricted cash and cash equivalents but are designated by external parties for specified purposes such as collateral requirements, designated gifts, or bond proceeds.

(k) 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, multistrategy 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.

(l) 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, 2024, the University had one hedging derivative instrument in the form of an interest rate swap in effect. In accordance with hedge accounting, the change in fair values of the interest rate swap is reported as a change in deferred inflows and outflows and the fair value of the interest rate swap is recognized in other long-term

liabilities and deferred inflows and outflows on the statement of net position since the interest rate swap is deemed effective.

(m) 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 plan's 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, changes in the fair value of the interest rate swap, 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 the OPEB plan, changes in proportion and differences between employer contributions and proportionate share of contributions in pension and OPEB plans, changes in the fair value of the interest rate swap, gain on the refunding of certain bond amounts, and the value of contractual rights to lease revenue in future reporting periods.

(n) Bond Premiums, Discounts, and Loss on Extinguishment Costs

Bond premiums, discounts, and loss on 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.

(o) 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.

(p) Lease Receivable

Lease receivable and current portion thereof on the statement of net position represents the University's contractual right to receive cash in exchange for the right to use an asset for a specific amount of time. Lease receivables are recognized at the commencement date based on the present value of lease payments to be received over the lease term discounted using an appropriate incremental borrowing rate. The commencement date is either when the lessee takes possession of the asset or, in the case of real estate leases, when the landlord makes the building or office space available for use. The value of an option to extend or terminate a lease is reflected to the extent it is reasonably certain the lessee will exercise that option. Interest revenue is recognized as a component of the lease payments received and is included in other nonoperating revenues on the statement of revenues, expenses, and changes in net position.

(q) 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.

(r) Capital Assets

Capital assets are recorded at cost, if purchased, or, if donated, at fair 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 statement 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.

Lease and subscriptions are included in capital assets as right-of-use assets on the statement of net position. Right-of-use assets represent the University's right to use an underlying asset for the specified term and are comprised of leased equipment, buildings, office space, and subscription-based information technology arrangements. Lease and subscription right-of-use assets are recognized at the commencement date based on the present value of the payments over the agreement term discounted using the lessor interest rate or an appropriate incremental borrowing rate. The commencement date is either when the University takes possession of the asset or when the asset becomes available for use. Amortization of right-of-use assets is recognized on a straight-line basis over the agreement term or useful life of the asset, whichever is shorter.

The University evaluates impairment in accordance with GASB Statement No. 42, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries*. For the nine months ended June 30, 2024 and 2023, no impairments were identified.

(s) Unrecognized Revenues

Student tuition, fees, and dormitory rentals are billed in advance and initially recorded as a component of unrecognized revenues in the statement of net position and, then recognized in revenue over the applicable portion of each school term.

(t) 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 Annual Comprehensive Financial Report.

(u) Postemployment Benefits Other Than Pensions (OPEB)

Employees of the University are covered by a cost sharing multiple-employer other postemployment 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 Annual Comprehensive Financial Report.

(v) 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.

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.

(w) 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 statement 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 a 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.

(x) 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 net interest and dividend income and net realized and unrealized appreciation with the endowment after distributions allowed by the spending policy have been made. These amounts, unless otherwise directed by the donor, are included in restricted expendable net position.

(y) 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; sales and services of auxiliary enterprises, net of scholarship allowances; and lease revenue.

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

(z) Gifts and Pledges

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

(aa) 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.

(bb) 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.

(cc) Compensated Absences

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

(dd) Recently Adopted Accounting Pronouncements

In fiscal year 2023, the University adopted the provisions of GASB Statement No. 91, *Conduit Debt Obligations*. 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 issuer, and improve note disclosures. There was no significant impact to the financial statements as a result of adoption.

In addition, the University adopted GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, which requires subscription-based information technology arrangements (SBITA) be recorded as both a right-of-use asset and a corresponding subscription liability, provides

capitalization criteria for outlays related to non-subscription payments, and requires note disclosures for SBITA. This adoption resulted in increased right-of-use assets and related subscription liabilities at the beginning of the fiscal year, in the amount of $25,081,000, which is represented in capital assets, net on the statement of net position. Upon analysis of the facts and circumstances at the time of adoption, the effect on prior period net position was immaterial.

In fiscal year 2024, the University adopted the provisions of GASB Statement No. 99, *Omnibus 2022*, related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement No. 53. The objective of this statement is to establish accounting and reporting requirements for exchange and exchange-like financial guarantees, other derivative instruments that do not meet the definition of investment derivative instruments nor hedging derivative instruments, and termination of hedge accounting. There was no significant impact to the University in the adoption of this pronouncement.

In addition, the University adopted GASB Statement No. 100, *Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62*, which requires changes in accounting principles and error corrections be reported retroactively by restating prior periods, changes to or within the financial reporting entity to be reported by adjusting beginning balances of the current period and changes in accounting estimates be reported prospectively by recognizing the change in the current period. This statement also provides guidance on the presentation of required supplementary information and supplementary information affected by a change in accounting principle or error correction. There was no significant impact to the University in the adoption of this pronouncement.

(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.

In addition, the University's discretely presented component units, except for HCA, are tax-exempt entities under Section 501(a) of the Internal Revenue Code as organizations described in Section 501(c)(3). The income of HCA is excluded from federal and state income taxation pursuant to the provisions of Section 115(1) of the Internal Revenue Code. Consistent with these designations, no provision for income taxes has been made in the accompanying discretely presented component unit financial statements.

(3) Cash and Cash Equivalents

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, 2023 and 2022, the net public deposits subject to collateral

requirements for all institutions participating in the pool totaled approximately $17.6 billion and $16.8 billion. The University had cash and cash equivalents, including restricted cash and cash equivalents, in the pool of $238,813,000 and $235,118,000 at June 30, 2024 and 2023, respectively.

At June 30, 2024, restricted cash and cash equivalents consist of $2,505,000 related to cash included in the PLTF and GLTF to pay insurance liability claims, $8,364,000 related to restricted donations related to certain capital projects, $790,000 related to endowment funds, and $5,000 related to collateral requirements of the interest rate swaps.

At June 30, 2023, restricted cash and cash equivalents consist of $3,597,000 related to cash included in the PLTF and GLTF to pay insurance liability claims, $7,600,000 of unspent proceeds from the issuance of University bonds for capital purchases as outlined in the bond indenture, $7,183,000 related to restricted donations related to certain capital projects, $1,590,000 related to endowment funds.

(4) Investments

(a) University of South Alabama

The investments of the University are invested pursuant to the University of South Alabama "Nonendowment 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 nonendowment 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.

The investments of the blended component units of the University are invested pursuant to the separate investment policy shared by the PLTF and GLTF (the Trust Fund Investment Policy). The objectives of the Trust Fund Investment Policy are to provide a source of funds to pay general and professional liability claims and to achieve long-term capital growth to help defray future funding requirements. Additionally, certain investments of the University's component units, both blended and discretely presented, are subject to UPMIFA as well as any requirements placed on them by contract or donor agreements.

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 and restricted investments of the University, by type, at fair value at June 30, 2024 and 2023 (in thousands) are as follows:

	2024	2023
Commingled equity funds	$ 113,465	101,723
Commingled fixed income funds	53,147	49,438
Managed income alternative investments	39,231	39,403
Marketable debt securities	13,178	14,355
Marketable equity securities	59,010	60,406
Private credit alternative fixed income investments	8,664	5,246
Private equity alternative investments	21,339	18,505
Private real estate	511	-
Private REIT alternative real estate investments	5,221	5,648
Real estate	8,479	8,479
U.S. federal agency notes	92,331	93,406
U.S. treasury securities	17,619	14,987
(low-volatility, multistrategy funds of funds)		
	$ 432,195	411,596

At June 30, 2024 and 2023, restricted investments consist of endowment funds, funds held in the PLTF and GLTF to pay insurance liability claims, and funds related to collateral requirements of the interest rate swaps.

At June 30, 2024 and 2023, $43,493,000 and $33,608,000, respectively, of cumulative increase in fair value of investments of donor-restricted endowments was recognized and is included in restricted expendable net position in the accompanying statement of net position.

The University invests in several private equity and private credit funds. At June 30, 2024 and 2023, the University had outstanding capital commitments to those funds of $24,895,000 and $20,434,000.

(i) Credit Risk and Concentration of Credit Risk

Nonendowment 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.

(Continued)

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 "Funds of Funds" or multimanager fund.

The University's exposure to credit risk and concentration of credit risk at June 30, 2024 and 2023 is as follows:

	2024	
	Credit rating	Percentage of total investments
Blackrock Credit Strategies Income Fund	Various	0.3 %
Common Fund Bond Fund	Various	4.0
Federal Farm Credit Banks Funding Corporation	AAA	3.4
Federal Home Loan Banks	AAA	9.9
Federal Home Loan Mortgage Corporation	AAA	6.7
Federal National Mortgage Association	AAA	1.4
Marketable debt securities	Various	3.0
PIMCO Pooled Bond Fund	Various	8.0
U.S. Treasury securities	AAA	4.1

	2023	
	Credit rating	Percentage of total investments
Blackrock Credit Strategies Income Fund	Various	0.3 %
Common Fund Bond Fund	Various	4.1
Federal Farm Credit Banks Funding Corporation	AAA	2.9
Federal Home Loan Banks	AAA	12.2
Federal Home Loan Mortgage Corporation	AAA	6.7
Federal National Mortgage Association	AAA	1.0
Marketable debt securities	Various	3.5
PIMCO Pooled Bond Fund	Various	7.6
U.S. Treasury securities	AAA	3.6

(ii) Interest Rate Risk

At June 30, 2024 and 2023, the maturity dates of the University's fixed income investments are as follows (in thousands):

	2024				
		Years to maturity			
	Fair value	Less than 1	1–5	6–10	More than 10
U.S. Treasury securities	$ 17,619	1,059	11,141	5,419	—
U.S. federal agency notes	92,331	43,817	42,273	173	6,069
Marketable debt securities	13,178	4,641	6,853	1,684	—
Commingled fixed income funds	53,147	—	31,244	4,778	17,124
	$ 176,275	49,517	91,511	12,054	23,193

	2023				
		Years to maturity			
	Fair value	Less than 1	1–5	6–10	More than 10
U.S. Treasury securities	$ 14,987	2,443	5,730	6,542	272
U.S. federal agency notes	93,406	4,764	82,262	177	6,203
Marketable debt securities	14,355	5,764	5,187	3,404	—
Commingled fixed income funds	49,438	—	27,940	4,698	16,800
	$ 172,186	12,971	121,119	14,821	23,275

Commingled fixed income funds are classified based on the weighted average maturity of the individual investment instruments within each fund.

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

(iii) Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a failure of the counterparty to a transaction, an organization will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The University's investments are held by third-party institutions in the name of the University. The University's Investment Policies do not specifically address custodial credit risk.

(iv) 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.

(v) 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 measurement date. The University 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 are as follows:

- Level 1: Quoted prices for identical investments in active markets
- Level 2: Observable inputs other than quoted market prices
- 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'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 NAV reported by the investment managers as a practical expedient to fair value. Such investments have not been categorized within the fair value

hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the statement of net position.

The following tables summarize the fair value measurements for all investment assets and liabilities carried at fair value at June 30, 2024 and 2023 (in thousands):

	Asset fair value measurements at June 30, 2024			
Description	**Level 1**	**Level 2**	**Level 3**	**Total**
U.S. treasury securities	$ 17,619			17,619
U.S. federal agency notes		92,331		92,331
Commingled equity funds	111,127	2,338		113,465
Commingled fixed income funds	48,861	4,286		53,147
Marketable equity securities	59,010			59,010
Marketable debt securities	13,178			13,178
Private credit alternative fixed income	8,664			8,664
Private equity alternative investments			19,204	19,204
Private real estate			511	511
Private REIT alternative real estate investments	5,221			5,221
Real estate			8,479	8,479
Total investments at fair value	$ 263,680	98,955	28,194	390,829
Investments measured at NAV:				
Private equity funds				2,135
Managed income alternative investments (low-volatility, multistrategy funds of funds)				39,231
Total investments				$ 432,195

	Liability fair value measurements at June 30, 2024			
Description	**Level 1**	**Level 2**	**Level 3**	**Total**
Interest rate exchange agreements	$ —	11,832	—	11,832

(Continued)

Description	Asset fair value measurements at June 30, 2023 Level 1	Level 2	Level 3	Total
U.S. treasury securities	$ 14,987	-	-	14,987
U.S. federal agency notes	-	93,406	-	93,406
Commingled equity funds	99,348	2,375	-	101,723
Commingled fixed income funds	45,633	3,805	-	49,438
Marketable equity securities	60,406	-	-	60,406
Marketable debt securities	14,355	-	-	14,355
Private credit alternative fixed income	5,246	-	-	5,246
Private equity alternative investments	-	-	16,370	16,370
Private REIT alternative real estate investments	5,648	-	-	5,648
Real estate	-	-	8,479	8,479
Total investments at fair value	$ 245,623	99,586	24,849	370,058
Investments measured at NAV:				
Private equity funds				2,135
Managed income alternative investments (low-volatility, multistrategy funds of funds)				39,403
Total investments				$ 411,596

Description	Liability fair value measurements at June 30, 2023 Level 1	Level 2	Level 3	Total
Interest rate exchange agreements	$ —	15,036	—	15,036

A roll-forward schedule for Level 3 financial instruments for the nine months ended June 30, 2024 and 2023 is as follows (in thousands):

	2024	2023
Beginning balance	$ 25,533	$ 16,379
Purchases	3,670	8,490
Net realized/unrealized gains	529	145
Sales	(1,538)	(165)
Ending balance	$ 28,194	$ 24,849

(Continued)

(b) Health Care Authority

HCA holds a 2.5% equity interest in USA Fairhope Physician Investors, LLC (FPI), a multimember limited liability company that was formed to invest in the entity that developed and is now leasing an ambulatory surgical center. HCA's capital account balance in FPI is considered an investment in a joint venture, pursuant to GASB Statements Nos. 14 and 61. A distribution in the amount of approximately $5,000 was received in January 2024 reducing HCA's capital account balance presented on the statement of net position as an investment from $15,000 to $11,000 for the nine months ended June 30, 2024

HCA holds a 51% equity interest in USA BC ASC Holdco, LLC (USA BC ASC Holdco), a multimember limited liability company formed to invest in USA Baldwin County ASC, LLC (USA BC ASC), a limited liability company formed to develop, own, and operate the Ambulatory Surgery Center on the Mapp Campus. For the nine months ended June 30, 2024, HCA's capital account balance is $455,000 and is presented on the statement of net position as an investment. HCA has received no distributions or allocations of gains or losses to date.

(5) Capital Assets

(a) University of South Alabama

A summary of the University's capital asset activity for the nine months ended June 30, 2024 is as follows (in thousands):

	2024				
	Beginning balance	Additions	Transfers	Reductions	Ending balance
Capital assets not being depreciated or amortized:					
Land and other	$ 32,402	—	—	—	32,402
Construction in progress	93,769	58,518	(3,499)	—	148,788
Valuation in progress, Providence	—	89,153	—	—	89,153
	126,171	147,671	(3,499)	—	270,343
Capital assets being depreciated or amortized:					
Land improvements	76,842	96	—	(4,959)	71,979
Buildings, fixed equipment, and infrastructure	1,049,483	708	3,256	(680)	1,052,767
Other equipment	242,077	6,640	243	(8,211)	240,749
Library materials	97,346	5	—	—	97,351
Right-of-use assets	80,146	40,928	—	(18,989)	102,085
	1,545,894	48,377	3,499	(32,839)	1,564,931
Less accumulated depreciation and amortization for:					
Land improvements	(37,622)	(2,932)	—	4,948	(35,606)
Buildings, fixed equipment, and infrastructure	(425,862)	(28,987)	119	617	(454,113)
Other equipment	(190,405)	(21,426)	(119)	8,111	(203,839)
Library materials	(75,683)	(3,168)	—	—	(78,851)
Right-of-use assets	(27,820)	(18,512)	—	10,381	(35,951)
	(757,392)	(75,025)	—	24,057	(808,360)
Capital assets being depreciated, net	788,502	(26,648)	3,499	(8,782)	756,571
Capital assets, net	$ 914,673	121,023	—	(8,782)	1,026,914

(Continued)

A summary of the University's capital asset activity for the nine months ended June 30, 2023 is as follows (in thousands):

	2023				
	Adjusted beginning balance	Additions	Transfers	Reductions	Ending balance
Capital assets not being depreciated or amortized:					
Land and other	$ 32,261	141	—	—	32,402
Construction in progress	68,240	26,539	(15,374)	—	79,405
	100,501	26,680	(15,374)	—	111,807
Capital assets being depreciated or amortized:					
Land improvements	76,801	—	—	—	76,801
Buildings, fixed equipment, and infrastructure	1,013,480	16,619	14,742	(119)	1,044,722
Other equipment	235,963	5,733	632	(5,837)	236,491
Library materials	92,340	5	—	—	92,345
Right-of-use assets	40,234	32,418	—	(2,721)	69,931
	1,458,818	54,775	15,374	(8,677)	1,520,290
Less accumulated depreciation and amortization for:					
Land improvements	(34,155)	(2,839)	—	—	(36,994)
Buildings, fixed equipment, and infrastructure	(397,002)	(23,169)	254	113	(419,804)
Other equipment	(176,004)	(14,798)	(254)	5,420	(185,636)
Library materials	(71,812)	(3,024)	—	—	(74,836)
Right-of-use assets	(8,360)	(14,588)	—	2,648	(20,300)
	(687,333)	(58,418)	—	8,181	(737,570)
Capital assets being depreciated, net	771,485	(3,643)	15,374	(496)	782,720
Capital assets, net	$ 871,986	23,037	—	(496)	894,527

(Continued)

A summary of the University's net right-of-use assets, which are included in capital assets on the statement of net position, activity categorized by classification for the nine months ended June 30, 2024 and 2023 are as follows (in thousands):

	2024	2023
Right-of-use assets:		
Automobile	$ —	15
Buildings	8,945	7,956
Equipment	28,099	26,577
Office space	10,006	5,597
Software	55,035	29,786
	102,085	69,931
Less accumulated amortization for right-of-use assets:		
Automobile	—	(10)
Buildings	(3,723)	(2,232)
Equipment	(8,075)	(9,642)
Office space	(3,734)	(1,736)
Software	(20,419)	(6,680)
	(35,951)	(20,300)
Right-of-use assets, net	$ 66,134	49,631

Depreciation and amortization of capital assets for the nine months ended June 30, 2024 and 2023 was $75,025,000 and $58,418,000, respectively, for the University. In addition, the University amortized bond costs of issuance for total depreciation and amortization of $75,056,000 and $58,449,000 for the nine months ended June 30, 2024 and 2023.

The University purchased Ascension Providence, on behalf of HCA, from Gulf Coast Health System on October 1, 2023. For the nine months ended June 30, 2024, the University had capital asset additions of $89,153,000 related to the acquisition. The University has contracted with an independent certified public accounting firm to appraise the acquired asset. Upon completion, the assets will be transferred to the appropriate capital asset category.

At June 30, 2024 and 2023, the University had commitments of approximately $203,366,000 and $35,087,000 related to various construction projects.The increase in 2024 is attributable to the construction of the new College of Medicine building.

For the nine months ended June 30, 2024 and 2023, the University received $19,684,000 and $9,809,000 in capital grants from the Alabama Public School and College Authority (APSCA) for the site preparation and construction of the new College of Medicine facility.

(b) USA Research and Technology Corporation

Changes in capital assets for the nine months ended June 30, 2024 and 2023 are as follows (in thousands):

	2024				
	Beginning balance	Additions	Transfers	Reductions	Ending balance
Capital assets not being depreciated or amortized:					
Land	$ 223	—	—	—	223
Construction in progress	114	—	(87)	(1)	26
	337	—	(87)	(1)	249
Capital assets being depreciated or amortized:					
Land improvements	1,985	—	—	—	1,985
Buildings	28,788	62	—	—	28,850
Tenant improvements	2,717	431	84	—	3,232
Other equipment	408	4	3	—	415
Computer software	56	—	—	—	56
Lease commissions	406	51	—	—	457
Right-of-use assets	3	—	—	—	3
	34,363	548	87	—	34,998
Less accumulated depreciation or amortization for:					
Land improvements	(1,783)	(21)	—	—	(1,804)
Buildings	(12,511)	(593)	—	—	(13,104)
Tenant improvements	(1,600)	(312)	—	—	(1,912)
Other equipment	(362)	(8)	—	—	(370)
Computer software	(24)	(12)	—	—	(36)
Lease commissions	(275)	(49)	—	—	(324)
Right-of-use assets	(1)	(1)	—	—	(2)
	(16,556)	(996)	—	—	(17,552)
Capital assets being depreciated or amortized, net	17,807	(448)	87	—	17,446
Capital assets, net	$ 18,144	(448)	—	(1)	17,695

(Continued)

	2023				
	Beginning balance	Additions	Transfers	Reductions	Ending balance
Capital assets not being depreciated or amortized:					
Land	$ 223	—	—	—	223
Construction in progress	20	—	—	—	20
	243	—	—	—	243
Capital assets being depreciated or amortized:					
Land improvements	1,985	—	—	—	1,985
Buildings	28,642	116	—	—	28,758
Tenant improvements	2,653	98	—	(34)	2,717
Other equipment	390	23	—	(4)	409
Computer software	41	15	—	—	56
Lease commissions	362	47	—	(3)	406
Right-of-use assets	—	3	—	—	3
	34,073	302	—	(41)	34,334
Less accumulated depreciation or amortization for:					
Land improvements	(1,689)	(71)	(1)	—	(1,761)
Buildings	(11,732)	(584)	2	—	(12,314)
Tenant improvements	(1,283)	(260)	—	34	(1,509)
Other equipment	(356)	(10)	(1)	4	(363)
Computer software	(11)	(9)	—	—	(20)
Lease commissions	(211)	(50)	—	3	(258)
Right-of-use assets	—	—	—	—	—
	(15,282)	(984)	—	41	(16,225)
Capital assets being depreciated or amortized, net	18,791	(682)	—	—	18,109
Capital assets, net	$ 19,034	(682)	—	—	18,352

Depreciation and amortization expense totaled $996,000 and $984,000 for the nine months ended June 30, 2024 and 2023.

Construction projects that remain in progress at June 30, 2024 include improvements to heating, ventilation, and air conditioning systems in Buildings I, II, and III. At June 30, 2024, the Corporation had outstanding commitments of approximately $124,000.

(Continued)

The Corporation's net right-of-use assets ending balance categorized by classification for the nine months ended June 30, 2024 and 2023 are as follows (in thousands):

	2024	2023
Right-of-use assets:		
Software subscriptions	$ 3	3
	3	3
Less accumulated amortization for right-of-use assets:		
Software subscriptions	(2)	—
	(2)	—
Right-of-use assets, net	$ 1	3

(Continued)

(c) Health Care Authority

A summary of HCA's capital assets activity for the nine months ended June 30, 2024 is as follows (in thousands):

	Adjusted Beginning balance	Additions	Transfers	Reductions	Ending balance
Capital assets not being depreciated:					
Construction in progress	$ 556	191	(7)	(547)	193
Works of art	1	—	—	—	1
	557	191	(7)	(547)	194
Capital assets being depreciated:					
Buildings	33,054	—	—	(4)	33,050
Leasehold improvements	5,333	11	—	—	5,344
Equipment	4,266	—	7	—	4,273
Computer software	139	—	—	—	139
Right-of-use assets	13,741	92,322	—	(149)	105,914
	56,533	92,333	7	(153)	148,720
Less accumulated depreciation for:					
Buildings	(1,045)	(937)	—	—	(1,982)
Leasehold improvements	(582)	(410)	—	—	(992)
Equipment	(2,323)	(367)	—	—	(2,690)
Computer software	(78)	(25)	—	—	(103)
Right-of-use assets	(4,155)	(3,933)	—	82	(8,006)
	(8,183)	(5,672)	—	82	(13,773)
Capital assets being depreciated, net	48,350	86,661	7	(71)	134,947
Capital assets, net	$ 48,907	86,852	—	(618)	135,141

(Continued)

A summary of HCA's net right-of-use assets, which are included in capital assets on the statement of net position, categorized by classification for the nine months ended June 30, 2024 follows (in thousands):

Right-of-use assets:		
Buildings	$	104,017
Equipment		1,874
Software		23
		105,914
Less accumulated amortization for right-of-use assets:		
Buildings		(7,512)
Equipment		(484)
Software		(10)
		(8,006)
Right-of-use assets, net	$	97,908

Depreciation and amortization of capital assets for the nine months ended June 30, 2024 were approximately $5,672,000.

HCA entered into a lease agreement with the University for the hospital facilities and related equipment acquired in the Ascension Providence acquisition. The lease is for 31 years with quarterly rental payments equal to the principal and interest incurred on the debt service related to the acquisition. This lease is accounted for in accordance with GASB 87, *Leases*, and is reflected in net capital assets and current and noncurrent lease obligations on the statement of net position.

(Continued)

(6) Noncurrent Liabilities

(a) University of South Alabama

A summary of the University's noncurrent liability activity for the nine months ended June 30, 2024 is as follows (in thousands):

	Adjusted beginning balance	Additions	Reductions	Ending balance	Less amounts due within one year	Noncurrent liabilities
Long-term debt:						
Bonds payable	$ 518,201	—	(20,397)	497,804	106,889	390,915
Notes payable from direct borrowings	797	—	(123)	674	156	518
Lease and subscription obligations	51,347	35,251	(22,492)	64,106	21,749	42,357
Total long-term debt	570,345	35,251	(43,012)	562,584	128,794	433,790
Other noncurrent liabilities:						
Net pension liability	375,894	—	(26,184)	349,710	—	349,710
Net OPEB liability	53,421	25,387	—	78,808	—	78,808
Other long-term liabilities	70,397	22,523	(10,721)	82,199	4,062	78,137
Total other noncurrent liabilities	499,712	47,910	(36,905)	510,717	4,062	506,655
Total noncurrent liabilities	$ 1,070,057	83,161	(79,917)	1,073,301	132,856	940,445

(Continued)

A summary of the University's noncurrent liability activity for the nine months ended June 30, 2023 is as follows (in thousands):

	Adjusted beginning balance	Additions	Reductions	Ending balance	Less amounts due within one year	Noncurrent liabilities
Long-term debt:						
Bonds payable	$ 458,916	485	(19,537)	439,864	25,714	414,150
Notes payable from direct borrowings	618	—	(557)	61	61	—
Lease and subscription obligations	31,964	32,442	(14,568)	49,838	18,509	31,329
Total long-term debt	491,498	32,927	(34,662)	489,763	44,284	445,479
Other noncurrent liabilities:						
Net pension liability	237,578	138,316	—	375,894	—	375,894
Net OPEB liability	205,378	—	(151,957)	53,421	—	53,421
Other long-term liabilities	81,662	14,398	(9,577)	86,483	4,709	81,774
Total other noncurrent liabilities	524,618	152,714	(161,534)	515,798	4,709	511,089
Total noncurrent liabilities	$ 1,016,116	185,641	(196,196)	1,005,561	48,993	956,568

Other long-term liabilities primarily consist of self-insurance liabilities, 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.

In 2018, the University converted a 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, 2023 was $61,000, and is reported as long-term debt (and current portion thereof) in the statement of net position. This loan was paid in full in July 2023.

In August 2023, the University entered into a three-year direct borrowing finance purchase agreement for the purchase of medical equipment. The purchase agreement for the equipment was for $46,000, with a down payment of $5,000 and thirty-six monthly payments of $1,000. After thirty-six monthly payments of $1,000, the equipment will become property of the University. The amount outstanding at June 30, 2024 is $32,000, and is reported as long-term debt (and current portion thereof) in the statement of net position.

In September 2023, the University entered into a five-year direct borrowing finance purchase agreement for the purchase of software and equipment. The full amount of the purchase agreement is $756,000, with monthly payments in the amount of $14,000 through June 1, 2028. At the end of the scheduled payments, the equipment and software will become property of the University. The amount outstanding at June 30, 2024 is $642,000, and is reported as long-term debt (and current portion thereof) in the statement of net position.

(Continued)

Lease and Subscription Obligations

The University determines whether an arrangement is a lease at inception by evaluating whether the contract conveys the right to use an identified asset and whether the University obtains substantially all of the economic benefits from and has the right to control the asset. Any lease or software subscription identified is recorded as a right-of-use asset under capital assets and lease and subscription obligations. Lease and subscription right-of-use assets and related obligations are recognized at the commencement date based on the present value of the payments over the agreement term discounted using an appropriate incremental borrowing rate. Amortization of right-of-use assets is recognized on a straight-line basis over the specified term or useful life of the asset, whichever is shorter. Interest expense is recognized as a component of the lease or subscription payment and recorded as such in the statement of revenues, expenses, and changes in net position. The difference in methodology between the amortization of the right-of-use asset and the reduction in liability balance related to principal payments will result in a difference between the net right-of-use asset and related lease and subscription obligations.

The University leases various automobiles, buildings, equipment, office space, and software subscriptions under leases expiring at various dates through 2038. Aggregate future minimum lease and subscription payments under noncancelable agreements as of June 30, 2024, by fiscal year, are as follows (in thousands):

	Principal	Interest	Total
2024	$ 5,699	767	6,466
2025	20,456	2,610	23,066
2026	12,742	1,725	14,467
2027	9,333	1,133	10,466
2028	8,140	672	8,812
2029 – 2033	7,713	461	8,174
2034 – 2038	23	3	26
Lease and subscription obligations	$ 64,106	7,371	71,477

These amounts are included in lease and subscription obligations and the current portion thereof in the accompanying statement of net position.

The University has commitments under leases and subscriptions for which the lease term has not commenced in the amount of $12,878,000 as of June 30, 2024.

The University leases space from the Corporation and HCA. See additional details in the following sections.

(b) USA Research and Technology Corporation

Changes in noncurrent liabilities for the nine months ended June 30, 2024 and 2023 are as follows (in thousands):

	June 30, 2024					
	Beginning balance	Additions	Reductions	Ending balance	Less amounts due within one year	Noncurrent liabilities
Notes payable	$ 17,989	—	(763)	17,226	1,051	16,175

	June 30, 2023					
	Beginning balance	Additions	Reductions	Ending balance	Less amounts due within one year	Noncurrent liabilities
Notes payable	$ 19,379	—	(1,038)	18,341	1,115	17,226

(i) Notes Payable

Notes payable from direct borrowings consisted of the following at June 30, 2024 and 2023 (in thousands):

2024

PNC Bank promissory note, 4.38%, payable through 2028	$ 10,342
Hancock Whitney promissory note, 3.08%, payable through 2031	6,884
	$ 17,226

2023

PNC Bank promissory note, 4.38%, payable through 2028	$ 10,866
Hancock Whitney promissory note, 3.08%, payable through 2031	7,372
University of South Alabama promissory note, 3%, payable through 2023	103
	$ 18,341

The promissory note payable to PNC Bank has a 10-year term and amortization is based on a 10-year term. The promissory note payable is secured by an interest in tenant leases for Buildings II and III, and an interest in income received from rental of Buildings II and III. The Corporation agreed to not transfer or encumber the buildings or its leasehold interest in the real estate on which the buildings stand.

(Continued)

The promissory note payable to Hancock Whitney Bank has a 10-year term and is secured by an interest in rental leases and an interest in income received from rental of Building I. The Corporation agreed to not transfer or encumber the buildings or its leasehold interest in the real estate on which the buildings stand.

In connection with the PNC note and the Hancock Whitney note, the University entered into an agreement with both lenders providing that for any year in which the Corporation's debt service coverage ratio is less than 1 to 1, the University will pay the Corporation rent equal to the amount necessary to bring the ratio to 1 to 1. The debt service coverage ratio is calculated by dividing the sum of unrestricted cash and cash equivalents at the beginning of the year (reduced by current year capital asset additions) and current year change in net position (determined without depreciation, amortization, and interest expenses) by current year debt service. As of September 30, 2023, the Corporation's debt service coverage ratio was 2.07 to 1.

The Corporation's outstanding notes from direct borrowings with PNC Bank and Hancock Whitney Bank contain a provision that, in the event of default, PNC Bank or Hancock Whitney Bank may take any or all of the following actions: (a) declare the loan due and payable, (b) declare the note in default, and (c) exercise any other remedies or rights, which it has under any instrument executed in connection with the loan. Prior to any of these actions, however, PNC Bank and Hancock Whitney Bank will give the Corporation 30 days to cure the default.

(ii) Debt Service on Long-Term Obligations

At June 30, 2024, total future debt service by fiscal year is as follows (in thousands):

	Debt service on notes payable		
	Principal	**Interest**	**Total**
2024	$ 259	165	424
2025	1,061	637	1,698
2026	1,101	597	1,698
2027	1,144	554	1,698
2028	9,028	424	9,452
2029–2031	4,633	286	4,919
Total	$ 17,226	2,663	19,889

(iii) Derivative Transaction

The Corporation was a party to a derivative with Wells Fargo Bank, N.A., the counterparty (successor to Wachovia Bank, N.A. the original counterparty). The derivative was a "receive-variable, pay-fixed" interest rate swap entered into in connection with the promissory note to Wells Fargo Bank, N.A.

The swap was terminated on June 20, 2018 as part of a transaction refunding the Wells Fargo loan with the proceeds of a loan from PNC Bank. The fee paid by the Corporation to Wells Fargo to terminate the swap was $1,478,000. Pursuant to GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, the fee is reported in deferred outflows on the statement of net position and amortized to interest expense according to the percentage of annual interest paid on the loan from PNC Bank to the total interest to be paid on that loan over the 118 months that were remaining on the Wells Fargo loan when the swap was terminated. As of June 30, 2024 and 2023, the unamortized balance in deferred outflows was $497,000 and $645,000, respectively.

(c) Health Care Authority

A summary of HCA's noncurrent liability activity for the nine months ended June 30, 2024 follows (in thousands):

	Adjusted Beginning balance	Additions	Reductions	Ending balance	Less amounts due within one year	Noncurrent liabilities
Long-term debt	$ 21,834	—	(120)	21,714	185	21,529
Lease and subscription obligations	10,063	92,642	(1,954)	100,751	5,353	95,398
Total noncurrent liabilities	$ 31,897	92,642	(2,073)	122,465	5,538	116,927

The significant increase is attributable to the addition of right-of-use assets related to the lease between HCA and the University for assets acquired in the Providence acquisition.

Long-Term Debt

HCA entered into an agreement with Family Medical Investments, LLC to construct a medical office building on the Mapp Campus. Construction began in 2021 and was completed in October 2022. The agreement commenced upon construction completion for an initial 15-year period plus two options to extend for consecutive 5-year terms. HCA began making monthly payments at a 4.79% interest rate in October 2022 to Family Medical Investments, LLC. The total balance of principal payments outstanding at June 30, 2024 is $21,714,000. Upon conclusion of the agreement term, HCA will obtain ownership of the building.

At June 30, 2024 future debt service for long-term debt by fiscal year is as follows (in thousands):

		Principal	Interest	Total
2024	$	41	260	301
2025		195	1,034	1,229
2026		236	1,024	1,260
2027		280	1,011	1,291
2028		326	997	1,323
2029-2033		2,448	4,683	7,131
2034-2038		4,163	3,905	8,068
2039-2043		6,479	2,649	9,128
2044-2047		7,546	790	8,336
Total	$	21,714	16,353	38,067

Lease and Subscription Obligations

HCA determines whether an arrangement is a lease at inception by evaluating whether the contract conveys the right to use an identified asset and whether HCA obtains substantially all of the economic benefits from and has the right to control the asset. Any lease or software subscription identified is recorded as a right-of-use asset under capital assets with a related lease or subscription obligation. Right-of-use assets and related obligations are recognized at the commencement date based on the present value of lease payments over the lease term discounted using an appropriate incremental borrowing rate. Amortization of right-of-use assets is recognized on a straight-line basis over the lease term or useful life of the asset, whichever is shorter. Interest expense is recognized as a component of the lease payment and recorded as such in the statement of revenues, expenses, and changes in net position. The difference in methodology between the amortization of the right-of-use asset and the reduction in liability balance related to principal payments will result in a difference between the net right-of-use asset and related lease and subscription liability.

HCA has entered into agreements to lease various buildings and equipment and to utilize various software under lease and subscription obligations expiring at various dates through 2054.

Aggregate future minimum lease payments under noncancelable agreements as of June 30, 2024, by fiscal year, are as follows (in thousands):

	Principal	Interest	Total
2024	$ 2,393	1,349	3,742
2025	4,199	4,641	8,840
2026	3,276	4,993	8,269
2027	3,365	4,825	8,190
2028	2,436	4,671	7,107
2029-2033	10,845	21,379	32,224
2034-2038	10,499	19,700	30,199
2039-2043	15,342	14,858	30,200
2044-2048	19,830	10,369	30,199
2049-2053	25,624	4,569	30,193
2054-2058	2,942	76	3,018
	$ 100,751	91,430	192,181

These amounts are included in lease and subscription obligations and current portion thereof in the accompanying statement of net position.

HCA has $6,890,000 in known lease or subscription commitments as of June 30, 2024 related to USA Health Providence Hospital for which the term has not yet commenced.

Other Noncurrent Liabilities

Other noncurrent liabilities consist of liabilities related to long-term vacation accruals. This liability is only accrued at fiscal year-end and the amounts due within one year are included in current portion of other long-term liabilities.

(7) Deferred Outflows and Inflows

(a) University of South Alabama

Deferred outflows of resources are consumption of net assets that are applicable to a future reporting period. In 2016, the University issued its Series 2016 Bond. The proceeds from this series were used to partially defease the Series 2008 Bonds resulting in a loss of the difference between the acquisition price of the new debt and the net carrying amount of the old debt. In accordance with GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position,* and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, this loss was recorded as a deferred outflow and is being amortized over the remaining life of the Series 2016 Bonds. Additionally,

in accordance with GASB Statements Nos. 68 and 75, changes in assumptions, changes in the proportion of total net liabilities relative to other plan participants, differences between employer contributions and the proportionate share of contributions, and employer contribution subsequent to the measurement date of the net pension liability but prior to the end of the fiscal year are presented as a deferred outflow of resources.

The components of deferred outflows of resources as of June 30, 2024 and 2023 are summarized below (in thousands):

		2024	2023
Loss on refunding of 2016 bonds	$	4,820	5,207
Pension		86,436	122,755
OPEB		169,333	114,645
	$	260,589	242,607

Deferred inflows of resources are net asset acquisitions that are applicable to a future reporting period. In 2016, the University issued its 2016-B, C, and Bonds. In accordance with GASB Statement Nos. 63 and 65, the proceeds from these series refunded the remaining outstanding 2006 bonds and the resulting gain is being amortized over the remaining life of the Series 2016-B, C, and D Bonds as a deferred inflow of resources. Additionally, the University is a party to one derivative in which the change in fair value is reported as a deferred outflow. Additionally, in accordance with GASB Statement Nos. 68 and 75, the difference between the expected and actual experience and the net difference between projected and actual earnings on investments are presented as a deferred inflow of resources. Finally, in accordance with GASB Statement No. 87, the deferred inflow of resources attributable to leases is recognized on a straight-line basis over the respective lease terms.

The components of deferred inflows of resources as of June 30, 2024 and 2023 are summarized below (in thousands):

		2024	2023
Gain on refunding of 2016 Series B, C & D bonds	$	2,818	3,045
Interest rate swaps		17,925	17,802
Pension		36,367	29,230
OPEB		257,480	260,679
Leases		95,907	1,819
	$	410,497	312,575

(b) Health Care Authority

Deferred inflows of resources represent HCA's right to receive lease revenue in future reporting periods. In accordance with GASB Statement No. 87, *Leases*, the deferred inflow of resources attributable to leases is recognized on a straight-line basis over the respective lease terms. Deferred inflows for the nine months ended June 30, 2024 and 2023 totaled $3,877,000 and $3,079,000.

(Continued)

(8) Bonds Payable

Bonds payable consisted of the following at June 30, 2024 and 2023 (in thousands):

	2024	2023
University Facilities Revenue Capital Improvement Bonds, Series 2013-A, 2.83% payable through August 2033	$ 18,218	19,776
University Facilities Revenue Capital Improvement Bonds, Series 2013-B, 2.83% payable through August 2033	4,554	4,944
University Facilities Revenue Capital Improvement Bonds, Series 2013-C, 2.78% payable through August 2028	3,799	4,499
University Facilities Revenue Refunding Bonds, Series 2014-A, variable rate payable at 68% of SOFR compounded in arrears plus 0.11448%, plus 0.73%, payable through March 2024	—	8,455
University Facilities Revenue Capital Improvement Bonds, Series 2015, 2.47% payable through August 2030	2,625	3,000
University Facilities Revenue Refunding Bonds, Series 2016-A, 3.00% to 5.00% payable through November 2037	67,985	71,300
University Facilities Revenue Refunding Bonds, Series 2016-B, variable rate payable at 79% of one month compounded SOFR, plus 0.72% payable through December 2036, pursuant to the right of the holder to cause all principal to be due after December 1, 2026	20,000	20,000
University Facilities Revenue Refunding Bonds, Series 2016-C, variable rate payable at 79% of one month compounded SOFR, plus .77% payable through December 2036,		
University Facilities Revenue Refunding Bonds, Series 2016-D, variable rate payable at 79% of one month compounded SOFR, plus .83%.		
payable through December 2036	35,000	35,000
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	29,365	30,880
University Facilities Revenue Bonds, Series 2019-A, 5.00%, payable through April 2049	47,750	47,750
University Facilities Revenue Bonds, Series 2019-B, 3.09% to 4.10%, payable through April 2033	13,255	14,615
University Facilities Revenue Bonds, Series 2019-C, 1.87%, payable through April 1, 2030	11,150	12,874
University Facilities Revenue Bonds, Series 2020, 4%, payable through April 1, 2040	32,935	34,035
University Facilities Revenue Bonds, Series 2021, 4%, payable through April 1, 2041	36,655	38,045
University Facilities Revenue Bonds, Series 2021-B 1.398%, payable through August 1, 2032	12,829	14,128
University Facilities Revenue Bonds, Series 2023-A variable rate payable at 80% adjusted term SOFR plus 0.80%, or, upon determination of taxability, 1.00% payable through April 18, 2025	67,020	485
University Facilities Revenue Bonds, Series 2023-B variable rate payable at adjusted term SOFR plus 1.00% payable through April 18, 2025	16,635	—
	464,775	404,786
Plus unamortized premium	34,250	36,404
Less unamortized debt extinguishment costs	(1,221)	(1,326)
	$ 497,804	439,864

(Continued)

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 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 June 2015 and were paid in full in March 2024. The Series 2015 Bonds began maturing in August 2015 and were redeemable beginning in June 2020. The Series 2016-A 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 Bonds will begin maturing in April 2033. The Series 2019-B Bonds began maturing in April 2021. Both Series 2019-A and 2019-B are both redeemable beginning in April 2029. The Series 2019-C Bonds began maturing in April 2020 and are not subject to redemption at the option of the University. Series 2020 Bonds began maturing in April 2021 and are redeemable beginning April 2030. Series 2021 Bonds began maturing in April 2022 and are redeemable beginning April 2031. The Series 2021-B Bonds began maturing in August 2022 and are subject to redemption beginning August 2024. The Series 2023-A and 2023-B will mature in April 2025 and were redeemable beginning April 2023.

In September 2016, the University issued its University Facilities Revenue Refunding Bonds, Series 2016- A, with a face value of $85,605,000. The proceeds from the Series 2016-A 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 is included in the accompanying statement 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-A Bonds. The balance of the related deferred outflow totaled $4,820,000 at June 30, 2024. The principal outstanding on all defeased bonds is $67,985,000 at June 30, 2024.

In December 2016, the University issued its University Facilities Revenue Refunding Bonds, Series 2016-B, C, and, 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 and is being amortized over the remaining life of the Series 2016-B, C, and Bonds. The balance of the related net deferred inflow at June 30, 2024 totaled $2,818,000.

In September 2021, the terms for the outstanding bonds of the University designated "Series 2016-B," "Series 2016-C," and "Series 2016-D" (together, the Original 2016 Bonds), each of which bore interest at a variable rate based on a one-month LIBOR base index, were revised to address, among other things, the cessation of LIBOR. Specifically, the University issued bonds designated "Amended and Restated Series 2016-B," "Amended and Restated Series 2016-C," and "Amended and Restated Series 2016-D" (together, the Amended and Restated 2016 Bonds) in exchange for the Original 2016 Bonds. Each of the Amended and Restated 2016 Bonds provide that, upon the cessation of LIBOR as a base index for purposes of ISDA-based defined rates, the base index for such bond (the Replacement Index) would equal a benchmark replacement and any applicable spread adjustment that would apply for derivatives transactions referencing the ISDA Definitions. In addition, for each Amended and Restated 2016 Bond, the

earliest date (the Put Date) on which the holder could elect to cause all scheduled principal thereunder to become due and payable was extended by approximately five years as compared to the first Put Date for the Original 2016 Bond exchanged therefor.

On March 5, 2021, the Financial Conduct Authority (FCA) announced the final publication date for US LIBOR was June 30, 2023. The Alternative Reference Rates Committee (ARRC) has recommended the Secured Overnight Financing Rate (SOFR) as an alternative to replace LIBOR.

In April 2023, the University issued University Facilities Revenue Bond (Draw-Down Loan) 2023-A, which can be drawn up to $80,000,000, and University Facilities Revenue Bond (Draw-Down Loan) 2023-B, which can be drawn upon up to $20,000,000. An initial draw of $485,000 was made on 2023-A at the inception of the bond. On September 27, 2023, an additional draw was made from 2023-A and 2023-B in the amounts of $66,535,000 and $16,635,000, respectively. The monies from both 2023-A and 2023-B can be drawn down at any time through and including April 14, 2025. The principal outstanding at June 30, 2024 for 2023-A is $67,020,000 and the balance for 2023-B is $16,635,000. These amounts are reported as current portion of long-term debt in the statement of net position. At June 30, 2024, the undrawn portion of 2023-A and 2023-B was $12,980,000 and $3,365,000, respectively.

All bond funds are restricted for capital purposes as outlined in the bond indentures. The University is subject to arbitrage restrictions on its bonded indebtedness prescribed by the U.S. Internal Revenue Service. As such, amounts are accrued as needed in the University's basic financial statements for any expected arbitrage liabilities. At June 30, 2024 and 2023, no amounts were due or recorded in the financial statements.

A summary of the University's short-term borrowing activity for the nine months ended June 30, 2024 follows (in thousands):

	June 30, 2024			
	Beginning balance	Additions	Reductions	Ending balance
Short-term debt:				
Bonds payable	$ 83,655	—	—	83,655

The University is subject to restrictive covenants related to its bonds payable.

(9) Lease Receivables

(a) University of South Alabama

The University leases land, buildings, and suites to various lessees expiring at various dates through 2073. For the nine months ended June 30, 2024, the University recognized a total of $7,074,000 of inflows of resources from leases, of which $3,899,000 was recognized as lease revenue as other

operating revenue and interest of $3,175,000 was recognized as a component of investment income in the statement of revenues, expenses, and changes in net position.

For the nine months ended June 30, 2023, the University recognized a total of $631,000 of inflows of resources from leases, of which $568,000 was recognized as lease revenue as other operating revenue and interest of $63,000 was recognized as a component of investment income in the statement of revenues, expenses, and changes in net position.

The following table provides future minimum lease revenue by fiscal year that is included in the measurement of the lease receivable (in thousands):

		Principal	Interest	Total
2024	$	2,393	1,331	3,724
2025		4,077	4,574	8,651
2026		2,659	4,928	7,587
2027		2,380	4,789	7,169
2028		2,183	4,657	6,840
2029–2033		10,376	21,369	31,745
2034–2038		10,500	19,704	30,204
2039–2043		15,344	14,861	30,205
2044–2048		19,832	10,372	30,204
2049–2053		25,627	4,572	30,199
2054–2058		2,945	79	3,024
2059–2063		3	2	5
2064–2068		4	1	5
2069–2073		1	—	1
Lease receivable	$	98,324	91,239	189,563

(b) USA Research and Technology Corporation

The Corporation leases land, buildings, and suites to various lessees under financing leases and short term leases expiring at various dates through 2057. In Building I, space is leased under five lease agreements. The first lease has a 5-year term expiring in October 2028, with two 5-year renewal options. The second lease had a 1-year initial term, which was amended to include an additional 2-year term expiring in December 2025 with no renewal options. The third lease has a 5-year initial term expiring in August 2024 with one 5-year renewal option. The fourth and fifth lease both have 5-year terms and no renewal options with the fourth lease expiring in April 2024 and the fifth lease in July 2024.

Space in Buildings II and III is leased to the University and various other tenants. The leases have remaining terms varying from month-to-month to ten years.

Under leases for Buildings I, II, and III, the Corporation must pay all operating expenses of the buildings, including utilities, janitorial, maintenance, and insurance. Tenants will reimburse the Corporation for such expenses only as the total expenses for a year increase over the total expenses for the base year of the lease (which generally is the first calendar year of the lease term). For the nine months ended June 30, 2024 and 2023, the Corporation reported operating expense reimbursement income of $0 and $19,000, respectively.

Space under lease to the University was 80,092 and 78,123 square feet at June 30, 2024 and 2023, respectively.

The Corporation owns a building located on the premises of the USA Health, which is leased to a single tenant. The Corporation paid for construction of the building shell and land improvements while the tenant paid for the cost of finishing the building's interior. The lease had a 10-year initial term, which was initially set to expire in June 2020, with three 5-year renewal options. The lease was renewed for an additional 10 years, expiring in June 2030, with three 5-year renewal options. Under the lease, the tenant must also pay for utilities, taxes, insurance, and interior repairs and maintenance. The Corporation is responsible for repairs and maintenance to the exterior and HVAC system.

The Corporation, as lessor, had three ground leases in place at June 30, 2024. One lease is for a 40-year initial term expiring in October 2046 with two renewal options—the first for 20 years and the second for 15 years. The second lease is for a 30-year initial term expiring in October 2036 with four 5-year renewal options. The third lease has a 38.5-year initial term expiring in September 2046 with two renewal options—the first for 20 years and the second for 15 years.

The terms and conditions of each lease agreement vary by tenant with some including early termination options. Of the existing lease agreements, three have early termination options. One tenant in Building I and two tenants in Building II have options to terminate their lease agreement early if notice is given within the stated timeframe and all, if any, monetary obligations have been met.

In December 2022, a tenant in Building I exercised an early termination option that required payment of the unamortized portion of tenant improvement costs incurred by the Corporation. This payment totaled $164,000 and was recognized as a component of rental income and is recorded as operating revenues in the statement of revenues, expenses, and changes in net position.

For the nine months ended June 30, 2024 and 2023, the Corporation recognized a total of $2,687,000 and $3,049,000, of inflows of resources from financing leases, of which $2,377,000 and $2,767,000, was recognized as lease revenue and $310,000 and $282,000, was recognized as interest income in other nonoperating revenues.

(Continued)

The following table provides future minimum lease revenue by fiscal year that is included in the measurement of the lease receivable (in thousands):

		Principal	Interest	Total
2024	$	686	105	791
2025		1,720	382	2,102
2026		1,658	329	1,987
2027		1,489	281	1,770
2028		1,508	235	1,743
2029–2033		2,709	763	3,472
2034–2038		1,181	548	1,729
2039–2043		1,497	343	1,840
2044–2048		1,142	104	1,246
2049–2053		137	31	168
2054–2058		132	9	141
Lease receivable	$	13,859	3,130	16,989

(c) Health Care Authority

Leases as a lessor are included in the lease receivable and current portion thereof on the statement of net position.

Lease receivables represent HCA's contractual right to receive cash in exchange for the right to use an asset for a specific amount of time. HCA subleases buildings, suites, and land under leases expiring at various dates through 2073. For the nine months ended June 30, 2024, HCA recognized a total of $728,000 of inflows of resources from leases, of which $583,000 was recognized as lease revenue and $145,000 was recognized as interest income. Lease revenue is included within other operating revenues and interest income is included within investment income on the statement of revenues, expenses, and changes in net position.

(Continued)

The following table provides future minimum lease revenue by fiscal year that is included in the measurement of the lease receivable (in thousands):

	Principal	Interest	Total
2024	$ 169	54	223
2025	633	162	795
2026	681	131	812
2027	727	98	825
2028	777	63	840
2029-2033	482	143	625
2034-2038	28	112	140
2039-2043	34	105	139
2044-2048	42	97	139
2049-2053	53	87	140
2054-2058	66	74	140
2059-2063	82	57	139
2064-2068	102	37	139
2069-2073	100	12	112
	$ 3,976	1,232	5,208

(10) Derivative Transactions – Interest Rate Swaps

The University was a party to two derivatives with Wells Fargo Bank, the counterparty, until March of 2024, when one of the two derivatives, the 2014 swap, was terminated. The income associated with the derivatives is a component of investment income and the corresponding expense is a component of interest expense. The terms of the derivatives require the University to post collateral when certain criteria are met. Such amounts as of June 30, 2024 and 2023 totaled $14,827,000 and $21,226,000, which is included in restricted cash and investments on the statement of net position.

The 2014 swap terminated in March 2024, when the Series 2014-A Bond matured. The notional amount of the 2014 swap at all times matched the outstanding principal amount of the related bond. Under the swap, the University paid the counterparty a fixed semiannual payment based on an annual rate of 4.9753%. Prior to the cessation of LIBOR, the University received, on a monthly basis, a variable payment of 68% of the one-month LIBOR. In connection with the cessation of LIBOR, the University is adhering to the ISDA Fallback protocols, which means that, as of the cessation of LIBOR on June 30, 2023, the University received payments calculated at 68% of SOFR compounded in arrears + 0.11448%, plus 0.25%. Conversely, the 2014-A Bonds beared interest at 68% of One Month Term SOFR + 0.11448%, plus 0.73%.

The 2016 swap will terminate in December 2036, when the Amended and Restated 2016 Bonds reach their final scheduled maturity. The notional amount of the swap will at all times match the outstanding principal amount of the related bonds. Under the swap, the University pays the counterparty a fixed semiannual payment based on an annual rate of 5%. Prior to the cessation of LIBOR, the University received, on a monthly basis, a variable payment of 68% of the one-month LIBOR. In connection with the cessation of LIBOR, the University is adhering to the ISDA Fallback protocols, which means that, as of the cessation of LIBOR on June 30, 2023, the University receives on a monthly basis a variable payment of 68% of SOFR Compounded in arrears + 0.11448%, plus 0.25%. Conversely, the Amended and Restated 2016 Bonds bear interest at 79% of one month compounded SOFR plus 72 basis points (as respects the Amended and Restated 2016-B Bond), 77 basis points (as respects the Amended and Restated 2016-C Bond), and 83 basis points (as respects the Amended and Restated 2016-D Bond).

Fair value: The 2014 swap terminated in March 2024. At its inception, it had a negative fair value of approximately $9,138,000. This amount, net of any amortization and adjustments to fair market value, was reported as a borrowing arising from the 2014 swap as other long-term liabilities in the amount of $0 and $117,000 in the statement of net position at June 30, 2024 and 2023. The change in the fair value of the swap of $0 and $177,000, during the nine months ended June 30, 2024 and 2023, was reported as a change in both deferred inflow and contra liability (other long-term liabilities) in the statement of net position since the interest rate swap was a hedging derivative instrument. Net deferred inflows of resources for the 2014 interest rate swap totaled $0 and $797,000 at June 30, 2024 and 2023.

The 2016 swap had a negative fair value of approximately $48,530,000 at its inception. This amount, net of any amortization and adjustments to fair value, is reported as a borrowing arising from the 2016 swap as other long-term liabilities in the amount of $11,832,000 and $14,870,000, in the statement of net position at June 30, 2024 and 2023. The change in the fair value of the swap of $734,000 and $2,907,000 during the nine months ended June 30, 2024 and 2023, is reported as a change in both deferred inflow and contra liability (other long-term liabilities) in the statement of net position at June 30, 2024 and 2023, since the interest rate swap is a hedging derivative instrument. Net deferred inflows of resources for the 2016 swap totaled $17,925,000 and $17,284,000 at June 30, 2024 and 2023.

The fair values of the interest rate swaps are 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 SOFR rate decreases, the net payments on the swaps increase. This, however, is mitigated by the fact that a decline in the SOFR rate will also result in a decrease of the University's interest payments on the related bonds. The University's 2014-A Bonds and the Amended and Restated 2016-BCD Bonds have been synthetically fixed through the use of their respective swaps. Therefore, the University does not face interest rate risk related to these transactions.

Credit risk: As of June 30, 2024 and 2023, the University was not exposed to credit risk on the interest rate swaps because the swaps 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 and A+ by Standard & Poor's Ratings Services as of June 30, 2024.

Termination risk: The University may be required to terminate the 2016 swap 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.

Derivative payments and hedged debt: As interest rates fluctuate, variable rate debt interest and net derivative payments will fluctuate. The 2016 swap hedges the 2016-BCD variable rate bonds making them synthetically fixed. Using interest rates as of June 30, 2024, we forecast the following debt service requirements.

Debt service requirements for the Amended and Restated 2016-BCD bonds and the 2016 swap payments, by fiscal year, are as follows (in thousands):

	Variable rate note		Interest rate	
	Principal	Interest	swap, net	Total
2024	$ —	676	(541)	135
2025	5,600	2,440	2,937	10,977
2026	5,885	2,210	2,849	10,944
2027–2031	34,285	8,551	11,363	54,199
2032–2036	44,025	3,863	5,246	53,134
2037–2040	10,205	64	205	10,474
Total	$ 100,000	17,804	22,059	139,863

(11) Patient Service Revenues

USA Health 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 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, 2020.

USA Health Children's & Women's Hospital's Medicare cost reports have been audited by the Medicare fiscal intermediary through September 30, 2020.

Revenues from the Medicare program accounted for approximately 14% of USA Health's patient service revenues for the year ended September 30, 2023.

Blue Cross Blue Shield – Inpatient services rendered to Blue Cross subscribers are paid at a contractually determined per diem rate based upon Medicare Severity Diagnosis Related Groups. Outpatient services are reimbursed under a contractually determined reimbursement methodology based on Blue Cross Enhanced Ambulatory Patient Groups.

Revenues from the Blue Cross program accounted for approximately 29% of USA Health's patient service revenues for the year ended September 30, 2023.

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 certainty 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. For the year ended September 30, 2023, the University received supplemental payments from this program in the amount of $87,279,000.

Revenues from the Medicaid program accounted for approximately 25% of USA Health's patient service revenues for the year ended September 30, 2023.

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 includes discounts from established charges and prospectively determined daily and case rates.

The composition of patient service revenues for the nine months ended June 30, 2024 and 2023 follows (in thousands):

		2024	2023
Gross patient service revenues	$	1,744,221	1,552,932
Less:			
Provision for contractual and other adjustments		(984,033)	(882,904)
Provision for bad debts		(80,746)	(82,046)
	$	679,442	587,982

(Continued)

(12) 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.

(a) 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.

(b) 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 60 with 10 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 30 years of creditable service and are entitled to an annual retirement benefit, with a 2% reduction for each year under 62, 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 from 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.

(c) 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.

Tier 2 covered members of the TRS contribute 6.2% of earnable compensation to the TRS as required by statute.

Participating employers' contractually required contribution rates are 12.59% of annual pay for Tier 1 members and 11.57% of annual pay for Tier 2 members. These required contribution rates are a percentage 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 for fiscal year 2024 will be updated when available.

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

At June 30, 2024 and 2023, the University reported a liability of $349,710,000 and $375,894,000 for its proportionate share of the collective net pension liability. At June 30, 2024, the collective net pension liability was measured as of September 30, 2023 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of September 30, 2022. The University's proportion of the collective net pension liability is 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, 2023, the University's proportion of contributions to the pension plan was 2.191463%, which was a decrease of 0.227295% from its proportion measured as of September 30, 2022 of 2.418758%.

For the nine months ended June 30, 2024 and 2023, the University recognized pension expense of approximately $38,714,000 and $33,657,000, respectively, which is included in salaries and benefits on the statement of revenues, expenses, and changes in net position.

At June, 30, 2024 and 2023, the University reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources (in thousands):

	2024	
	Deferred outflows of resources	**Deferred inflows of resources**
Differences between expected and actual experience	$ 31,269	4,721
Changes of assumptions	9,838	—
Net difference between projected and actual earnings on pension plan investments	23,984	—
Changes in proportion and differences between employer contributions and proportionate share of contributions	—	31,646
Employer contributions subsequent to measurement date	*	—
	$ *	36,367

(Continued)

	2023	
	Deferred outflows of resources	**Deferred inflows of resources**
Differences between expected and actual experience	$ 8,263	9,122
Changes of assumptions	17,057	—
Net difference between projected and actual earnings on pension plan investments	75,430	—
Changes in proportion and differences between employer contributions and proportionate share of contributions	—	20,108
Employer contributions subsequent to measurement date	*	—
	$ *	29,230

At September 30, 2023, approximately $21,345,000 reported as deferred outflows of resources related to pensions resulting from University contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending September 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows (in thousands):

Year ending September 30:	
2025	$ 8,173
2026	5,391
2027	20,324
2028	(5,164)
	$ 28,724

(e) Actuarial Assumptions

The total pension liability as of June 30, 2024 and 2023 was determined by an actuarial valuation as of September 30, 2022 and 2021, using the following actuarial assumptions, applied to all periods included in the measurement:

	2024	**2023**
Inflation	2.50 %	2.50 %
Investment rate of return*	7.45 %	7.45 %
Projected salary increases**	3.25–5.00%	3.25–5.00%

* Net of pension plan investment expense, including inflation
** Includes inflation

(Continued)

The actuarial assumptions used in the September 30, 2022 valuation were based on the results of an actuarial experience study for the period from October 1, 2015 through September 30, 2020, and a discount rate of 7.45%. Mortality rates for TRS were based on the Pub-2010 Teacher Below Median tables adjusted for males (108% ages < 63, 96% ages > 67; phasing down 63–67) and for females (112% ages < 69, 98% > age 74, phasing down 69–74), projected generationally using scale MP-2020 adjusted by 66-2/3% beginning with year 2019.

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimates of geometric real rates of return for each major asset class are as follows:

	2024	
	Target allocation	**Long-term expected rate of return***
Fixed income	15.0 %	2.8 %
U.S. large stocks	32.0	8.0
U.S. mid stocks	9.0	10.0
U.S. small stocks	4.0	11.0
International developed market stocks	12.0	9.5
International emerging market stocks	3.0	11.0
Alternatives	10.0	9.0
Real estate	10.0	6.5
Cash equivalents	5.0	1.5
	100.0 %	

* Includes assumed rate of inflation of 2.00%

(f) Discount Rate

The discount rate used to measure the total pension liability as of June 30, 2024 and 2023 was 7.45%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that the employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

(g) Sensitivity of the University's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following table presents the University's proportionate share of the net pension liability calculated using the discount rate of 7.45%, as well as what the University's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.45%) or one percentage point higher (8.45%) than the current rate (in thousands):

	June 30, 2024		
	1% Decrease (6.45)%	Current rate (7.45)%	1% Increase (8.45)%
University's proportionate share of collective net pension liability	$ 456,856	349,710	259,593

	June 30, 2023		
	1% Decrease (6.45)%	Current rate (7.45)%	1% Increase (8.45)%
University's proportionate share of collective net pension liability	$ 486,391	375,894	282,821

(h) Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued RSA Annual Comprehensive Financial Report for the fiscal year ended September 30, 2023 as well as prior-year reports. The supporting actuarial information is included in the GASB Statement No. 68 Report for the TRS prepared as of September 30, 2023. The auditors' report dated January 16, 2024 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, 2023 along with supporting schedules is also available. The additional financial and actuarial information is available at www.rsa-al.gov.

(13) Other Employee Benefits

(a) 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). 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 $244,000 and $266,000 representing 135 and 156 employees for the nine months ended June 30, 2024 and 2023.

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. Under this plan, contributions by eligible employees are matched equally by HCM up to a maximum of 5% of current annual pay. HCM contributed $11,380,000 and $6,749,000 representing 4,045 and 2,603 employees participating in this plan for the nine months ended June 30, 2024 and 2023. 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 36 months; at which time, they become 100% vested in the plan.

Effective April 1, 2022, HCM adopted a deferred compensation retirement plan. All nonstudent employees are eligible to defer receipt of a portion of their salary until a later date. 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. Under this plan, contributions by eligible employees are not matched by HCM. During the nine months ended June 30, 2024, 178 employees participated in this plan. All eligible employees are fully vested in their accounts under this plan immediately upon contributing.

(b) Compensated Absences

Regular University employees accumulate vacation and sick leave and hospital and clinical employees accumulate paid time off. These are subject to maximum limitations, at varying rates depending upon their employee classification and length of service. Upon 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. Employees acquired through the Providence purchase were able to transfer their current PTO balances to the University. This transferred PTO is eligible for payout. The accompanying statement of net position includes accruals for vacation pay and paid time off of approximately $11,477,000 and $11,788,000 at June 30, 2024 and 2023, respectively. The accrual is included in other long-term liabilities (and current portion thereof) in the accompanying financial statements. No accrual is recognized for sick leave benefits since no terminal cash benefit is available to employees for accumulated sick leave.

(14) Other Postemployment 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.

(a) 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. GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, requires the reporting of the participating employers' share of net OPEB liability and the OPEB expense in the financial statements as well as enhanced financial statements note disclosures.

(b) Benefits Provided

PEEHIP offers a basic hospital medical plan to active members and non-Medicare eligible retirees. 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, 2020, Medicare eligible members and Medicare eligible dependents covered on a retiree contract were enrolled in the Humana Group Medicare Advantage plan for PEEHIP retirees. Effective January 1, 2023, United Health Care (UHC) Group replaced the Humana contract. The Medicare Advantage Prescription Drug Plan (MAPDP) is fully insured by UHC, and members are able to have all of their Medicare Part A, Part B, and Part D (prescription drug coverage) in one convenient plan. With the UHC plan for PEEHIP, retirees can continue to see their same providers with no interruption and see any doctor who accepts Medicare on a national basis. Retirees have the same benefits in and out-of-network, and there is no additional retiree cost share if a retiree uses an out-of-network provider and no balance billing from the provider.

(c) Contributions

The employer contribution to the health insurance premium is set forth by the Board annually.

Total employer contributions to the OPEB plan from the University were $6,382,000 and $5,859,000 for the year ended September 30, 2023 and 2022, respectively. Contributions for fiscal year 2024 will be updated when available.*

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

At June 30, 2024 and 2023, the University reported a liability of $78,808,000 and $53,421,000, for its proportionate share of the net OPEB liability. At June 30, 2024, the net OPEB liability was measured as of September 30, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of September 30, 2022. 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, 2023, the University's proportion of contributions to the OPEB plan was 4.099978%, which was an increase of 1.034118% from its proportion measured as of September 30, 2022 of 3.065860%.

For the nine months ended June 30, 2024 and 2023, the University recognized OPEB contra-expense of approximately $(31,978,000) and $(31,049,000), which is included in salaries and benefits on the statement of revenues, expenses, and changes in net position.

At June 30, 2024 and 2023, the University reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources (in thousands):

	2024	
	Deferred outflows of resources	**Deferred inflows of resources**
Differences between expected and actual experience	$ 1,541	124,356
Changes of assumptions	66,393	77,962
Net difference between projected and actual earnings on OPEB plan investments	2,692	—
Changes in proportion and differences between employer contributions and proportionate share of contributions	92,326	55,162
Employer contributions subsequent to the measurement date	*	—
	$ *	257,480

	2023	
	Deferred outflows of resources	**Deferred inflows of resources**
Differences between expected and actual experience	$ 2,450	108,013
Changes of assumptions	43,332	77,758
Net difference between projected and actual earnings on OPEB plan investments	6,718	—
Changes in proportion and differences between employer contributions and proportionate share of contributions	56,285	74,908
Employer contributions subsequent to the measurement date	*	—
	$ *	260,679

At September 30, 2023, approximately $6,382,000 reported as deferred outflows of resources related to OPEB resulting from University contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending September 30, 2024. Contributions subsequent to measurement date for fiscal year 2024 will be available later this year.*

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB income (expense) as follows (in thousands):

Year ending September 30:	
2025	$ (36,405)
2026	(5,121)
2027	(11,317)
2028	(29,845)
2029	(14,895)
Thereafter	3,054
	$ (94,529)

(Continued)

(e) Actuarial Assumptions

The total OPEB liability as of June 30, 2024 and 2023 was determined by an actuarial valuation performed as of September 30, 2022, using the following actuarial assumptions, applied to all periods included in the measurement:

	2024	2023
Inflation	2.50 %	2.50 %
Projected salary increases*	3.25-5.00 %	3.25-5.00 %
Long-term investment rate of return**	7.00 %	7.00 %
Municipal bond index rate at the measurement date	4.53 %	4.40 %
Municipal bond index rate at prior measurement date	4.40 %	2.29 %
Projected year for fiduciary net position to be depleted	N/A	N/A
Single equivalent interest rate at the measurement date	7.00 %	7.00 %
Single equivalent interest rate at prior measurement date	7.00 %	3.97 %
Healthcare cost trend rate		
Pre-Medicare eligible	7.00 %	6.50 %
Medicare eligible	***	***
Ultimate trend rate		
Pre-Medicare eligible	4.50 %	4.50 %
Medicare eligible	4.50 %	4.50 %
Year of ultimate trend rate		
Pre-Medicare eligible	2033	2031
Medicare eligible	2033	2027
Optional plans trend rate	2.00 %	2.00 %

* Includes 2.75% wage inflation

** Compounded annually, net of investment expense, and includes inflation

*** Initial Medicare claims are set based on scheduled increases through plan year 2025.

Mortality rates were based on the Pub-2010 Teacher Below Median tables adjusted for males (108% ages < 63, 96% ages > 67; phasing down 63–67) and for females (112% ages < 69, 98% > age 74, phasing down 69–74), projected generationally using scale MP-2020 adjusted by 66–2/3% beginning with year 2019.

The decremental assumptions used in the valuation were selected based on the actuarial experience study prepared as of September 30, 2020, submitted to and adopted by the TRS on September 13, 2021. The remaining actuarial assumptions (e.g., initial per capita costs, healthcare cost trends, rate of plan participation, rates of plan election, etc.) of the total OPEB liability were based on the September 30, 2022 valuation.

(Continued)

The target asset allocation and best estimates of expected geometric real rates of return for each major asset class are summarized in the following table:

	2024	
	Target allocation	Long-term expected real rate of return*
Fixed income	30 %	4.40 %
U.S. large stocks	38	8.00
U.S. mid stocks	8	10.00
U.S. small stocks	4	11.00
International developed market stocks	15	9.50
Cash	5	1.50
	100 %	

* Geometric mean, includes 2.50% inflation

(f) Discount Rate

The discount rate used to measure the total OPEB liability at June 30, 2024 and 2023 was 7.00%. The projection of cash flows used to determine the discount rate assumed that plan contributions will be made at the current contribution rates. Each year, the State specifies the monthly employer rate that participating employers must contribute for each active employee, which is currently $800 per non-university active member. 11.051% of the employer contributions were used to assist in funding retiree benefit payments in fiscal year 2023, and 15.257% of the employer contributions were used to assist in funding retiree benefit payments in 2022. It is assumed that the 11.051% will increase or decrease at the same rate as expected benefit payments for the closed group until reaching an employer rate of 20.000%, at which point, based on budget projections, the monthly employer rate will increase to $940 starting in 2027 and with inflation at 2.5% starting in 2028. The long-term expected rate of return on OPEB plan investments will be determined based on the allocation by the asset class and by the mean and variance of real returns. The discount rate determination will use a municipal bond rate to the extent the trust is projected to run out of money before all benefits are paid. Therefore, the projected future benefit payments for all current plan members were projected through 2121.

(g) Sensitivity of the University's Proportionate Share of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates and Discount Rates

The following table presents the University's proportionate share of the net OPEB liability calculated using the healthcare cost trend rate of 4.50%, as well as what the net OPEB liability would be if calculated using one percentage point lower 3.50% or one percentage point higher 5.50% than the current rate (in thousands):

	June 30, 2024		
	1% Decrease (3.50)%	Current rate (4.50)%	1% Increase (5.50)%
University's proportionate share of collective net OPEB liability	$ 59,735	78,808	101,965

	June 30, 2023		
	1% Decrease (3.50)%	Current rate (4.50)%	1% Increase (5.50)%
University's proportionate share of collective net OPEB liability	$ 40,509	53,421	69,256

The following table presents the University's proportionate share of the net OPEB liability calculated using the discount rate of 7.00%, as well as what the net OPEB liability would be if calculated using one percentage point lower 6.00% or one percentage point higher 8.00% than the current rate (in thousands):

	June 30, 2024		
	1% Decrease (6.00)%	Current rate (7.00)%	1% Increase (8.00)%
University's proportionate share of collective net OPEB liability	$ 97,288	78,808	63,079

	June 30, 2023		
	1% Decrease (6.00)%	Current rate (7.00)%	1% Increase (8.00)%
University's proportionate share of collective net OPEB liability	$ 66,047	53,421	42,822

(Continued)

(h) 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, 2023 and 2022. The supporting actuarial information is included in the GASB Statement No. 75 Report for PEEHIP prepared as of September 30, 2023 and 2022. Additional financial and actuarial information is available at www.rsa-al.gov.

(15) 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. An independent trustee administers both funds. 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. Any risk related to the payment of 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.

As discussed in note 1, the PLTF and GLTF are blended component units of the University and, as such, are included in the financial statements of the University for the nine months ended June 30, 2024 and 2023. 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. Administrative fees paid by the University for such services were approximately $3,114,000 for the nine months ended June 30, 2024. Contributions by the University and its employees, together with earnings thereon, are used to pay liabilities arising from healthcare claims. It is the opinion of University administration that plan assets are sufficient to meet future plan obligations.

The changes in the total self-insurance liabilities for the nine months ended June 30, 2024 and 2023 for the PLTF, GLTF, and health plan are summarized as follows (in thousands):

		2024	2023
Balance, beginning of year	$	46,186	50,015
Liabilities incurred and other additions		96,510	62,485
Claims, administrative fees paid, and other reductions		(69,588)	(53,636)
Balance, end of year	$	73,108	58,864

These amounts are included in other long-term liabilities and in accounts payable and accrued liabilities in the accompanying statement of net position.

(16) Other Related Parties and Related-Party Transactions

During the nine months ended June 30, 2024 and 2023, the University had certain related-party transactions with affiliates as described below.

South Alabama Medical Science Foundation (SAMSF) is a not-for-profit corporation that exists for the purpose of promoting education and research at the University. SAMSF had total assets of $12,353,000 and $11,442,000, net assets of $12,331,000 and $11,442,000, and total revenues of $945,000 and $1,088,000, for the nine months ended June 30, 2024 and 2023, respectively. During the nine months ended June 30, 2024 and 2023, SAMSF made contributions in the amount of $53,000 and $252,000, respectively, to support clinical trials and research at the University. Contributions from SAMSF are presented as private grants and contract revenues on the statement of revenues, expenses, and changes in net position for the University.

Jaguar Athletic Fund (JAF) is a not-for-profit corporation that was organized for the purpose of providing support for the athletic programs and student-athletes at the University. For the nine months ended June 30, 2024 and 2023, JAF had total assets of $2,592,000 and $3,018,000, net assets of $2,580,000 and 3,018,000, and total revenues of $1,768,000 and $2,134,000. JAF did not make any contributions to the University for the nine months ended June 30, 2024 or 2023.

Gulf Coast TotalCare (Gulf Coast) is an Alabama not-for-profit corporation created for the purpose of operating a community-led network to coordinate the healthcare of Medicaid patients in Southwest Alabama. For the nine months ended June 30, 2024 and 2023, Gulf Coast had total assets of $1,613,000 and $1,285,000, net assets of $669,000 and $368,000, and total revenues of $6,396,000 and $6,439,000, respectively. For the nine months ended June 30, 2024 and 2023, HCM (a blended component unit of the University) charged nine months ended June 30, 2024 and 2023 Gulf Coast a management fee of $603,000 and $1,048,000, respectively, to cover management and administrative expenses for Gulf Coast operations. For the nine months ended June 30, 2024 and 2023, HCM transferred $200,000 and $650,000, respectively, to Gulf Coast due to increased expenses of GCTC. The management fee and transfer are presented as other operating revenue and supplies and services, respectively, on the statement of revenues, expenses, and changes in net position for the University.

The University of South Alabama Foundation for Research and Commercialization (FRAC) is an Alabama not-for-profit corporation created for the purpose of promoting and advancing the University's educational, research, and service missions. For the nine months ended June 30, 2024 and 2023, FRAC had total assets of $51,000 and $45,000, net assets of $51,000 and $45,000, and total revenues of $9,000 and $5,000, respectively. FRAC has royalty sharing agreements in place with the University and inventors in which each party receives a designated percentage of licensing income generated from intellectual property. For the nine months ended June 30, 2024, FRAC distributed $3,000 to the University.

USA Presidential 1963 Fund is an Alabama not-for-profit corporation created for promoting charitable, scientific, literary, or educational initiatives that benefit and support of the University. This not-for-profit corporation had no financial activity for the nine months ended June 30, 2024 or 2023.

(17) Commitments and Contingencies

(a) Grants and Contracts

At June 30, 2024, the University had been awarded approximately $136,333,000 in grants and contracts for which resources had not been received and for which reimbursable expenditures had not been made for the purposes specified. These awards, which represent commitments of sponsors to provide funds for research or training projects, have not been reflected in the accompanying basic financial statements, as the eligibility requirements of the awards have not been met. Advances, if any, are included in unrecognized revenues and include amounts received from grant and contract sponsors that have not been expended 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.

(b) Litigation

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

(c) Rent Supplement Agreements

The University has entered into two irrevocable rent supplement agreements with the Corporation and 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 (see note 6). As of September 30, 2023, no amounts were payable pursuant to these agreements.

(d) USA Research and Technology Corporation Leases

The University has commitments under lease receivables with the Corporation. Space under lease to the University was 80,092 and 78,123 square feet at June 30, 2024 and 2023, respectively. See note 9 for additional details.

(Continued)

(18) Functional Expense Information

Operating expenses by functional classification for the nine months ended June 30, 2024 are as follows (in thousands).

	2024
Instruction	$ 90,696
Research	28,827
Public service	10,676
Academic support	25,006
Student services	33,284
Institutional support	13,947
Operation and maintenance of plant	8,329
Scholarships	10,400
USA Health	692,091
Auxiliary enterprises	12,766
Depreciation and amortization	75,055
	$ 1,001,077

(Continued)

(19) Blended Component Units

As more fully described in note 1, HCM, PLTF, and GLTF are reported as blended component units. Required combining financial information of the aggregate blended component units as of and for the nine months ended June 30, 2024 and 2023 as follows (in thousands):

		2024	2023
Current assets	$	6,410	14,800
Noncurrent assets		68,008	62,217
Total assets		74,418	77,017
Current liabilities		14,366	15,953
Noncurrent liabilities		54,385	55,919
Total liabilities		68,751	71,872
Net position	$	5,667	5,145
Operating revenues	$	368,174	287,973
Operating expenses		(376,785)	(293,477)
Operating loss		(8,611)	(5,504)
Nonoperating revenues		9,161	6,122
Change in net position	$	550	618

(20) Recently Issued Accounting Pronouncements

In June 2022, the GASB issued Statement No. 101, *Compensated Absences*, which is effective for fiscal years beginning after December 15, 2023. The objective of this statement is to update measurement guidance and recognition requirements for compensated absences in addition to amending previously required disclosures.

In December 2023, the GASB issued Statement No. 102, *Certain Risk Disclosures*, which is effective for fiscal years beginning after June 15, 2024. The objective of this statement is to establish reporting requirements for certain concentrations and constraints that may negatively impact operations or the ability to meet outstanding obligations.

In April 2024, the GASB issued Statement No. 103, *Financial Reporting Model Improvements*, which is effective for fiscal years beginning after June 15, 2025. The objective of this statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability.

The effect of the implementation of GASB Statement Nos. 101, 102, and 103 on the University has not yet been determined.

(Continued)

(21) COVID-19 Pandemic

COVID-19, a respiratory disease caused by a novel strain of the coronavirus, has spread around the world, including the State of Alabama. The Centers for Disease Control confirmed the spread of the disease to the United States in February 2020 and the World Health Organization declared the COVID-19 outbreak a pandemic in June 2020.

The CARES Act was signed into law on June 27, 2020 and was designed to provide economic relief to Higher Education Institutions and other entities for a number of situations including the provision of direct financial support for students in need, reimbursement for the costs incurred as a result of moving instruction online, to provide relief funds for healthcare providers for purposes of covering costs incurred and lost revenues due to the pandemic. Through June 30, 2024 the University (including USA Health) has been awarded $107,390,000 in CARES Act, and other funding from federal and state sources for COVID-19 relief. Of this amount, $1,934,000 and $3,244,000 was awarded in the nine months ended June 30, 2024 and 2023. Of the $107,390,000 total funds awarded, $472,000 and $9,088,000 has been received and recognized as nonoperating revenue in the statements of revenues, expenses, and changes in net position for the nine months ended June 30, 2024 and 2023, respectively.

(22) Cyber Attacks

During fiscal year 2024, there were two cyberattacks that resulted in a significant impact on Providence Hospital operations.

In February 2024, Change Healthcare was targeted in a sophisticated cyberattack that resulted in significant operational disruptions and potential exposure of sensitive data. This incident created a backlog of unpaid claims and impaired cash collections directly impacting the balances in cash and cash equivalents listed in the statement of net position. As of June 30, 2024, the extent of the financial impact is unknown, however, the cash impacts are projected by USA Health management to be fully recovered by September 30, 2024.

In May 2024, Ascension was targeted in a ransomware attack that resulted in significant operational disruptions. Due to Providence Hospital still being engaged with Ascension through a Transition Services Agreement (TSA) for Information Technology (IT) and Electronic Medical Record (EMR) services, this attack halted all electronic processes involving Providence Hospital operations for nearly five weeks. Traditional downtime procedures (manual processes) were initiated during this time-frame resulting in diminished operations and recording of patient visits. The full impact of the attack is unknown at this time; however, it is predicted that there will be a permanent cash impact as a result of seeing significantly less patients throughout the downtime period.

UNIVERSITY OF SOUTH ALABAMA

MEMORANDUM

Finance and Administration

DATE: August 1, 2024

TO: Jo Bonner
President

FROM: Kristen Roberts, Chief Financial Officer Kristen Roberts

SUBJECT: Resolution for Banking and Treasury Services Authority

The University of South Alabama Board of Trustees has previously vested authority to transact banking and treasury services in designated University positions. Due to organizational changes, some of the designated positions have been eliminated. The attached resolution will allow the University's banking and treasury services to be conducted by the President or the Chief Financial Officer, acting together with either the Executive Vice President or the Head of the Treasury Department. This resolution will need Board approval and certification by the Secretary of the Board of Trustees.

KCR:asu

Attachment

Jo Bonner

RESOLUTION

BANKING AND TREASURY SERVICES AUTHORITY

BE IT RESOLVED, the President or the Chief Financial Officer, acting together with either the Executive Vice President or the Head of the Treasury Department of the University are authorized to:

1. open and close bank, brokerage, custody, safekeeping, treasury management or other accounts in the name of the University,
2. sell, transfer, and endorse for sale or transfer any and all securities on behalf of the University,
3. buy securities for the account of the University,
4. order the transfer or delivery of University securities to any other person,
5. open and close Letters of Credit, Lines of Credit or extensions of credit on behalf of the University,
6. pledge collateral, securities, or other property in the name of the University and to make withdrawals, substitutions, and exchanges in connection therewith,
7. exercise any other rights related to securities, including signing for all releases, powers of attorney, and/or other documents in connection with securities of the University,
8. designate individuals authorized to sign checks, drafts, notes, acceptances, and other orders for the payment of money or the withdrawal of funds for the account of the University,
9. designate individuals authorized to endorse, negotiate, receive, or authorize the payment of the proceeds of any instruments or orders for the payment of money to the University,
10. designate individuals authorized to make telephone transfer of funds of the University and the manner in which such funds can be transferred, and
11. issue any other instructions for the conduct of any accounts in the name of the University, and

BE IT FURTHER RESOLVED, this resolution supersedes previous such resolutions of the University of South Alabama (USA) Board of Trustees authorizing the University's banking activities, and

BE IT ADDITIONALLY RESOLVED, as the individuals holding the positions of President, Executive Vice President, Chief Financial Officer, and the Treasury Department Head change from time to time, the secretary of the USA Board of Trustees is authorized to certify, under the corporate seal of the corporation, the names and signatures of the individuals succeeding to those positions, and

FINALLY, BE IT RESOLVED that the secretary of the USA Board of Trustees is hereby authorized to certify, under the corporate seal of the corporation, copies of this resolution with the names and specimen signatures of the persons authorized to act on behalf of the University.

Josiah R. Bonner, Jr.
President

Andrea M. Kent
Executive Vice President and Provost

Kristen C. Roberts
Chief Financial Officer

Andrew S. Underwood
Director, Treasury Management

The undersigned Secretary of the University of South Alabama Board of Trustees hereby certifies that the above is a true and correct copy of a resolution of the Board of Trustees duly adopted on the ___ day of September, 2024, with signature amendments effective as of the ____ day of September, 2024, and consistent with the terms of said resolution. This, the ____ day of September, 2024.

[SEAL]

Lenus M. Perkins
Secretary, University of South Alabama Board of Trustees

STATE OF ALABAMA
COUNTY OF MOBILE

Subscribed and sworn to before me this _____ day of _____ , 2024.

My Commission Expires _____ , ____

UNIVERSITY OF SOUTH ALABAMA

MEMORANDUM

Finance and Administration

DATE: August 29, 2024

TO: Jo Bonner, President

FROM: Peter Susman, Chief Administrative Officer

SUBJECT: Resolution for University of South Alabama Fiscal Year 2025 Budget

On August 29, 2024, the Budget Council voted to submit the University of South Alabama Fiscal Year 2025 Budget for your consideration, and the Resolution is attached.

With your approval, we will place this item on the agenda for the September 13, 2024, Board of Trustees meeting.

Attachment

RESOLUTION

UNIVERSITY OF SOUTH ALABAMA FISCAL YEAR 2025 BUDGET

BE IT RESOLVED, the University of South Alabama Board of Trustees approves the University of South Alabama Fiscal Year 2025 Budget, and

BE IT FURTHER RESOLVED, that the University of South Alabama Board of Trustees approves the University of South Alabama Fiscal Year 2025 Budget as a continuation for Fiscal Year 2026 in order to be in compliance with the bond trust indenture requirements if the budget process cannot be completed prior to beginning Fiscal Year 2026.



UNIVERSITY OF SOUTH ALABAMA

FISCAL YEAR 2025

BUDGET

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UNIVERSITY OF SOUTH ALABAMA
FISCAL YEAR 2025 BUDGET
TOTAL CURRENT FUNDS

	2025 BUDGET			2024
	UNRESTRICTED	**RESTRICTED**	**TOTAL**	**BUDGET**
REVENUES:				
TUITION AND FEES	$ 173,605,310	$ -	$ 173,605,310	$ 166,155,685
STATE APPROPRIATIONS	161,458,465	-	161,458,465	150,374,562
FEDERAL GRANTS AND CONTRACTS	4,809,818	116,800,000	121,609,818	51,795,768
STATE AND LOCAL GRANTS AND CONTRACTS	896,829	23,500,000	24,396,829	63,346,209
PRIVATE GIFTS, GRANTS AND CONTRACTS	7,066,552	10,800,000	17,866,552	16,326,552
SALES AND SERVICES OF EDUCATIONAL ACTIVITIES	10,318,500	-	10,318,500	9,365,000
USA HEALTH	1,079,853,061	-	1,079,853,061	1,030,270,668
AUXILIARY SERVICES	28,969,284	-	28,969,284	23,239,977
OTHER SOURCES	10,407,677	7,900,000	18,307,677	19,137,153
TOTAL REVENUES	1,477,385,496	159,000,000	1,636,385,496	1,530,011,574
EXPENDITURES AND MANDATORY TRANSFERS:				
EDUCATIONAL AND GENERAL:				
INSTRUCTION	122,297,421	36,600,000	158,897,421	147,480,168
RESEARCH	9,660,895	52,100,000	61,760,895	50,682,075
PUBLIC SERVICE	4,362,105	6,900,000	11,262,105	9,993,235
ACADEMIC SUPPORT	36,681,979	8,400,000	45,081,979	39,740,228
STUDENT SERVICES	41,410,400	3,900,000	45,310,400	40,499,393
INSTITUTIONAL SUPPORT	34,573,502	13,900,000	48,473,502	43,290,568
OPERATION AND MAINTENANCE OF PLANT	41,120,391	-	41,120,391	39,657,689
SCHOLARSHIPS	34,180,025	37,200,000	71,380,025	62,497,499
EDUCATIONAL AND GENERAL EXPENDITURES	324,286,718	159,000,000	483,286,718	433,840,855
MANDATORY TRANSFERS FOR:				
PRINCIPAL AND INTEREST	18,354,006	-	18,354,006	19,454,006
LOAN FUND MATCHING GRANTS	150,000	-	150,000	150,000
TOTAL EDUCATIONAL AND GENERAL	342,790,724	159,000,000	501,790,724	453,444,861
USA HEALTH:				
EXPENDITURES	1,049,129,546	-	1,049,129,546	1,010,137,534
MANDATORY TRANSFERS FOR PRINCIPAL AND INTEREST	39,534,730	-	39,534,730	18,072,038
TOTAL USA HEALTH	1,088,664,276	-	1,088,664,276	1,028,209,572
AUXILIARY SERVICES:				
EXPENDITURES	21,825,322	-	21,825,322	16,295,218
MANDATORY TRANSFERS FOR PRINCIPAL AND INTEREST	4,944,277	-	4,944,277	4,981,053
TOTAL AUXILIARY SERVICES	26,769,599	-	26,769,599	21,276,271
TOTAL EXPENDITURES AND MANDATORY TRANSFERS	1,458,224,599	159,000,000	1,617,224,599	1,502,930,704
OTHER TRANSFERS AND ADDITIONS/(DEDUCTIONS):				
RENEWALS AND REPLACEMENTS	(6,342,212)	-	(6,342,212)	(5,910,995)
OTHER TRANSFERS	(12,818,685)	-	(12,818,685)	(21,169,875)
NET INCREASE (DECREASE) IN FUND BALANCES	$ -	$ -	$ -	$ -

UNIVERSITY OF SOUTH ALABAMA
FISCAL YEAR 2025 BUDGET
UNRESTRICTED CURRENT FUNDS

	OPERATIONS AND MAINTENANCE	COLLEGE OF MEDICINE	USA HEALTH	AUXILIARY SERVICES	2025 BUDGET	2024 BUDGET
REVENUES:						
TUITION AND FEES	$ 162,443,310	$ 11,162,000	$ -	$ -	$ 173,605,310	$ 166,155,685
STATE APPROPRIATIONS	98,637,176	43,009,836	19,811,453	-	161,458,465	150,374,562
FEDERAL GRANTS AND CONTRACTS	1,509,818	3,300,000	-	-	4,809,818	4,995,768
STATE AND LOCAL GRANTS AND CONTRACTS	613,461	283,368	-	-	896,829	846,209
PRIVATE GIFTS, GRANTS AND CONTRACTS	3,786,552	3,280,000	-	-	7,066,552	5,826,552
SALES AND SERVICES OF EDUCATIONAL ACTIVITIES	10,018,500	300,000	-	-	10,318,500	9,365,000
USA HEALTH	-	-	1,079,853,061	-	1,079,853,061	1,030,270,668
AUXILIARY SERVICES	-	-	-	28,969,284	28,969,284	23,239,977
OTHER SOURCES	9,107,677	1,300,000	-	-	10,407,677	11,337,153
TOTAL REVENUES	286,116,494	62,635,204	1,099,664,514	28,969,284	1,477,385,496	1,402,411,574
EDUCATIONAL AND GENERAL:						
INSTRUCTION	99,163,780	23,133,641	-	-	122,297,421	119,080,168
RESEARCH	3,560,895	6,100,000	-	-	9,660,895	9,182,075
PUBLIC SERVICE	2,292,787	2,069,318	-	-	4,362,105	3,293,235
ACADEMIC SUPPORT	29,534,978	7,147,001	-	-	36,681,979	33,840,228
STUDENT SERVICES	40,128,808	1,281,592	-	-	41,410,400	37,999,393
INSTITUTIONAL SUPPORT	29,530,702	5,042,800	-	-	34,573,502	31,590,568
OPERATION AND MAINTENANCE OF PLANT	34,032,039	7,088,352	-	-	41,120,391	39,657,689
SCHOLARSHIPS	32,087,525	2,092,500	-	-	34,180,025	31,597,499
EDUCATIONAL AND GENERAL EXPENDITURES	270,331,514	53,955,204	-	-	324,286,718	306,240,855
MANDATORY TRANSFERS FOR:						
PRINCIPAL AND INTEREST	18,354,006	-	-	-	18,354,006	19,454,006
LOAN FUND MATCHING GRANTS	150,000	-	-	-	150,000	150,000
TOTAL EDUCATIONAL AND GENERAL	288,835,520	53,955,204	-	-	342,790,724	325,844,861
USA HEALTH:						
EXPENDITURES	-	-	1,049,129,546	-	1,049,129,546	1,010,137,534
MANDATORY TRANSFERS FOR PRINCIPAL AND INTEREST	-	-	39,534,730	-	39,534,730	18,072,038
TOTAL USA HEALTH	-	-	1,088,664,276	-	1,088,664,276	1,028,209,572
AUXILIARY SERVICES:						
EXPENDITURES	-	-	-	21,825,322	21,825,322	16,295,218
MANDATORY TRANSFERS FOR PRINCIPAL AND INTEREST	-	-	-	4,944,277	4,944,277	4,981,053
TOTAL AUXILIARY SERVICES	-	-	-	26,769,599	26,769,599	21,276,271
TOTAL EXPENDITURES AND MANDATORY TRANSFERS	288,835,520	53,955,204	1,088,664,276	26,769,599	1,458,224,599	1,375,330,704
OTHER TRANSFERS AND ADDITIONS/(DEDUCTIONS):						
RENEWALS AND REPLACEMENTS	(870,000)	(4,000,000)	-	(1,472,212)	(6,342,212)	(5,910,995)
OTHER TRANSFERS	3,589,026	(4,680,000)	(11,000,238)	(727,473)	(12,818,685)	(21,169,875)
NET INCREASE (DECREASE) IN FUND BALANCES	$ -	$ -	$ -	$ -	$ -	$ -

UNIVERSITY OF SOUTH ALABAMA
FISCAL YEAR 2025 BUDGET
RESTRICTED CURRENT FUNDS

	OPERATIONS AND MAINTENANCE	COLLEGE OF MEDICINE	USA HEALTH	2025 BUDGET	2024 BUDGET
REVENUES:					
FEDERAL GRANTS AND CONTRACTS	$ 39,400,000	$ 76,200,000	$ 1,200,000	$ 116,800,000	$ 46,800,000
STATE AND LOCAL GRANTS AND CONTRACTS	10,100,000	13,400,000	-	23,500,000	62,500,000
PRIVATE GIFTS, GRANTS AND CONTRACTS	8,000,000	2,400,000	400,000	10,800,000	10,500,000
OTHER SOURCES	6,600,000	1,300,000	-	7,900,000	7,800,000
TOTAL REVENUES	64,100,000	93,300,000	1,600,000	159,000,000	127,600,000
EXPENDITURES:					
EDUCATIONAL AND GENERAL:					
INSTRUCTION	8,200,000	28,400,000	-	36,600,000	28,400,000
RESEARCH	18,700,000	33,000,000	400,000	52,100,000	41,500,000
PUBLIC SERVICE	2,500,000	3,200,000	1,200,000	6,900,000	6,700,000
ACADEMIC SUPPORT	700,000	7,700,000	-	8,400,000	5,900,000
STUDENT SERVICES	700,000	3,200,000	-	3,900,000	2,500,000
INSTITUTIONAL SUPPORT	-	13,900,000	-	13,900,000	11,700,000
SCHOLARSHIPS	33,300,000	3,900,000	-	37,200,000	30,900,000
TOTAL EXPENDITURES	64,100,000	93,300,000	1,600,000	159,000,000	127,600,000
NET INCREASE (DECREASE) IN FUND BALANCES	$ -	$ -	$ -	$ -	$ -

UNIVERSITY OF SOUTH ALABAMA
FISCAL YEAR 2025 BUDGET
OPERATIONS AND MAINTENANCE
UNRESTRICTED CURRENT FUNDS

	2025 BUDGET	2024 BUDGET
REVENUES:		
TUITION AND FEES	$ 162,443,310	$ 154,855,685
ALLOCATION OF STATE APPROPRIATIONS	98,637,176	92,516,895
FEDERAL GRANTS AND CONTRACTS	1,509,818	1,495,768
STATE GRANTS AND CONTRACTS	613,461	608,461
PRIVATE GIFTS, GRANTS AND CONTRACTS	3,786,552	3,776,552
SALES AND SERVICES OF EDUCATIONAL ACTIVITIES	10,018,500	8,965,000
OTHER SOURCES	9,107,677	9,112,153
TOTAL REVENUES	286,116,494	271,330,514
EXPENDITURES AND MANDATORY TRANSFERS:		
EDUCATIONAL AND GENERAL:		
INSTRUCTION	99,163,780	95,368,572
RESEARCH	3,560,895	3,507,075
PUBLIC SERVICE	2,292,787	2,201,412
ACADEMIC SUPPORT	29,534,978	26,714,609
STUDENT SERVICES	40,128,808	37,580,983
INSTITUTIONAL SUPPORT	29,530,702	27,173,004
OPERATION AND MAINTENANCE OF PLANT	34,032,039	32,928,773
SCHOLARSHIPS	32,087,525	29,515,999
EDUCATIONAL AND GENERAL EXPENDITURES	270,331,514	254,990,427
MANDATORY TRANSFERS:		
PRINCIPAL AND INTEREST	18,354,006	19,454,006
LOAN FUND MATCHING GRANTS	150,000	150,000
TOTAL EXPENDITURES AND MANDATORY TRANSFERS	288,835,520	274,594,433
OTHER TRANSFERS AND ADDITIONS/(DEDUCTIONS):		
RENEWALS AND REPLACEMENTS	(870,000)	(730,000)
OTHER TRANSFERS	3,589,026	3,993,919
NET INCREASE (DECREASE) IN FUND BALANCES	$ -	$ -

UNIVERSITY OF SOUTH ALABAMA
FISCAL YEAR 2025 BUDGET
COLLEGE OF MEDICINE
UNRESTRICTED CURRENT FUNDS

	2025 BUDGET	2024 BUDGET
REVENUES:		
TUITION AND FEES	$ 11,162,000	$ 11,300,000
ALLOCATION OF STATE APPROPRIATIONS	43,009,836	39,637,680
FEDERAL GRANTS AND CONTRACTS	3,300,000	3,500,000
STATE GRANTS AND CONTRACTS	283,368	237,748
PRIVATE GIFTS, GRANTS AND CONTRACTS	3,280,000	2,050,000
SALES AND SERVICES OF EDUCATIONAL ACTIVITIES	300,000	400,000
OTHER SOURCES	1,300,000	2,225,000
TOTAL REVENUES	62,635,204	59,350,428
EXPENDITURES AND MANDATORY TRANSFERS:		
EDUCATIONAL AND GENERAL:		
INSTRUCTION	23,133,641	23,711,596
RESEARCH	6,100,000	5,675,000
PUBLIC SERVICE	2,069,318	1,091,823
ACADEMIC SUPPORT	7,147,001	7,125,619
STUDENT SERVICES	1,281,592	418,410
INSTITUTIONAL SUPPORT	5,042,800	4,417,564
OPERATION AND MAINTENANCE OF PLANT	7,088,352	6,728,916
SCHOLARSHIPS	2,092,500	2,081,500
TOTAL EDUCATIONAL AND GENERAL EXPENDITURES	53,955,204	51,250,428
OTHER TRANSFERS AND ADDITIONS/(DEDUCTIONS):		
RENEWALS AND REPLACEMENTS	(4,000,000)	(4,000,000)
OTHER TRANSFERS	(4,680,000)	(4,100,000)
NET INCREASE (DECREASE) IN FUND BALANCES	$ -	$ -

UNIVERSITY OF SOUTH ALABAMA
FISCAL YEAR 2025 BUDGET
USA HEALTH
UNRESTRICTED CURRENT FUNDS

	2025 BUDGET	2024 BUDGET
REVENUES:		
GROSS PATIENT REVENUES	$ 2,411,796,185	$ 2,251,179,738
CONTRACTUAL ADJUSTMENTS	1,385,626,003	1,258,615,412
OTHER ADJUSTMENTS	6,384,951	7,420,610
TOTAL DEDUCTIONS FROM REVENUES	1,392,010,954	1,266,036,022
NET PATIENT REVENUES	1,019,785,231	985,143,716
ALLOCATION OF STATE APPROPRIATIONS	19,811,453	18,219,987
MOBILE COUNTY HOSPITAL BOARD	21,617,258	19,041,822
MOBILE COUNTY INDIGENT CARE BOARD	511,197	495,679
MEDICAID DISPROPORTIONATE SHARE	358,376	-
OTHER REVENUES	37,580,999	25,589,451
TOTAL REVENUES	1,099,664,514	1,048,490,655
EXPENDITURES AND MANDATORY TRANSFERS:		
EXPENDITURES:		
NURSING SERVICES	306,023,005	281,166,258
PROFESSIONAL SERVICES	214,565,583	211,346,908
GENERAL DIVISION	37,419,137	32,082,495
ADMINISTRATIVE DIVISION	97,040,347	88,481,875
MEDICAL EDUCATION	25,405,471	29,419,197
AMBULATORY CLINICS	252,206,817	252,471,222
PROVISION FOR UNCOLLECTIBLE ACCOUNTS (NET OF RECOVERIES)	116,469,186	115,169,579
TOTAL EXPENDITURES	1,049,129,546	1,010,137,534
MANDATORY TRANSFERS FOR:		
PRINCIPAL AND INTEREST	39,534,730	18,072,038
TOTAL EXPENDITURES AND MANDATORY TRANSFERS	1,088,664,276	1,028,209,572
OTHER TRANSFERS AND ADDITIONS/(DEDUCTIONS):		
OTHER TRANSFERS	(11,000,238)	(20,281,083)
NET INCREASE (DECREASE) IN FUND BALANCES	$ -	$ -

UNIVERSITY OF SOUTH ALABAMA
FISCAL YEAR 2025 BUDGET
AUXILIARY SERVICES
UNRESTRICTED CURRENT FUNDS

	HOUSING	DINING SERVICES	BOOKSTORE	2025 BUDGET	2024 BUDGET
REVENUES:					
RENTAL INCOME	$ 13,095,310	$ -	$ -	$ 13,095,310	$ 12,429,140
SALES	-	-	-	-	-
COMMISSION INCOME	-	10,754,329	4,580,000	15,334,329	10,351,192
OTHER INCOME	327,645	210,000	2,000	539,645	459,645
TOTAL REVENUES	13,422,955	10,964,329	4,582,000	28,969,284	23,239,977
EXPENDITURES AND MANDATORY TRANSFERS:					
EXPENDITURES					
SALARIES AND WAGES	2,089,465	160,207	18,900	2,268,572	2,236,219
EMPLOYEE BENEFITS	489,315	64,083	7,560	560,958	530,240
OTHER EXPENDITURES	4,989,929	9,862,021	4,143,842	18,995,792	13,528,759
EXPENDITURES	7,568,709	10,086,311	4,170,302	21,825,322	16,295,218
MANDATORY TRANSFERS:					
PRINCIPAL AND INTEREST	4,257,060	450,685	236,532	4,944,277	4,981,053
TOTAL EXPENDITURES AND MANDATORY TRANSFERS	11,825,769	10,536,996	4,406,834	26,769,599	21,276,271
OTHER TRANSFERS AND ADDITIONS/(DEDUCTIONS):					
RENEWALS AND REPLACEMENTS	(1,082,360)	(302,333)	(87,519)	(1,472,212)	(1,180,995)
OTHER TRANSFERS	(514,826)	(125,000)	(87,647)	(727,473)	(782,711)
NET INCREASE (DECREASE) IN FUND BALANCES	$ -	$ -	$ -	$ -	$ -

UNIVERSITY OF SOUTH ALABAMA
FISCAL YEAR 2025 BUDGET
SCHEDULE OF STATE APPROPRIATIONS
EDUCATION TRUST FUND

FISCAL YEAR 2025	FISCAL YEAR 2024
$ 161,458,465	$ 150,374,562

UNIVERSITY OF SOUTH ALABAMA
BOARD OF TRUSTEES

LONG-RANGE PLANNING COMMITTEE

UNIVERSITY OF SOUTH ALABAMA
BOARD OF TRUSTEES

Long-Range Planning Committee

June 6, 2024
3:03 p.m.

A meeting of the Long-Range Planning Committee of the University of South Alabama (USA) Board of Trustees was duly convened by Dr. Steve Stokes, Vice Chair, on behalf of Ms. Chandra Brown Stewart, Chair, on Thursday, June 6, 2024, at 3:03 p.m. in the Board Room of the Frederick P. Whiddon Administration Building. Meeting attendance was open to the public.

Members:	Lenus Perkins, Steve Stokes, Mike Windom and Jim Yance were present, and Chandra Brown Stewart and Ron Jenkins participated remotely.
Member Absent:	Bill Lewis.
Other Trustees:	Alexis Atkins, Scott Charlton, Tom Corcoran, Luis Gonzalez, Arlene Mitchell and Jimmy Shumock.
Administration & Guests:	Owen Bailey, Jim Berscheidt, Joél Billingsley, Jo Bonner, Michael Chambers, Lynne Chronister, Angela Coleman, Kristin Dukes, Joel Erdmann, Monica Ezell, Charlie Guest, Buck Kelley, Andi Kent, Nick Lawkis, John Marymont, Mike Mitchell, Kristen Roberts, Margaret Sullivan, Peter Susman, and Christina Wassenaar and Bret Webb (Faculty Senate).

Following the attendance roll call, **Item 26**, Dr. Stokes called for a report from Dr. Angela Coleman, Associate Vice President for Institutional Effectiveness, on institutional planning and assessment, **Item 28**. Dr. Coleman reviewed that the Institutional Planning and Assessment Committee had been appointed and discussed its composition, schedule of meetings for the coming academic year and agenda respecting the advancement of the University's Strategic Plan, next scorecard and Campus Master Plan.

Dr. Stokes called for consideration of the minutes for a meeting held on March 14, 2024, **Item 27**. On motion by Judge Windom, seconded by Capt. Jenkins, the Committee voted unanimously to adopt the minutes.

There being no further business, the meeting was adjourned at 3:06 p.m.

Respectfully submitted: On behalf of:

Steven H. Stokes, M.D, Vice Chair Chandra Brown Stewart, Chair

UNIVERSITY OF SOUTH ALABAMA

Scorecard

Full Report

Fall 2023

Report by

Office of Institutional Effectiveness

August 16, 2024

OFFICE OF INSTITUTIONAL EFFECTIVENESS AD 330 | 307 University Blvd. N | Mobile, Alabama 36688-0002 TEL: (251) 460-6447 | FAX: (251) 460-6575 | SouthAlabama.edu

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Scorecard

Fall 2023

Purpose

The goal of the Scorecard is to provide a snapshot of how the university is progressing towards the achievement of its strategic goals. The University of South Alabama (USA)'s current Scorecard is organized around five institutional priorities and is a visual representation of measures that track progress on our previous Strategic Plan (2016-2020). These high-level measures were produced by combining important data used in department and institution decision-making.

1. Student Success and Access
2. Enhancement of Research and Graduate Education
3. Global Engagement
4. Excellence in Healthcare
5. University-Community Engagement

Five Strategic Priorities

Our new Strategic Plan (2024- 2029) also has five strategic priorities that should serve as the framework for our new Scorecard:

- **Student Access and Success:** South commits to creating multiple pathways and partnerships that support admission of students from increasingly diverse backgrounds. South provides access to the tools and resources for a diverse student body to be academically and personally successful at USA and also prepares them to achieve their post-graduate educational and professional ambitions.

- **Graduate Education:** Graduate students and faculty are central to achieving both the educational and research components of our mission, to helping our community find

solutions to its most pressing problems, and to improving economic and social outcomes in our region.

- **Research, Discovery, and Creative Works:** The University of South Alabama faculty, staff, and students conduct internationally recognized research and scholarship to create new knowledge and medical advancements, spur economic development, help our region find solutions to its challenges, and improve the quality of life for our citizens.

- **University Community Engagement:** The University of South Alabama commits to active community engagement and valuing community impact as fundamental to the success of all University stakeholders.

- **Excellence in Health Care:** As the only academic medical center along the upper Gulf Coast, USA Health, and the University of South Alabama provide excellent health care through its hospitals and clinics, continuous research and technological advancements, and robust interprofessional and interdisciplinary partnerships.

Data Sources

The data for this scorecard is sourced from: Banner, the Office of Institutional Research, academic departments, the Office of Veteran Affairs, Office of Research & Economic Development, Office of Community Engagement, the National Survey of Student Engagement (NSSE), and the Graduate Student Survey.

Banner was the primary source for student enrollment, retention, and graduation data. Academic Departments provided information on their students' success with national exams. The Office of Veterans Affairs provided information on enrollment of Veteran and Military related students.

The National Survey of Student Engagement (NSSE) is a national survey that is run periodically at the University of South Alabama and informs on student engagement and success metrics. For the 2024 NSSE survey, 4,140 degree seeking freshmen and seniors were invited to participate. Of those invited, 704 Freshmen and 631 Seniors completed or partially completed the survey.

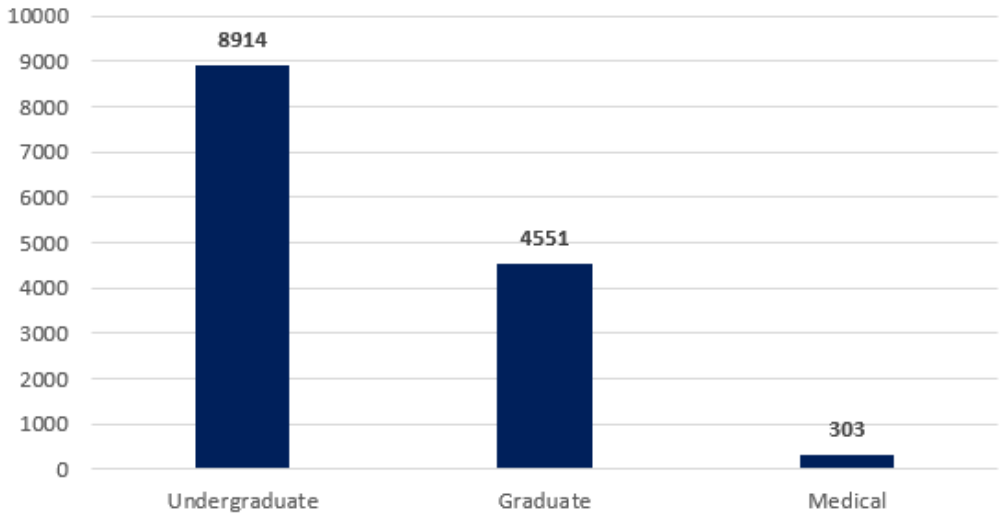
The Graduate Student Survey is distributed to graduate students at the end of every semester. This scorecard uses the findings from the Spring 2024 survey which had a response rate of 24.75% (n=1,008).

Student Access and Success

Enrollment

13,768 students were enrolled at USA in the Fall of 2023. Of these students, 8,914 were undergraduate students and 4,854 were graduate students.

Figure 1. Student population by enrollment.



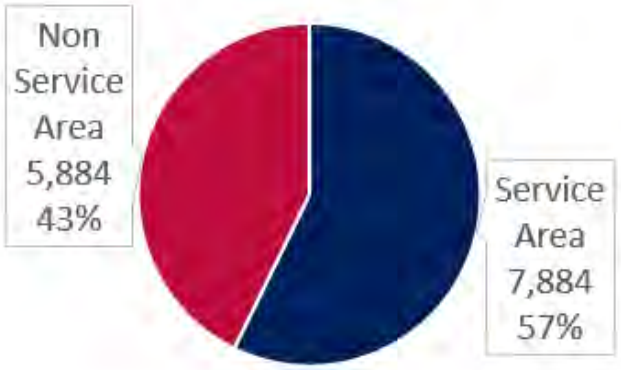
Source: Fall 2023 Census

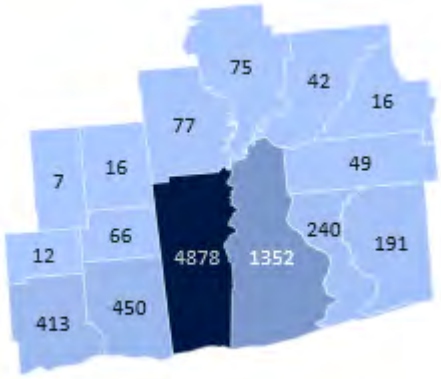
57% of students were from the Gulf Coast Service Area:

Alabama Counties	Florida Counties	Mississippi Counties
Baldwin	Santa Rosa	Jackson
Mobile	Escambia	George
Clarke		Harrison
Conecuh		Stone
Escambia		Greene
Monroe		Perry
Washington		

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Figure 2. Student population by service area.

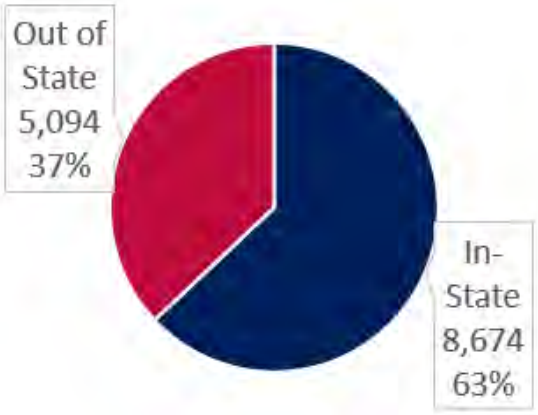




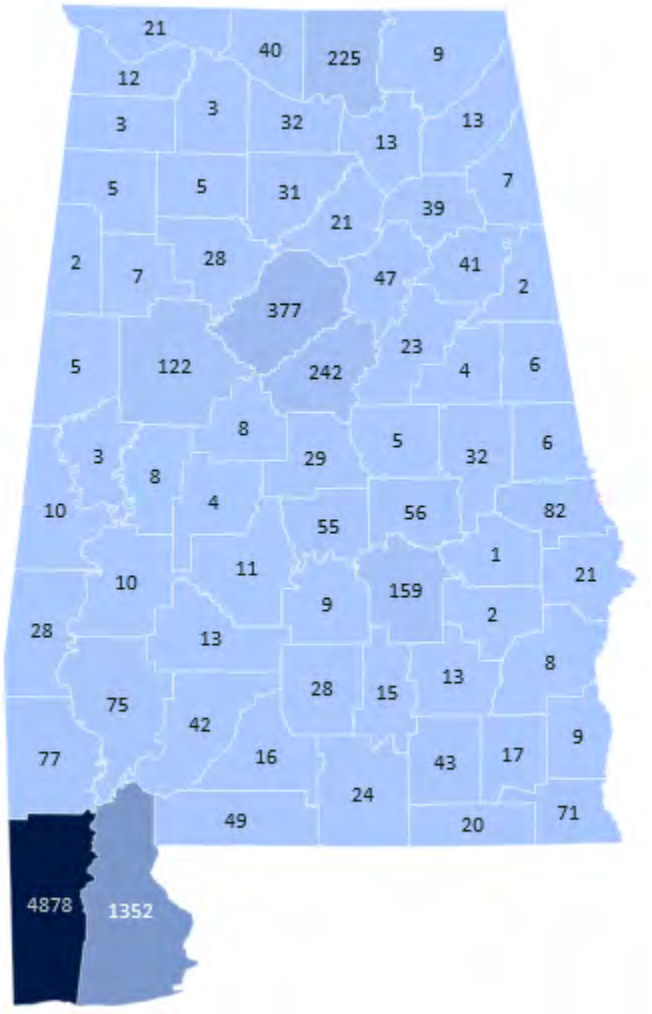
Source: Fall 2023 Census

63.03% of students were from Alabama.

Figure 3. Student population by in-state.



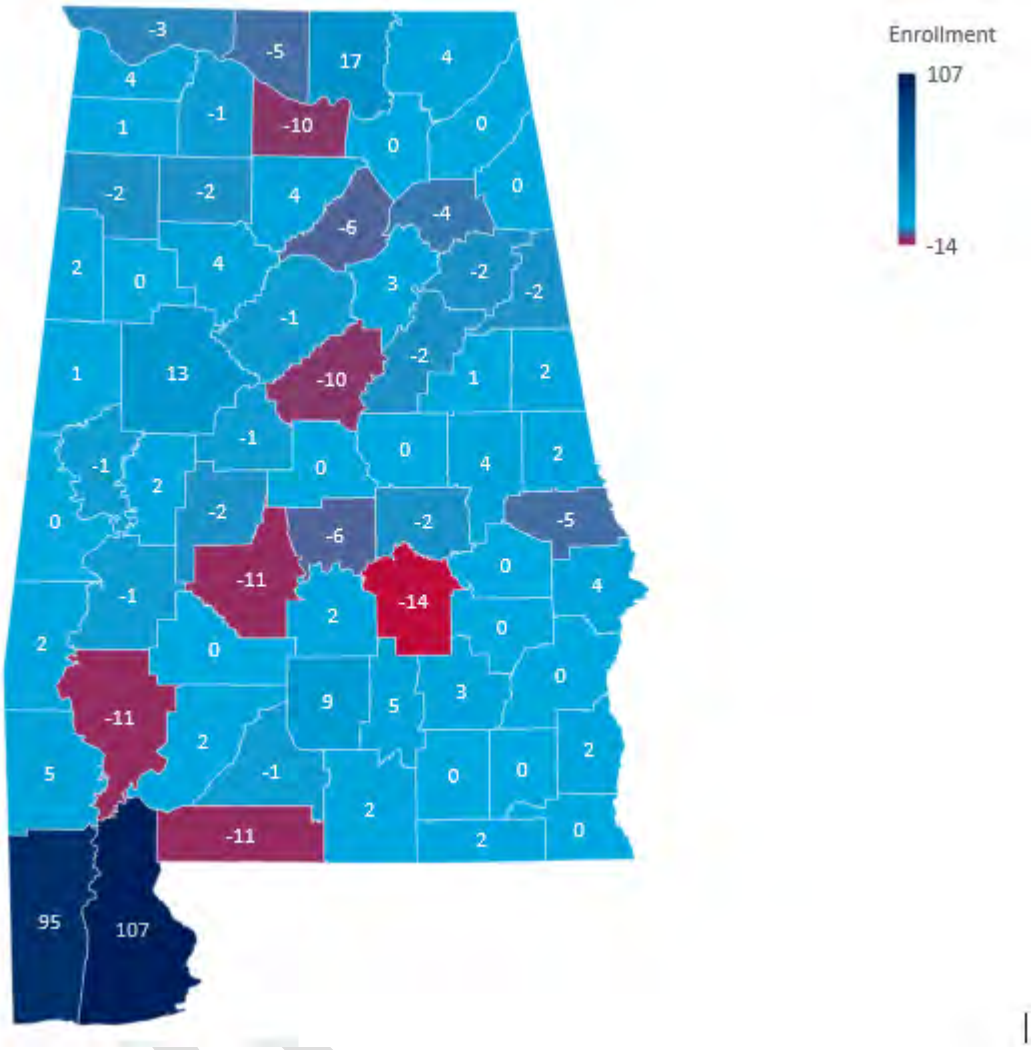
Source: Fall 2023 Census



Overall, these students make 442 international students.
287 students were non-resident alien.
155 students were resident alien.

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Figure 3. Student enrollment change from 2022 to 2023 by in-state.



Source: Fall 2022 Census & Fall 2023 Census

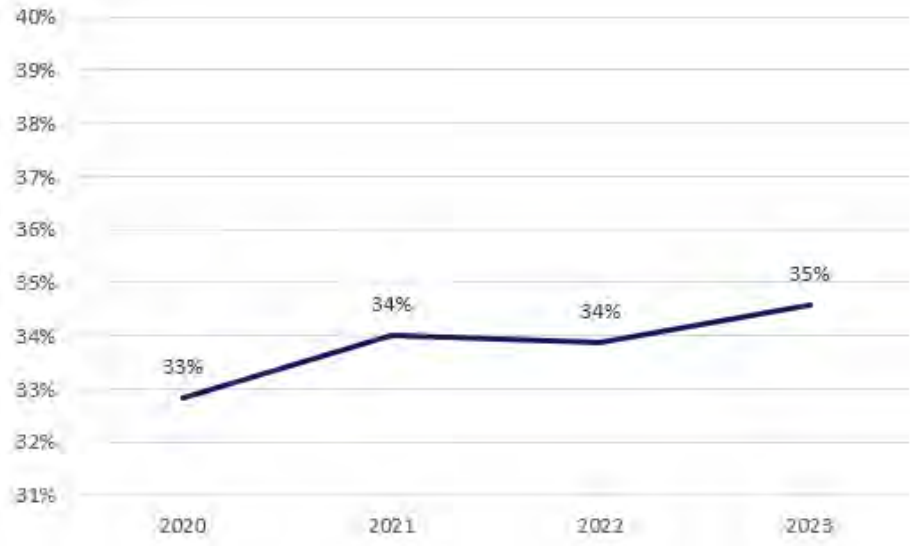
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USA had 2,264 transfer students, 849 Veterans and military-affiliated students, and 211 Start South Students.

Veterans Source: Office of Veteran Affairs
Start South Source: Fall 2023 Census

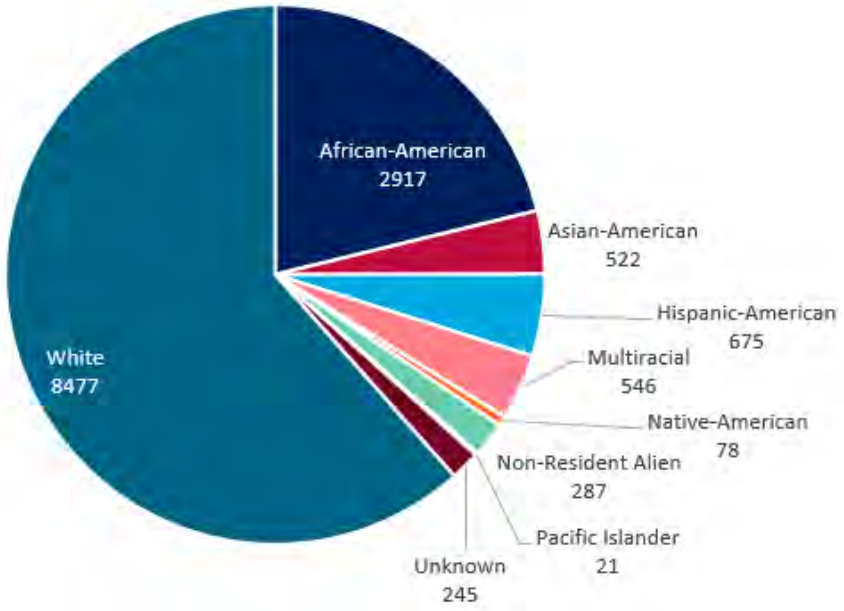
34.57% were students of color.

Figure 4. Students of color population percentage from 2020 to 2023.



Source: Fall 2020 to Fall 2023 Census

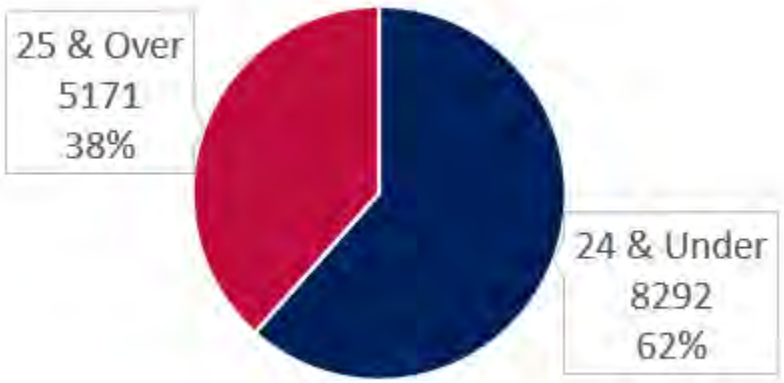
Figure 5. Student population by IPEDS Race.



Source: Fall 2023 Census

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Figure 6. Student population by age.



Source: Fall 2023 Census

Table 1. Fall 2023 enrollment demographics.

	Undergraduate		Graduate		Total
	n	%	n	%	
Overall headcount	8,914	64.74%	4,854	35.26%	13,768
Students from our service area	6,286	45.66%	1,598	11.61%	7,884
Students from Alabama	6,883	49.99%	1,791	13.01%	8,674
Transfer Students	2,256	16.39%	3	0.02%	2,259
Adult Learners (UG age 25+)	1,109	8.05%			1,109
Veterans and military-affiliated students					849
Start South	300	2.18%			300
International Students	185	1.34%	257	1.87%	442
Students of Color	3,249	23.60%	1,510	10.97%	4,759
Pell Students	3,246	23.58%			3,246

Source: Fall 2023 Census

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Table 2. Fall 2023 enrollment demographics by gender and ethnicity.

	Undergraduate		Graduate		Total
	n	%	n	%	
Gender					
Female	5,534	40.19%	3,806	27.64%	9,340
Male	3,374	24.51%	1,012	7.35%	4,386
Unreported	6	0.04%	36	0.26%	42
Ethnicity					
African-American	1,984	14.41%	933	6.78%	2,917
Asian-American	347	2.52%	175	1.27%	522
Hispanic-American	465	3.38%	210	1.53%	675
Multiracial	387	2.81%	159	1.15%	546
Native-American	54	0.39%	24	0.17%	78
Non-Resident Alien	101	0.73%	186	1.35%	287
Pacific Islander	12	0.09%	9	0.07%	21
Unknown	132	0.96%	113	0.82%	245
White	5,432	39.45%	3045	22.12%	8,477

Source: Fall 2023 Census

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Undergraduate Student Success

First to second-year retention (FTFT Fall 2021 cohort) was 68.80%. Second to third-year retention (FTFT Fall 2021 cohort) was 62.10%.
Source: Graduation and Retention Rates

First to second-year retention (FTFT Fall 2022 cohort) was 76%.
Source: Graduation and Retention Rates

The FTFT Fall 2018 cohort has a graduation rate of:

- As of 2022 [4 Year Rate] – 37%
- As of 2023 [5 Year Rate] – 49%
- As of 2024 [6 Year Rate] – 52%

Source: Graduation and Retention Rates

The FTFT Fall 2019 cohort has a graduation rate of:

- As of 2022 [4 Year Rate] – 38%
- As of 2023 [5 Year Rate] – 49%*

Source: Fall 2019 Census and ZSGR0096 Graduation Data
**Fall 2019 5 Year Rate Excludes Potential Summer 2024 Graduates*

Figure 7. Student cohort graduation rate comparison between Fall 2015 Cohort to Fall 2019 Cohort.



Primary Source: Graduation and Retention Rates
2019 Data Source: Fall 2019 Census and ZSGR0096 Graduation Data
**Fall 2019 5 Year Rate Excludes Potential Summer 2024 Graduates*

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Table 3. Undergraduate retention rates

	Undergraduate Rate
Fall 2021 Cohort Retention	
First to second-year retention (FTFT Fall 2021 cohort)	69%
Second to third-year retention (FTFT Fall 2021 cohort)	62%
Fall 2022 Cohort Retention	
First to second-year retention (FTFT Fall 2022 cohort)	76%

Primary Source: Graduation and Retention Rates

Table 4. Undergraduate graduation rates

	Undergraduate Rate
Fall 2018 Cohort Graduation	
Four-year graduation rate (FTFT Fall 2018 cohort)	37%
Six-year graduation rate (FTFT Fall 2018 cohort)	52%
Four-year graduation rate Pell-eligible (FTFT Fall 2018 cohort)	28%
Six-year graduation rate Pell-eligible (FTFT 2018 cohort)	43%
Fall 2019 Cohort Graduation	
Four-year graduation rate (FTFT Fall 2019 cohort)	38%
Five-year graduation rate* (FTFT Fall 2019 cohort)	49%
Four-year graduation rate Pell-eligible (FTFT Fall 2019 cohort)	29%
Five-year graduation rate Pell-eligible (FTFT 2019 cohort)*	42%

Primary Source: Graduation and Retention Rates
2019 Data Source: Fall 2019 Census and ZSGR0096 Graduation Data
**Fall 2019 5 Year Rate Excludes Potential Summer 2024 Graduates*

Academic Programs

71.43%** of programs had student passing licensure exams at or above the national average.

Table 5. List of Programs at or above national average for class of 2023*

Program	USA Scores	National/State Average
Audiology	100.00%	87.40%
edTPA: K6 Teacher Education	98.50%	93.00%
edTPA: Music	100.00%	96.00%
edTPA: Sec Biology	100.00%	91.00%
edTPA: Sec Math	87.50%	78.00%
edTPA: Sec Social Studies	100.00%	99.00%
edTPA: ALT ESOL	100.00%	93.00%
edTPA: ALT ELEM	100.00%	93.00%
edTPA: ALT SPED K6	100.00%	95.00%
edTPA: ALT SS	100.00%	99.00%
edTPA: ALT ELA	100.00%	93.00%
edTPA: ALT ECE	100.00%	90.00%
edTPA: ALT ART	100.00%	100.00%
Occupational Therapy	100.00%	94.00%
Paramedic	100.00%	71.00%
Physical Therapy	97.00%	84.00%
Radiologic Sciences	86.40%	84.40%
Speech Pathology	100.00%	82.20%
Medicine: Step 2	97.00%	97.00%
Nursing: Psychiatric (Family) NP	100.00%	
Nursing: Adult-Geron Acute Care NP	100.00%	83.00%
Nursing: Adult-Geron Primary Care NP	100.00%	79.00%
Nursing: Adult-Geron CNS	100.00%	
Nursing: Dual-Role (ENP/FNP Track): Emergency NP	100.00%	
Nursing: Family Nurse Practitioner	98.44%	85%
Nursing: Pediatric Primary Care NP	100.00%	
Nursing: Neonatal NP	100.00%	
Nursing: Women's Health NP	100.00%	
Nursing: Traditional 1st Time Pass rate	92.92%	88.56%
Nursing: Trad Pass rate ALL	93.62%	69.66%

**Full list of programs are available under Appendix II.*

***Programs below 100% where the National Average was unknown were not counted towards the percentage.*

Source: Self-Reported Academic Departments

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Undergraduate High Impact Practices (HIPS)

HIPS are educational practices that provide educational benefits for students who participate.

2024 NSSE (HIPs): Complete a culminating senior experience (capstone course, senior project or thesis, portfolio, recital, comprehensive exam, etc.)

Student Level	Completed	Plan to complete	Total %
First-Year (n=586)	4.10%	45.90%	50.00%
Senior (n=526)	35.93%	27.76%	63.69%

Source: 2024 NSSE Survey

Note: The Senior population presents four years of perceptions around South, including experiences with Covid policies during their first-year. Covid policies may have impacted learning community experiences.

2024 NSSE (HIPs): Participate in a learning community or some other formal program where groups of students take two or more classes together

Student Level	Completed	Plan to complete	Total %
First-Year (n=582)	19.24%	35.40%	54.64%
Senior (n=528)	27.46%	12.88%	40.34%

Source: 2024 NSSE Survey

Note: The Senior population presents four years of perceptions around South, including experiences with Covid policies during their first-year. Covid policies may have impacted learning community experiences.

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Student Services and Student Life

Undergraduate: Student perceptions of the quality of their engagement with faculty and/or staff

2024 NSSE: Indicate the quality of your interactions with Faculty at your institution.

Student Level	Min	Max	Mean	Std. Deviation	Variance	High% (6-7)
First-Year (n=570)	1	7	5.47	1.41	1.98	52%
Senior (n=514)	1	7	5.68	1.45	2.11	60%

Source: 2024 NSSE Survey
Note: 7-point Likert-type scale used with 4 as the mid-point and 6 and 7 used to indicate a higher opinion. Mean score represents the average opinion. High % represents the percentage of respondents who held very strong positive opinions.
Note: The Senior population presents four years of perceptions around South, including experiences with Covid policies during their first-year.

2024 NSSE: Indicate the quality of your interactions with Academic advisors at your institution.

Student Level	Min	Max	Mean	Std. Deviation	Variance	High% (6-7)
First-Year (n=566)	1	7	5.6	1.56	2.45	58%
Senior (n=515)	1	7	5.26	1.8	3.26	51%

Source: 2024 NSSE Survey
Note: 7-point Likert-type scale used with 4 as the mid-point and 6 and 7 used to indicate a higher opinion. Mean score represents the average opinion. High % represents the percentage of respondents who held very strong positive opinions.
Note: The Senior population presents four years of perceptions around South, including experiences with Covid policies during their first-year.

2024 NSSE: Indicate the quality of your interactions with Student Services Staff at your institution.

Student Level	Min	Max	Mean	Std. Deviation	Variance	High% (6-7)
First-Year (n=519)	1	7	5.75	1.79	3.21	53%
Senior (n=439)	1	7	5.65	2.14	4.57	43%

Source: 2024 NSSE Survey
Note: 7-point Likert-type scale used with 4 as the mid-point and 6 and 7 used to indicate a higher opinion. Mean score represents the average opinion. High % represents the percentage of respondents who held very strong positive opinions.
Note: The Senior population presents four years of perceptions around South, including experiences with Covid policies during their first-year.

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2024 NSSE: Indicate the quality of your interactions with Other administrative staff and offices at your institution.

Student Level	Min	Max	Mean	Std. Deviation	Variance	High% (6-7)
First-Year (n=524)	1	7	5.68	1.79	3.33	52%
Senior (n=494)	1	7	5.28	2.14	3.55	47%

Source: 2024 NSSE Survey
Note: 7-point Likert-type scale used with 4 as the mid-point and 6 and 7 used to indicate a higher opinion. Mean score represents the average opinion. High % represents the percentage of respondents who held very strong positive opinions.
Note: The Senior population presents four years of perceptions around South, including experiences with Covid policies during their first-year.

Graduate: Student perceptions of the quality of their engagement with faculty and/or staff

Spring 2024 Graduate School Survey: Faculty in my program treat graduate students with respect and collegiality.

Min	Max	Mean	Std. Deviation	Variance	Agree %
1	4	3.42	0.65	0.42	95

Source: 2024 Graduate Student Survey
Note: n=904

Spring 2024 Graduate School Survey: Faculty in my program manage their methodological or ideological disagreements in a professional manner.

Min	Max	Mean	Std. Deviation	Variance	Agree %
1	4	3.39	0.63	0.39	95

Source: 2024 Graduate Student Survey
Note: n=897

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Undergraduate: Student perceptions of their opportunity to engage in meaningful research, clinical, or professional opportunities.

2024 NSSE: Participate in an internship, co-op, field experience, student teaching, or clinical placement

Student Level	Completed	Plan	Total %
First-Year (n=589)	7.47%	72.33%	79.80%
Senior (n=531)	55.37%	23.54%	78.91%

Source: 2024 NSSE Survey
Note: The Senior population presents four years of perceptions around South, including experiences with Covid policies during their first-year.

2024 NSSE: Work with a faculty member on a research project

Student Level	Completed	Plan	Total %
First-Year (n=589)	4.98%	34.71%	39.69%
Senior (n=531)	19.77%	14.83%	34.60%

Source: 2024 NSSE Survey
Note: The Senior population presents four years of perceptions around South, including experiences with Covid policies during their first-year.

Graduate: Student perceptions of their opportunity to engage in meaningful research, clinical, or professional opportunities.

Spring 2024 Graduate School Survey: Satisfaction with Clinical Placement, Field Experience, Internships, and or Externships

Question	Min	Max	Mean	Std. Deviation	Variance	Agree %
Opportunity to integrate new knowledge into practice. (n=386)	1	5	4.54	0.93	0.86	90
Quality of the training you received. (n=385)	1	5	4.51	0.95	0.9	87
Overall quality of the placement experience. (n=382)	1	5	4.16	1.26	1.6	79
Distance of placement site from your home area. (n=380)	1	5	4.16	1.27	1.61	78
Opportunities to work in a setting of your choice. (n=394)	1	5	4.13	1.27	1.62	77
Flexibility to complete placement requirements. (n=387)	1	5	4.12	1.22	1.5	77

Source: 2024 Graduate Student Survey

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Spring 2024 Graduate School Survey: Improvement of Skills through Clinical Placement, Field Experience, Internships, and or Externships

Question	Min	Max	Mean	Std. Deviation	Variance	Agree %
Communicating effectively through speaking (n=385)	1	5	4.47	0.76	0.58	93
Interacting and working with people of different cultures (n=385)	1	5	4.47	0.8	0.64	91
Communicating effectively in writing (n=386)	1	5	4.45	0.81	0.66	91
Recognizing the skills and abilities of individuals from different cultures (n=383)	1	5	4.43	0.8	0.65	90
Working with teams to complete projects (n=363)	1	5	4.40	0.84	0.7	88
Leading others when working in groups (n=378)	1	5	4.35	0.84	0.7	87

Source: 2024 Graduate Student Survey

Undergraduate: Student perceptions of USA and their place within the USA.

2024 NSSE: I feel comfortable being myself at this institution.

Student Level	Min	Max	Mean	Std. Deviation	Variance	Agree% (3-4)
First-Year (n=566)	1	4	3.22	0.71	0.5	88%
Senior (n=515)	1	4	3.3	0.7	0.49	91%

Source: 2024 NSSE Survey
Note: 4-point Likert-type scale used with the following response options: Strongly disagree=1, Disagree=2, Agree=3, Strongly agree=4. Mean score represents the average opinion. Agree % represents the percentage of respondents who agreed or strongly agreed.
Note: The Senior population presents four years of perceptions around South, including experiences with Covid policies during their first-year.

2024 NSSE: I feel valued by this institution.

Student Level	Min	Max	Mean	Std. Deviation	Variance	Agree% (3-4)
First-Year (n=567)	1	4	3.02	0.71	0.5	83%
Senior (n=511)	1	4	2.92	0.86	0.74	74%

Source: 2024 NSSE Survey
Note: 4-point Likert-type scale used with the following response options: Strongly disagree=1, Disagree=2, Agree=3, Strongly agree=4. Mean score represents the average opinion. Agree % represents the percentage of respondents who agreed or strongly agreed.
Note: The Senior population presents four years of perceptions around South, including experiences with Covid policies during their first-year.

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2024 NSSE: I feel like part of the community at this institution.

Student Level	Min	Max	Mean	Std. Deviation	Variance	Agree% (3-4)
First-Year (n=566)	1	4	2.97	0.77	0.59	78%
Senior (n=513)	1	4	2.96	0.84	0.7	74%

Source: 2024 NSSE Survey
Note: 4-point Likert-type scale used with the following response options: Strongly disagree=1, Disagree=2, Agree=3, Strongly agree=4. Mean score represents the average opinion. Agree % represents the percentage of respondents who agreed or strongly agreed.
Note: The Senior population presents four years of perceptions around South, including experiences with Covid policies during their first-year.

Undergraduate: Participation rates in student activities

2024 NSSE: Participating in co-curricular activities (organizations, campus publications, student government, fraternity or sorority, intercollegiate or intramural sports, etc.)

Student Level	Min	Max	Mean	Std. Deviation	Variance	0-5hrs% (1-2)
First-Year (n=563)	1	8	2.37	1.51	2.29	65%
Senior (n=513)	1	8	2.21	1.54	2.36	71%

Source: 2024 NSSE Survey
Note: 8-point scale used with the following response options: 0=1, 1-5=2, 6-10=3, 11-15=4, 16-20=5, 21-25=6, 26-30=7, More than 30 (Hours per week)=8. Mean score represents the average. 0-5hrs % represents the percentage of respondents who participated in 0 or 1-5 hours..
Note: The Senior population presents four years of perceptions around South, including experiences with Covid policies during their first-year.

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Graduate Education

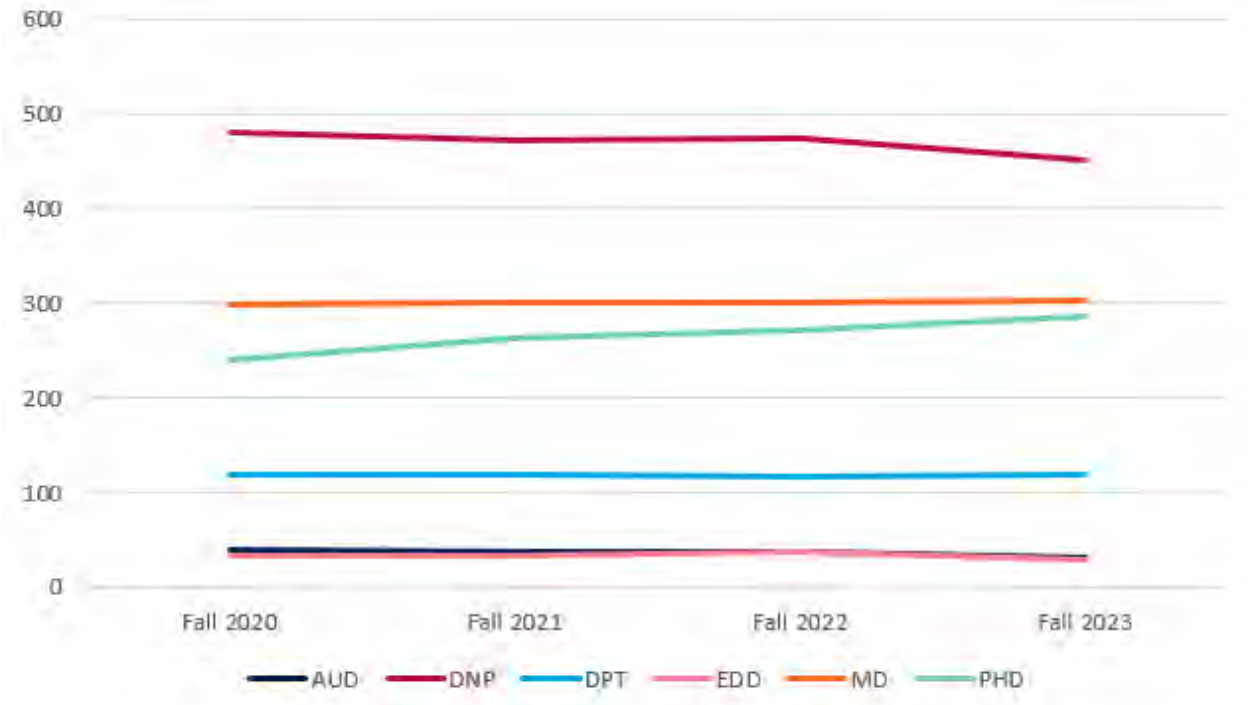
In Fall 2023, 1,256 Doctoral Students were enrolled.

Table 6. Doctoral student enrollments

	Fall 2020	Fall 2021	Fall 2022	Fall 2023
Doctoral Degree				
AUD	39	37	36	31
DNP	481	472	473	451
DPT	119	118	117	118
EDD	32	32	36	28
MD	299	300	301	303
OTD	-	-	-	39
PHD	239	263	272	286
Total	1,209	1,222	1,235	1,256

Source: Fall 2023 Census, Fall 2022 Census, & Fall 2021 Census

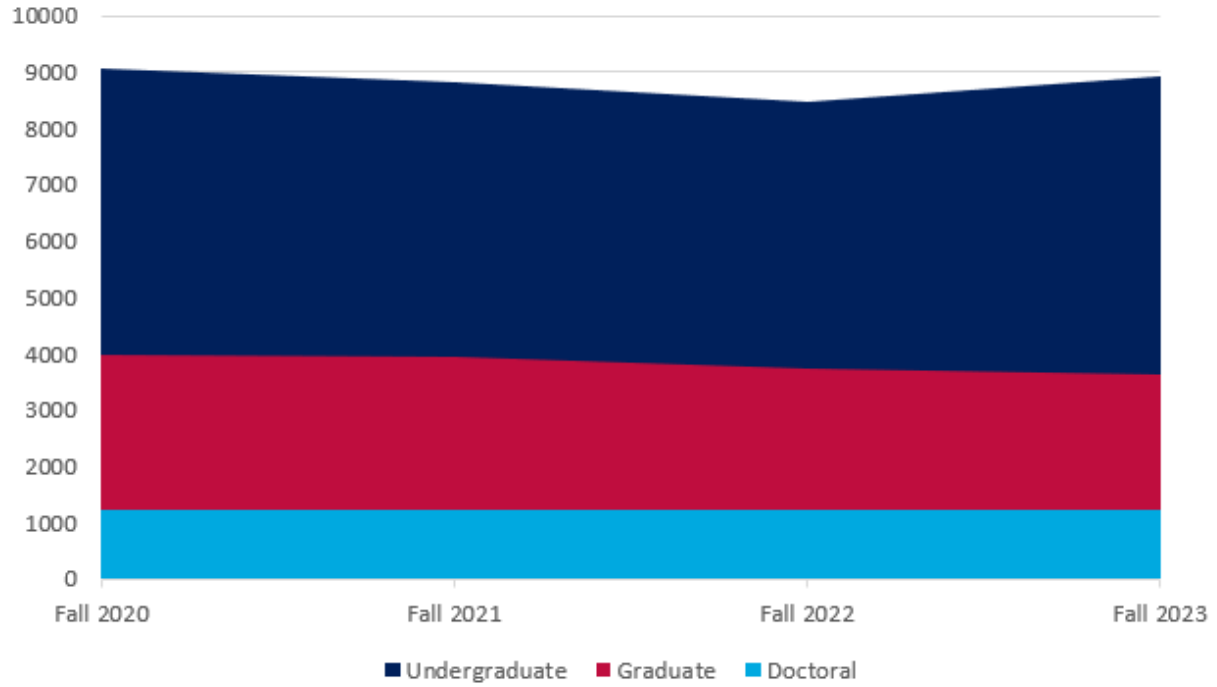
Figure 8. Doctoral student enrollment comparison between Fall 2020 to Fall 2023*.



Source: Fall 2023 Census, Fall 2022 Census, & Fall 2021 Census
**Fall 2023 OTD Enrollment not displayed*

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Figure 9. Student class enrollment comparison between Fall 2020 to Fall 2023.



Source: Fall 2023 Census, Fall 2022 Census, & Fall 2021 Census

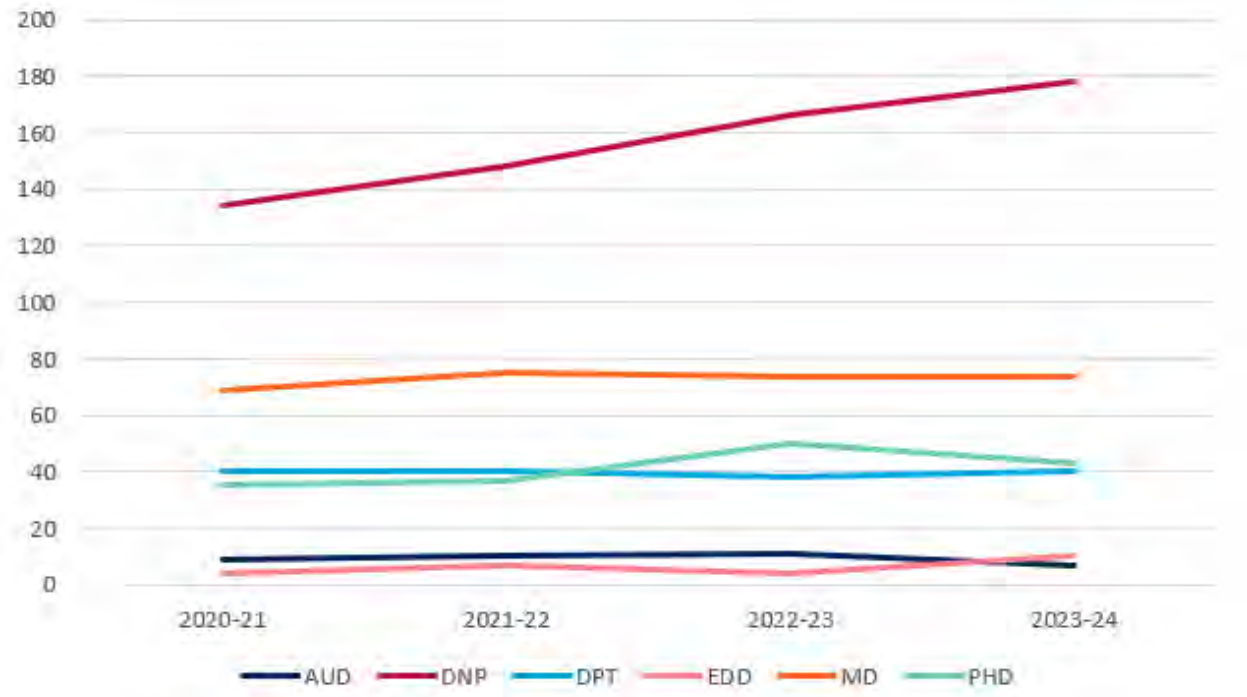
Table 7. Doctoral degree awarded

	2020-21	2021-22	2022-23	2023-24
Doctoral Degree Awarded				
AUD	9	10	11	7
DNP	134	148	166	178
DPT	40	40	38	40
EDD	4	7	4	10
MD	69	75	74	74
OTD	-	-	-	-
PHD	35	37	50	43
Total	291	317	343	352

Source: ZSGR0096; Fact Book Table 4.4
Year Range: Summer – Spring.

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Figure 10. Doctoral degrees awarded from 2020-21 to 2023-24



Source: ZSGR0096; Fact Book Table 4.4
Year Range: Summer – Spring.

Spring 2024 Graduate School Survey: Educational Experience within Program of Study.

Question	Min	Max	Mean	Std. Deviation	Variance	Agree %
These experiences help prepare me for my career (n=922)	1	5	4.17	0.82	0.67	86
These experiences help me develop critical thinking skills (n=923)	1	5	4.17	0.81	0.65	87
These experiences let me apply theories and concepts in the real world (n=922)	1	5	4.16	0.83	0.68	85
These experiences keep me actively engaged in learning (n=923)	1	5	4.13	0.82	0.68	85
These experiences have a positive impact on my learning (n=925)	1	5	4.12	0.81	0.65	85
These experiences have a positive impact on the broader community and region (n=923)	1	5	4.04	0.85	0.73	80

Source: 2024 Graduate Student Survey

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Research, Discovery, and Creative Works

Table 8. Total sponsored activity awards.

Financial Year	Total Awards	Budget Totals
FY 2023	326	$139,103,093
FY 2022	342	$117,822,604
FY 2021	347	$147,794,722

Source: Office of Research & Economic Development

Figure 11. Total sponsored activity by source.



Source: Office of Research & Economic Development

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University Community Engagement

University Community Engagement for 2022-2023	Faculty/Staff	Students	Total
Volunteer participation - hours	385	34,853	35,235
Volunteer participation - unique volunteers	62	1,546	1,608

Source: Office of Community Engagement

2024 NSSE: About how many of your courses at this institution have included a community-based project (service-learning)?

Student Level	All	Most	Total %
First-Year (n=584)	3.25%	9.42%	12.67%
Senior (n=523)	3.63%	10.71%	14.34%

Source: 2024 NSSE Survey
Note: The Senior population presents four years of perceptions around South, including experiences with Covid policies during their first-year.

2024 NSSE: About how many hours do you spend in a typical 7-day week doing the following?

Doing community service or volunteer work

Student Level	0 Hours	1-5 Hours	6-10Hours	11+ Hours
First-Year (n=562)	55%	29%	7%	10%
Senior (n=513)	46%	34%	11%	9%

Source: 2024 NSSE Survey
Note: The Senior population presents four years of perceptions around South, including experiences with Covid policies during their first-year.

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Excellence in Health Care

USA Health Hospitals are participating in the Alabama Department of Public Health Healthcare Associated Infections (HAI) Data Reporting to reduce HAIs and impact pay-for performance initiatives.

Metric	Baseline CY23	2025 CY24	2026 CY25	2027 CY26	2028 CY27	2029 CY28
Four (4) healthcare associated infections are within acceptable range. **Children's & Women's Hospital**	**4 within range**					
Four (4) healthcare associated infections are within acceptable range. **Providence Hospital**	**4 within range**					
Four (4) healthcare associated infections are within acceptable range. **University Hospital**	**4 within range**					

USA Health Hospitals focus on ensuring high satisfaction among patients.

Metric	Baseline CY23	2025 CY24	2026 CY25	2027 CY26	2028 CY27	2029 CY28
Percentage of patients willing to recommend the facility. **Children's & Women's Hospital**	**72.2%**					
Percentage of patients willing to recommend the facility. **Providence Hospital**	**65.0%**					
Percentage of patients willing to recommend the facility. **University Hospital**	**89.2%**					

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Appendix I: Enrollment Tables

Overall Enrollment

	Fall 2020	Fall 2021	Fall 2022	Fall 2023
Total Enrollment	14,224	13,992	13,463	13,768
Undergraduate	9,050	8,833	8,491	8,914
Graduate	4,875	4,859	4,671	4,551
Medical	299	300	301	303

Enrollment by Gender

	Fall 2020	Fall 2021	Fall 2022	Fall 2023
Total Enrollment	14,224	13,992	13,463	13,768
Female	9,658	9,522	9,154	9,340
Male	4,560	4,460	4,284	4,386
Unknown	6	10	25	42

Enrollment by Race/Ethnicity

	Fall 2020	Fall 2021	Fall 2022	Fall 2023
Total Enrollment	14,224	13,992	13,463	13,768
African-American	2,931	2,969	2,838	2,917
Asian-American	521	550	522	522
Hispanic-American	582	600	571	675
Multiracial	504	530	517	546
Native-American	113	85	91	78
Non-Resident Alien	233	216	273	287
Pacific Islander	17	26	23	21
Unknown	422	340	307	245
White	8,901	8,676	8,321	8,477

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Enrollment by Class and Age (Adult Learner)

	Fall 2020	Fall 2021	Fall 2022	Fall 2023
Total Enrollment	14,224	13,992	13,463	13,768
24 & Under	8,734	8,607	8,292	8,782
25 & Over	5,490	5,385	5,171	4,986
Undergraduate	9,050	8,833	8,491	8,914
24 & Under	7,831	7,700	7,387	7,805
25 & Over	1,219	1,133	1,104	1,109
Graduate	4,875	4,859	4,671	4,551
24 & Under	730	741	736	815
25 & Over	4,145	4,118	3,935	3,736
Medical	299	300	301	303
24 & Under	173	166	169	162
25 & Over	126	134	132	141

Enrollment by Service Area

	Fall 2020	Fall 2021	Fall 2022	Fall 2023
Total Enrollment	14,224	13,992	13,463	13,768
Service Area	7,993	7,939	7,638	7,884
Alabama	6,548	6,552	6,303	6,489
FL & MS	1,445	1,387	1,335	1,395
Non Service Area	6,231	6,053	5,825	5,884
Alabama	2,583	2,348	2,183	2,185
Out of State	3,648	3,652	3,642	3,699

Start South Enrollment

	Fall 2020	Fall 2021	Fall 2022	Fall 2023
Total Enrollment	144	109	211	300

Enrollment by Pell Grant

	Fall 2020	Fall 2021	Fall 2022	Fall 2023
Total Enrollment	14,224	13,992	13,463	13,768
Pell	3,034	3,267	3,028	3,246
Non-Pell	11,190	10,725	10,435	10,522

Enrollment by College

	Fall 2020	Fall 2021	Fall 2022	Fall 2023
Total Enrollment	14,224	13,992	13,463	13,768
AH	1,509	1,537	1,500	1,553
AS	2,900	2,786	2,673	2,919
BU	1,148	1,184	1,090	1,087
CS	627	616	647	696
ED	2,003	1,914	1,805	1,760
EG	1,048	980	937	954
GR	44	40	38	46
MD	344	348	348	353
NU	4,601	4,587	4,425	4,400

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Appendix II: List of Programs Completing Licensure Exams

Program
Audiology
edTPA: K6 Teacher Education
edTPA: Music
edTPA: Sec Biology
edTPA: Sec ELA
edTPA: Sec Math
edTPA: Sec Social Studies
edTPA: ALT ESOL
edTPA: ALT ELEM
edTPA: ALT SPED K6
edTPA: AlT SPED 6-12
edTPA: ALT SS
edTPA: ALT ELA
edTPA: ALT ECE
edTPA: ALT ART
Engineering: Civil, Jan-Jun
Engineering: Civil, Jul-Dec
Engineering: Computer, Jan-Jun
Engineering: Electrical and Computer, Jan-Jun
Engineering: Electrical and Computer, Jul-Dec
Engineering: Mechanical, Jan-Jun
Engineering: Mechanical, Jul-Dec
Occupational Therapy
Social Work
Paramedic
Physical Therapy
Physician Assistant Studies
Radiologic Sciences
Speech Pathology
Medicine: Step 1 First-time Pass Rate
Medicine: Step 2
Nursing: Psychiatric (Family) NP
Nursing: Adult-Geron Acute Care NP
Nursing: Adult-Geron Primary Care NP
Nursing: Adult-Geron CNS
Nursing: Dual-Role (ENP/FNP Track): Emergency NP
Nursing: Family Nurse Practitioner
Nursing: Pediatric Acute Care NP
Nursing: Pediatric Primary Care NP
Nursing: Neonatal NP
Nursing: Women's Health NP
Nursing: Traditional 1st Time Pass rate
Nursing: Trad Pass rate ALL
Nursing: Accelerated 1st Time Pass rate
Nursing: Acc Pass rate ALL

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Appendix III: Data Sources

Data Source	Data Location	Data Owner
2024 National Survey of Student Engagement	Office of Institutional Effectiveness	Office of Institutional Effectiveness
2024 Spring Graduate Student Survey	Office of Institutional Effectiveness	Graduate School
Candidate for Graduation Report	Banner – ZSGR0096	Office of the Registrar
Census Data	Office of Institutional Research	Office of Institutional Research
Graduation and Retention Rates	Graduation and Retention Rates	Office of Institutional Research
Fact Book	• Fact Book 23-24 • Fact Book 22-23 • Fact Book 21-22 • Fact Book 20-21	Office of Institutional Research
Veteran Report 2023	Office of Veteran Affairs	Office of Veteran Affairs
Sponsored Activity Funding	• FY 2023 Sponsored Activity by Funding Source • FY 2022 Annual Report • FY 2021 Annual Report	Office of Research & Economic Development
Volunteer Data	Office of Community Engagement	Office of Community Engagement
USA Licensure Examination Scores	Respective Academic Unit	Respective Academic Unit

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UNIVERSITY OF SOUTH ALABAMA
BOARD OF TRUSTEES

COMMITTEE OF THE WHOLE

UNIVERSITY OF SOUTH ALABAMA
BOARD OF TRUSTEES

Committee of the Whole

June 6, 2024
3:06 p.m.

A meeting of the Committee of the Whole of the University of South Alabama (USA) Board of Trustees was duly convened by Ms. Arlene Mitchell, Chair *pro tempore*, on Thursday, June 6, 2024, at 3:06 p.m. in the Board Room of the Frederick P. Whiddon Administration Building. Meeting attendance was open to the public.

Members:	Alexis Atkins, Scott Charlton, Tom Corcoran, Luis Gonzalez, Arlene Mitchell, Lenus Perkins, Jimmy Shumock, Steve Stokes, Mike Windom and Jim Yance were present, and Chandra Brown Stewart and Ron Jenkins participated remotely.
Members Absent:	Steve Furr, Ron Graham, Kay Ivey and Bill Lewis.
Administration & Guests:	Owen Bailey, Jim Berscheidt, Joél Billingsley, Jo Bonner, Michael Chambers, Lynne Chronister, Kristin Dukes, Joel Erdmann, Monica Ezell, Charlie Guest, Buck Kelley, Andi Kent, Nick Lawkis, John Marymont, Mike Mitchell, Kristen Roberts, Margaret Sullivan, Peter Susman, and Christina Wassenaar and Bret Webb (Faculty Senate).

Following the attendance roll call, **Item 29**, Chair Mitchell called for consideration of the minutes for a meeting held on March 14, 2024, **Item 30**. On motion by Mr. Corcoran, seconded by Mr. Shumock, the Committee voted unanimously to adopt the minutes.

Chair Mitchell called for consideration of a resolution authorizing dates for regular, quarterly meetings of the Board of Trustees for the 2024-2025 academic year, as well as designating the date for the annual meeting, **Item 31**. On motion by Judge Windom, seconded by Dr. Stokes, the Committee voted unanimously to recommend approval of the resolution by the Board of Trustees.

Chair Mitchell called on President Bonner to address **Item 32**, a resolution extending appreciation to Ms. Chronister for her contributions to the University, as well as best wishes for the future. President Bonner discussed Ms. Chronister's tenure, as well as her impact at the University and beyond, calling her a great ambassador for USA. On motion by Judge Windom, seconded by Ms. Atkins, the Committee voted unanimously to recommend approval of the resolution by the Board of Trustees.

In accordance with the provisions of the Alabama Open Meetings Act, Chair Mitchell made a motion to convene an executive session for an anticipated duration of 30 minutes for the purpose of discussing pending or threatened litigation, **Item 33**. She stated that Ms. Dukes had submitted the required written declaration for the minutes and that adjournment of the meeting would be in effect upon the conclusion of the executive session. Mr. Yance seconded and, at 3:15 p.m.,

the Committee voted unanimously to convene an executive session, as recorded below. The executive session began at 3:19 p.m.:

AYES:
- Ms. Atkins
- Ms. Brown Stewart
- Dr. Charlton
- Mr. Corcoran
- Mr. Gonzalez
- Capt. Jenkins
- Ms. Mitchell
- Mr. Perkins
- Mr. Shumock
- Dr. Stokes
- Judge Windom
- Mr. Yance

There being no further business, the meeting was adjourned at 3:39 p.m.

Respectfully submitted:

Arlene Mitchell, Chair *pro tempore*

UNIVERSITY OF SOUTH ALABAMA
BOARD OF TRUSTEES

Executive Committee

July 30, 2024
10:00 a.m.

A meeting of the Executive Committee of the University of South Alabama (USA) Board of Trustees was duly convened by Ms. Arlene Mitchell, Chair *pro tempore*, on Tuesday, July 30, 2024, at 10:05 a.m. in the Board Room at the USA Health office building located at 207 North Catherine Street. Meeting attendance was open to the public.

Members:	Alexis Atkins, Arlene Mitchell, Jimmy Shumock and Jim Yance were present.
Members Absent:	Steve Furr and Lenus Perkins.
Other Trustees:	Chandra Brown Stewart and Ron Jenkins.
Administration & Guests:	Owen Bailey, Jo Bonner, Kristin Dukes, Monica Ezell, Bill Grete, Andi Kent, Nick Lawkis and Bret Webb (Faculty Senate).

Chair Mitchell called the meeting to order and, following the attendance roll call, **Item 1**, thanked everyone for their participation. She recognized Provost Kent, who greeted the group, and then called on Mr. Bailey to address **Item 2** as follows. Mr. Bailey and Mr. Bill Grete, USA Health Chief Legal Counsel, shared perspective on the simplification of the process for nominating candidates to serve on the Mobile County Hospital Board, as well as on the candidates proposed in the resolution, and answered questions. On motion by Mr. Yance, seconded by Mr. Shumock, the Executive Committee voted unanimously to approve the resolution:

RESOLUTION
NOMINATION OF MOBILE COUNTY HOSPITAL BOARD MEMBER

WHEREAS, the term of office of Dr. Michael Chang as a Director of the Mobile County Hospital Board ("Corporation") has expired and he no longer meets the Mobile County residency requirement of the governing documents of the Corporation to continue to serve, and

WHEREAS, The Certificate of Incorporation of the Mobile County Hospital Board was amended by the Mobile County Commission at its June 24, 2024, meeting to amend the way members of the Board of the Corporation are elected by requiring (a) nomination by the Board of Trustees of the University of South Alabama of two (2) alternative candidates for consideration by the Mobile County Commission and (b) election by the Mobile County Commission of one of the alternative candidates to serve on the Board for a term of six (6) years, and

WHEREAS, the leadership of USA Health has requested that the Board of Trustees nominate Dr. Robert Israel and Danny Rickert as the two (2) alternative candidates for consideration by the Mobile County Commission, both of whom meet the criteria for service as Director of the Corporation,

THEREFORE, BE IT RESOLVED, the Executive Committee of the Board of Trustees of the University of South Alabama hereby nominates Robert Israel, M.D., and Danny Rickert, as two (2) alternative candidates for consideration by the Mobile County Commission for the position of Director of the Mobile County Hospital Board.

There being no further business, the meeting was adjourned at 10:13 a.m.

Attest to: Respectfully submitted:

Lenus M. Perkins, Secretary Arlene Mitchell, Chair *pro tempore*

September 13, 2024

RESOLUTION

EXECUTIVE COMMITTEE OF THE BOARD OF TRUSTEES

WHEREAS, the Bylaws of the University of South Alabama Board of Trustees provide for the appointment by the Chair *pro tempore* of an Executive Committee, subject to the approval of the Board, for terms concurrent with the term of the Chair *pro tempore*, who shall serve as Chair of the Executive Committee,

THEREFORE, BE IT RESOLVED, the Board of Trustees of the University of South Alabama hereby authorizes the appointment of the following named Trustees to serve on the Executive Committee for terms concurrent with the term of the current Chair *pro tempore.*

- Mrs. Arlene Mitchell
- Mrs. Katherine Alexis Atkins
- Mr. Lenus Perkins
- Mrs. Chandra Brown Stewart
- Dr. Steven P. Furr
- Mr. James H. Shumock
- Mr. James A. Yance

RESOLUTION

COMMENDATION OF MR. E. THOMAS CORCORAN

WHEREAS, Mr. E. Thomas Corcoran was appointed to the Board of Trustees of the University of South Alabama in 2010, and

WHEREAS, during his 14-year tenure as a member of the Board, Mr. Corcoran played a key role on various Board committees, including the Audit Committee; Development, Endowment and Investments Committee; Health Affairs Committee; Long-Range Planning Committee; Evaluation and Compensation Committee; and Budget and Finance Committee, for which he served as chair for more than a decade, and

WHEREAS, Mr. Corcoran has been steadfast in ensuring responsible and sound fiscal practices while preparing the University for future growth, and his support of strategic initiatives has been instrumental to the University's reach and advancement, such as those that resulted in an expanded academic profile, strengthened student access and success, and furthered construction and renovation of campus and healthcare facilities, and

WHEREAS, Mr. Corcoran also served on the USA National Alumni Association Board of Directors, *Campaign USA* Leadership Committee, *Upward & Onward* Leadership Committee, Mitchell College of Business Executive Advisory Council and 50th Anniversary Alumni Council, and

WHEREAS, Mr. Corcoran and his wife, Dr. Barbara Corcoran, are loyal supporters of South Alabama and, over the years, have contributed generously to advance the mission of the Institution, supporting scholarships, Jaguar Athletics and the Mitchell Cancer Institute, and

WHEREAS, the couple endowed several scholarships, including the *Barbara Corcoran Endowed Scholarship* in the Frederick P. Whiddon College of Medicine; the *Corcoran Endowed Scholarship* in the Interdisciplinary Studies Adult Degree Program; the *Thomas and Barbara Corcoran Scholar Athlete Scholarship*; and the *Mildred Elizabeth Corcoran Endowed Scholarship* and the *Thomas Corcoran Endowed Scholarship for Adult Students* in the Mitchell College of Business; and also supported the USA Board of Trustees Scholarship, and

WHEREAS, Mr. Corcoran served as president of USA's Phi Kappa Sigma chapter before graduating with a Bachelor of Science in marketing in 1970 and he later led Fort Dodge Animal Health as its CEO for more than 20 years, accomplishments that, among others, earned him the USA National Alumni Association's *Distinguished Alumni and Service Award* in 2008, and

WHEREAS, Mr. Corcoran has served the University with distinction, graciously contributing his time, energy and wisdom to the growth and development of higher education in the state of Alabama and region, and to the students, alumni, faculty and administration of the University of South Alabama,

THEREFORE, BE IT RESOLVED, the University of South Alabama Board of Trustees expresses its deep appreciation and gratitude to Mr. E. Thomas Corcoran for his devotion, service and commitment to advancing the interests of the Institution and its constituencies, and

BE IT FURTHER RESOLVED that the Board of Trustees bestows upon Mr. Corcoran the title of *Trustee Emeritus.*