

**UNIVERSITY OF SOUTH ALABAMA
BOARD OF TRUSTEES**

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2007-2010

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**UNIVERSITY OF SOUTH ALABAMA
BOARD OF TRUSTEES**

**JUNE 10, 2010
10:00 A.M.**

**FREDERICK P. WHIDDON ADMINISTRATION BUILDING
AD 122, BOARD ROOM**

REVISED AGENDA

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6	Report: Health System and Health Sciences	<i>Presentation at Meeting</i>
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MEMORANDUM

UNIVERSITY OF SOUTH ALABAMA

May 28, 2010

TO: USA Board of Trustees

FROM: Bettye R. Maye *BRM*
Secretary, USA Board of Trustees

Enclosed are the unapproved minutes for the March 12, 2010, meeting of the USA Board of Trustees. Please review them for amendment or approval during the June 10 Annual Meeting of the Board.

BRM:mgc

Enclosure

**UNIVERSITY OF SOUTH ALABAMA
BOARD OF TRUSTEES MEETING**

**March 12, 2010
11:00 a.m.**

A meeting of the University of South Alabama Board of Trustees was duly convened by Dr. Steven H. Stokes, Chair Pro Tempore, on Friday, March 12, 2010, at 11:02 a.m. in the Board Room of the Frederick P. Whiddon Administration Building.

Members Present: Trustees Scott Charlton, Cecil Gardner, Samuel Jones, Donald Langham, Bettye Maye, Christie Miree, Arlene Mitchell, Bryant Mixon, James Nix, John Peek, Ken Simon, and Steven Stokes.

Members Absent: Trustees Steven Furr, Joseph Morton, Bob Riley, Larry Striplin, and Jim Yance.

Administration and Others: President Gordon Moulton; Drs. Michael Boyd, Joseph Busta, Debra Davis, Ron Franks, David Johnson, Russ Lea, Robert Shearer, John Smith, David Stearns, Sam Strada, David Turnipseed and Kelly Woodford (Faculty Senate), and David Wood; Messrs. George Davis (National Alumni Assn.), Wayne Davis, Stan Hammack, and Abe Mitchell; Mss. Geri Moulton and Jean Tucker.

Press: Mr. Matthew Peterson (*The Vanguard*) and Ms. Renee Busby (*Press-Register*).

Upon the call to order, Chairman Stokes welcomed Trustees and guests and called for adoption of the revised agenda. On motion by Ms. Miree, seconded by Mr. Gardner, the revised agenda was unanimously approved. Chairman Stokes called for consideration of **ITEM 1**, the minutes of the December 10, 2009, meeting of the Board of Trustees and the December 9, 2009, meeting of the Committee of the Whole. On motion by Ms. Miree, seconded by Mr. Peek, the minutes were unanimously adopted.

Regarding **ITEM 2**, the President's Report, President Moulton noted that the Trustees had toured the Student Recreation Center and the Moulton Tower and Alumni Plaza construction sites prior to the Board meeting. He reported a three-percent increase in spring enrollment from last year and announced a record 16-percent increase in applications for the 2010 Fall semester. He said these figures indicate a growing interest in the University of South Alabama. He added that interest in housing has shown a significant increase as well.

President Moulton said that, despite a dismal national and local economic outlook, USA employees maintained an optimistic and generous spirit through involvement in the community's annual United Way campaign that was chaired this year by Dr. Busta. He reported that University contributions surpassed previous years' gifts with total pledges exceeding \$280,000. He stated that former congressman Sonny Callahan has been named *Mobilian of the Year* for 2009 by the Cottage Hill Civitan Club. A banquet will be held in his honor on April 8. He announced an impressive turnout by USA students at Higher Education Day held in Montgomery on March 4.

President Moulton said that the USA Spring Game was played on Wednesday, March 10. He reported that Jordan Means of Hoover High School kicked a 53-yard field goal. President Moulton discussed the design of Shelby Hall, the facility that will house the College of Engineering and the School of Computer and Information Sciences; Trustees viewed a computer-generated virtual tour of the building's interior. He announced that Mr. Erik Weihenmayer would deliver the Spring Commencement address on May 8. Mr. Weihenmayer holds the record as the first blind individual to reach the summit of Mount Everest. He recognized the involvement of State Representative Jamie Ison in helping to secure Mr. Weihenmayer's appearance on campus.

President Moulton advised that the Annual Meeting of the Board would be held on Thursday, June 10.

Chairman Stokes called for a report of health affairs items. In the absence of Dr. Furr, Chair of the Health Affairs Committee, Dr. Charlton moved approval of **ITEM 3** as follows. Ms. Miree seconded and the resolution was unanimously approved:

RESOLUTION
USA HOSPITALS MEDICAL STAFF APPOINTMENTS AND REAPPOINTMENTS NOVEMBER AND DECEMBER 2009,
JANUARY AND FEBRUARY 2010

WHEREAS, the Medical Staff appointments and reappointments for November and December 2009 and January and February 2010 for the University of South Alabama Hospitals are recommended for approval by the Medical Executive Committees of the University of South Alabama Hospitals,

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

President Moulton recommended that **ITEM 5**, a report on the USA Mitchell Cancer Institute (MCI), be presented next. He called upon Dr. Boyd, who provided an overview in photos of the history of the MCI since his appointment as Director in 2002. He recalled that Mayer, Arlene, and Abe Mitchell and President and Geri Moulton had been the determining influences in sealing his decision to join USA. He cited the heroic efforts of these individuals in garnering tremendous support from all levels of government, and in pledging major personal gifts in the early development of the Institute. He acknowledged funding from the USA Foundation as well. In its ten years, the MCI has grown to 250 employees led by Drs. Eddie Reed - Clinical Director; Laurie Owen - Associate Director for Basic and Translational Sciences; and Hung Khong - Associate Director of Clinical Research. Dr. Boyd reported that the new facility has elevated clinical and research efforts. Clinical programs are ahead of schedule and basic and translational research activities are flourishing. Clinical trials are consistently increasing, as is patient access to TomoTherapy and CyberKnife treatment. Dr. Boyd briefly discussed the evolution of the University's alliance with the Infirmary Health System. He introduced Dr. John Russell whose appointment as Elsie Colle Chair of Radiation Oncology and Chief of Radiation Oncology Services was effective March 1. Dr. Russell conveyed appreciation for the opportunity to join the MCI. Dr. Boyd discussed the *Oncology Outlook* event scheduled for April 23 and 24.

President Moulton presented **ITEM 3.A** as follows. On motion by Dr. Charlton, seconded by Mr. Langham, the resolution was unanimously approved:

RESOLUTION

RATIFICATION OF THE APPOINTMENT OF TWO PERSONS FOR A POSITION ON THE MOBILE COUNTY HOSPITAL BOARD

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

WHEREAS, by a letter dated January 11, 2010 the President of the University submitted the names of Mr. Leo Dekle and Dr. Ronald D. Franks to the Mobile County Commission for the selection of one to serve on the Mobile County Hospital Board,

THEREFORE, BE IT RESOLVED, the University of South Alabama Board of Trustees hereby ratifies the attached letter nominating the two above-referenced individuals for a position of Director of the Mobile County Hospital Board.

Dr. Charlton called for presentation of **ITEM 4**, a report of the Division of Health Sciences and the USA Health System. Dr. Franks introduced Dr. Strada, who reported on the recent edition of the *University of South Alabama Medicine* magazine, which features graduates of the College of Medicine's 1976 charter class and chronicles the early days of the medical school. Dr. Strada noted that the College of Medicine has made tremendous progress since the time of the inaugural classes held in the Life Sciences Building in 1973. He discussed a \$14.5 million grant from the National Institutes of Health (NIH) to build a research facility for the Center for Infectious Diseases. He said that the grant is the largest in the University's history, and stated that, of the thousands of grant applications submitted, less than 10 percent were awarded. He commended Dr. David Wood, Chair - Department of Microbiology and Immunology, and his colleagues for the honor of being among a select group to receive this competitive grant, and introduced Dr. Wood for comments. Dr. Wood shared a brief history of infectious diseases and emerging treatments. He discussed global concerns about antibiotic resistance and bioterrorism, and outlined the department's goal to facilitate a safe, secure environment with a concentration on select agent research and vaccine and drug development. He acknowledged the importance of adhering to the guidelines of the U.S. Department of Homeland Security.

Chairman Stokes called for consideration of academic and student affairs items. Ms. Miree, Academic and Student Affairs Committee Chair, asked Dr. Johnson to present **ITEM 6**, a report of academic affairs activities. Dr. Johnson reported on a project under way at the University to redesign course delivery with expanded opportunities for on-line instruction to achieve greater efficiency and improve learning. He said that students are responsive to this type of learning. He gave credit to the College of Nursing for leading the initiative for on-line course development and delivery in the last decade, and projected that on-line enrollment would double within two years. He introduced Dr. Jack Dempsey, Professor of Instructional Design and Development, and recent appointee as Director of Electronic Learning. Dr. Dempsey reported that "e-learning" is a modernization of the instructional system and a national movement. He provided details of the University's redesign plan, which includes the acceptance of proposals from the faculty. Pilot delivery will begin in Fall 2010 and 18,000 students are expected to register. Dr. Dempsey talked about the emergence of e-learning tools and software. Dr. Debra Davis, Dean - College of Nursing, addressed the Board briefly, reiterating that advances in technology are replacing traditional methods of learning. Dr. Johnson stated that costs to students for e-learning participation will rival

those for traditional instruction. He noted that faculty members have expressed great interest in electronic course delivery.

Ms. Miree moved approval of **ITEM 7** as follows. Mr. Simon seconded and the resolution was unanimously approved:

**RESOLUTION
PROFESSORS EMERITI**

WHEREAS, the following faculty have retired from the University of South Alabama:

Anne Jeannette Sylvestre, Ph.D., Professor of Accounting
Charles L. Rich, M.D., Professor of Psychiatry
James C. Wall, Ph.D., Professor of Physical Therapy

and

WHEREAS, in recognition of their contributions to the University through extraordinary accomplishments in teaching and in the generation of new knowledge through research and scholarship, and for serving as a consistently inspiring influence to students and colleagues for a period of time, and

WHEREAS, the faculty and chairpersons from their departments, academic deans, the Senior Vice President for Academic Affairs or the Vice President for Health Sciences, and the President have duly recommended the aforementioned retirees from the University faculty,

THEREFORE, BE IT RESOLVED, the Board of Trustees of the University of South Alabama hereby appoints the aforementioned individuals to the rank of *Professor Emeritus* with the rights and privileges thereunto appertaining, and

FURTHER, BE IT RESOLVED that the Board of Trustees, in recognition of their extraordinary accomplishments and dedicated service, wishes to convey its deep appreciation to these individuals.

Ms. Miree called upon Dr. Johnson to present **ITEM 8** as follows. Dr. Johnson said that a proposal to establish a USA campus at the Mississippi Gulf Coast Community College's Jackson campus had been discussed in detail at the Committee of the Whole meeting held on March 11. A map of the Alabama and Mississippi Gulf Coast was shown. Dr. Johnson noted that the region surrounding the Jackson campus provides 10 percent of USA's enrollment. He said that the University has worked closely with industry executives in this area, and that they have expressed great interest in a satellite USA campus. He said that adding this campus will create tuition income and will be cost effective. The proposal calls for three academic programs to offer classes – the Mitchell College of Business, Information Systems, and Interdisciplinary Studies. Dr. Johnson stated that electronic course delivery will be significant. He advised that USA's other programs will be marketed on the USA Gautier Campus as well, and that programs between campuses would be bridged for even greater student opportunities. On motion by Ms. Miree, seconded by Mr. Peek, the resolution was unanimously approved:

**RESOLUTION
UNIVERSITY OF SOUTH ALABAMA GAUTIER CAMPUS**

WHEREAS, the University of South Alabama serves a significant number of transfer students originating from Jackson County, Mississippi, and

WHEREAS, Mississippi Gulf Coast Community College and area businesses have requested that the University of South Alabama provide upper division and graduate courses in Jackson County, Mississippi, and

WHEREAS, the University of South Alabama is positioned to provide a number of degree programs in online, hybrid and traditional formats in disciplines of interest to residents of the Mississippi Gulf Coast region, beginning fall semester 2010, and

WHEREAS, Mississippi Gulf Coast Community College will provide classroom and office space in 14,520 square feet of the Jackson County University Building on the Gautier campus, and provide all associated utilities and building services, and

WHEREAS, operating expenses for use of the Jackson County University Building will be waived for the first year, and

WHEREAS, if enrollment estimates are met, the University expects to have revenues match or exceed expenses within the first two years of operation, and

WHEREAS, strengthening the partnership between the University of South Alabama and Mississippi Gulf Coast Community College is to the benefit of all citizens of the Alabama and Mississippi Gulf Coast region, and

WHEREAS, either party may cancel the agreement with a one-year written notice,

THEREFORE, BE IT RESOLVED, that the Board of Trustees approves the establishment of a satellite campus to be called the University of South Alabama Gautier Campus effective July 1, 2010.

A resolution to adopt amendments to the Faculty Senate Constitution, **ITEM 9**, was postponed for consideration at a future meeting.

Ms. Miree called upon Dr. Smith to address **ITEM 10**, a report of student affairs activities. Concerning the increasing need for additional student housing, Dr. Smith reported that 100 beds had been added for use in the 2010 fall semester by converting single-occupancy rooms into double occupancy rooms. He anticipated that housing would be at maximum capacity in the fall and stated that a recommendation would be made in the near future to expand student housing. He reported on the relocation of the University Police office from Faculty Court South to Gamma Commons to be near student housing. He said that the response from students for increased security has been positive. He stated that the new dining facility is under construction and should be complete by August 1.

Chairman Stokes called for consideration of budget and finance items. Mayor Nix, Budget and Finance Committee Chair, noted receipt of **ITEM 11** reports titled *Monthly Fund Financial Reports for October, November, and December 2009*; *Quarterly GASB Financial Statement for the Three Months Ended December 2009*; and *Summary Comparison of Fund Financial Reports to GASB Financial Statements, December 31, 2009 and 2008*. There was no discussion.

President Moulton presented **ITEM 12** as follows. Fourteen architects responded to a request for proposals to complete designs for a specialized laboratory building; three finalists were chosen. An aerial photograph was shown of the location proposed behind the former Clinical Cancer Center Building. Following a recommendation by President Moulton to select the firm of Borganier Davis Sims Architects Associated, and on motion by Mr. Langham, seconded by Dr. Charlton, the resolution was unanimously approved:

**RESOLUTION
ARCHITECT FOR SPECIALIZED LABORATORY BUILDING**

WHEREAS, the University of South Alabama has a strong medical research capability, and

WHEREAS, the quality of research is strongly enhanced by the necessary facilities, and

WHEREAS, the National Institutes of Health has recognized the value of the University's research effort with a grant to expand capabilities with a new Specialized Laboratory Building, and

WHEREAS, certain architectural firms are prominent in the field of science buildings, and

WHEREAS, the University requested proposals from these firms and fourteen responses were received, and

WHEREAS, the firms Lord Aeck & Sargent, TRO Jung/Brannen and Barganier Davis Sims Architects Associated were selected as best qualified to do the design, and

WHEREAS, each best qualified firm was interviewed and evaluated for this project,

THEREFORE, BE IT RESOLVED, that the Board of Trustees of the University of South Alabama authorizes the President to engage the firm Barganier Davis Sims for this project.

President Moulton presented **ITEM 12.A** as follows (refer to **APPENDIX A** for copies of policies and other authorized documentation), noting that the construction contract for campus portals was discussed at length in the Committee of the Whole meeting held on March 11. He said that the architecture of the portals follows the design of other new buildings on campus. Reference was made to drawings of portals in the University's Facilities Master Plan. President Moulton discussed the eventual widening of campus streets to relieve traffic congestion. He recommended that the construction contract be awarded to JESCO, Inc., the low bidder. On motion by Mayor Nix, seconded by Ms. Miree, the resolution was unanimously approved:

**RESOLUTION
CONSTRUCTION CONTRACT FOR CAMPUS PORTALS**

WHEREAS, the University of South Alabama has, in recent years, constructed several facilities, improving the overall function and aesthetics of the main campus, and

WHEREAS, the addition of portals at the entrances to the main campus would enhance the beauty and safety of the University grounds, and

WHEREAS, the University recently solicited bids for construction of the portals, and

WHEREAS, the University was successful in receiving competitive bids from ten qualified construction companies as shown on the attached schedule, and

WHEREAS, on March 4, 2010, the bids were opened, and JESCO, Inc., of Montgomery, Alabama, was the apparent low bidder,

THEREFORE, BE IT RESOLVED, that the Board of Trustees authorizes the University President to negotiate and execute a contract with the lowest bidder according to the Alabama Bid Law.

President Moulton presented **ITEM 12.B** as follows. He said that an addition to the Central Energy Plant would constitute the first phase of the Children's and Women's Hospital expansion. Slides were shown of the architect's renderings of the hospital addition. President Moulton said that the design reflects an attempt to establish architectural uniformity between the addition and the existing facility, and to create aesthetic appeal of the finished structure. He added that system updates will yield greater energy efficiency, and recommended that the contract be awarded to Flintco, Inc., the low bidder. On motion by Mayor Nix, seconded by Mr. Peek, the resolution was unanimously approved:

RESOLUTION
CONSTRUCTION CONTRACT FOR ADDITION TO CENTRAL ENERGY PLANT AT THE UNIVERSITY OF SOUTH ALABAMA
CHILDREN'S & WOMEN'S HOSPITAL

WHEREAS, the University of South Alabama recently solicited bids for the construction of an upgrade to the existing central energy plant and new mechanical systems for the USA Children's & Women's Hospital and proposed expansion, and

WHEREAS, this upgrade will provide new heating, ventilation and air conditioning chillers and boilers, medical gas, medical air and air redistribution for the existing plant facilities, and

WHEREAS, the University was successful in receiving competitive bids from five pre-qualified construction companies as shown on the attached schedule, and

WHEREAS, on December 17, 2009, the bids were opened, and Flintco, Inc.'s Pensacola, Florida, division was the apparent low bidder,

THEREFORE, BE IT RESOLVED, that the Board of Trustees authorizes the University President to negotiate and execute a contract with the low bidder, according to the Alabama Bid Law.

Chairman Stokes called for a report of audit items. Mayor Nix, Audit Committee Chair, asked Mr. Wayne Davis to discuss **ITEM 13**, the KPMG Report on USA Basic Financial Statements and Supplementary Information on Federal Awards Programs of the "A-133 Report," 2009. Mr. Davis reported that the audit produced no findings or questionable costs. Dr. Lea commented on the unusual occurrence that an A-133 report is issued without findings, a result of the diligent work at all levels of the University to ensure compliance with federal regulations.

Mr. Simmons presented **ITEM 14**, the KPMG Report on USA Intercollegiate Athletics, 2009. He noted that the audit report includes the Jaguar Athletic Fund operation. The report contained no findings.

Dr. Stokes called for a motion to convene an executive session of the Board for a duration of 15 to 30 minutes. On motion by Mayor Jones, seconded by Mr. Gardner, the Board unanimously agreed to convene an executive session.

Following the executive session, Dr. Stokes reconvened the regular meeting of the Board of Trustees and read the following resolution. On motion by Mayor Nix, seconded by Mr. Langham, the resolution was unanimously approved. President Moulton provided information about the acquisition of the Brookley property from the federal government. He said that the University administration will explore the value of the Brookley land and the possibility of selling the real

property if deemed to be in the University's best interest. President Moulton commented on plans to expand the USA Technology and Research Park and on the possibility of constructing a hotel and conference center on the main campus:

**RESOLUTION
EXPLORATION OF SALE OF USA BROOKLEY CENTER CAMPUS**

WHEREAS, the University of South Alabama ("University") owns land and buildings known as the USA Brookley Center Campus (approximately 327.11 acres), and

WHEREAS, the subject property currently houses a golf course, conference facilities, office facilities and housing, all of which are being utilized by the University in furtherance of its mission, and

WHEREAS, given the current fiscal constraints imposed on the University by the economy of the state and the country, the Board of Trustees of the University believes it to be in the best interest of the University for the University to explore the possibility of a sale of this property, with a lease of the property back to the University at a nominal fee for its continued use, and other such conditions as would benefit the University,

THEREFORE, BE IT RESOLVED, that the Board of Trustees of the University of South Alabama approves and authorizes the President of the University to proceed with exploring the possibility of sale of the land and buildings which make up the area known as USA Brookley Center Campus pursuant to the laws of the State of Alabama and report to the Board for approval as provided in the "Policy and Procedure by which the University of South Alabama Would Sell or Lease Real Property or Interest Owned by the University of South Alabama."

There being no further business, the meeting was adjourned at 12:31 p.m.

Attest to:

Respectfully Submitted:

Bettye R. Maye, Secretary

Steven H. Stokes, MD, Chair Pro Tempore

**UNIVERSITY OF SOUTH ALABAMA
BOARD OF TRUSTEES**

COMMITTEE OF THE WHOLE

**March 11, 2010
2:00 p.m.**

A meeting of the Committee of the Whole was duly convened by Dr. Steven H. Stokes, Chair Pro Tempore, on Thursday, March 11, 2010, at 2:00 p.m. in the Board Room of the Frederick P. Whiddon Administration Building.

Members Present: Trustees Scott Charlton, Cecil Gardner, Donald Langham, Bettye Maye, Christie Miree, Arlene Mitchell, Bryant Mixon, John Peek, Ken Simon, Steven Stokes, and James Yance.

Members Absent: Trustees Steven Furr, Sam Jones, Joseph Morton, James Nix, Bob Riley, and Larry Striplin.

Administration and Others: President Gordon Moulton; Drs. Michael Boyd, Joe Busta, Jim Connors (Faculty Senate), Ron Franks, David Johnson, Russ Lea, Robert Shearer, John Smith, and David Stearns; Messrs. Wayne Davis and Stan Hammack; and Ms. Jean Tucker.

Press: Ms. Renee Busby (*Press-Register*).

Chairman Stokes called the meeting of the Committee of the Whole to order and welcomed Trustees and guests. At President Moulton's recommendation, he proposed detailed discussion of **ITEMS 8, 12.A and 12.B**, as well as any other agenda item a Committee member desired to address.

President Moulton introduced **ITEM 8** (for copies of resolutions, policies, and other authorized documentation, refer to the USA Board of Trustees meeting minutes, March 12, 2010), a resolution to establish a satellite USA campus at Mississippi Gulf Coast Community College's (MGCCC) Jackson Campus to be known as the *University of South Alabama Gautier Campus*. He called upon Dr. Johnson to address. Dr. Johnson presented a map of the Alabama/Mississippi Gulf Coast region and noted that the *USA Gautier Campus* would be a distance of 37 miles from the main USA campus. He stated that MGCCC is USA's second leading feeder school, providing the University with 200 transfer students annually. He talked about the University's strong relationship with MGCCC and said that three University programs - - Business, Information Systems, and Adult Interdisciplinary Studies - - are proposed to begin classes effective on July 1. He added that expanding classes into Mississippi would strengthen USA in enrollment and tuition. USA programs offered on the University's main campus will be marketed to MGCCC students. Dr. Johnson stated that the new campus would be revenue neutral at the outset, with tuition offsetting costs and no costs to be paid by the citizens of Alabama. He reported that the Jackson, Mississippi, campus is within the boundary of USA's service region, thus no changes to the University's tuition policy would be necessary. The University received approval from the Southern Association of Colleges and Schools (SACS) to create a satellite campus; approval from the Alabama Commission on Higher

Education (ACHE) is not required. Dr. Stearns said that MGCCC is enthusiastic about its new partnership with USA, as are private industry leaders in the Mississippi coastal area who view USA as the primary educator for their employees. Dr. Johnson reported that facilities will be provided rent-free for the first year, as will the second year if USA's revenue does not exceed its costs. On motion duly made and seconded, the Committee unanimously agreed to recommend approval by the full Board.

President Moulton presented **ITEM 12.A**, a resolution authorizing the President to negotiate and execute a contract with the construction firm of JESCO, Inc., the low bidder, for campus portals. He reminded the Committee that the Facilities Master Plan adopted in April 2002 had proposed the construction of entry portals on campus for safety and aesthetic appeal. Drawings from the master plan were shown. President Moulton reported on the bid process that covers several entrances to campus, and design features that mimic those of the bell tower structure. The Committee reviewed the bid results that included optional items, or alternates. Ms. Miree inquired about portals at the less predominate entrances from Old Shell Road at the Mitchell Center and near the Mitchell College of Business. President Moulton responded that it is prudent to delay these additional costs for the present time. He discussed plans and possibilities for street redesign to better address vehicle and pedestrian traffic. Funding for the current proposal is covered by the 2008 revenue bond issue. Mr. Peek asked if recent bid processes are reflective of better construction prices. President Moulton stated there is a noticeable relaxing in market costs and cited the Shelby Hall construction contract of \$20 million, which came in at half of the anticipated cost for the project. On motion duly made and seconded, the Committee unanimously agreed to recommend full Board approval.

President Moulton introduced **ITEM 12.B**, a resolution authorizing the President to negotiate and execute a contract with the construction firm of Flintco, Inc., the low bidder, for construction of an addition to the central energy plant at the USA Children's and Women's Hospital. He called upon Mr. Hammack to discuss. Mr. Hammack stated that the proposal under consideration marks the initial phase of the hospital's major expansion project, noting that heating, ventilation, air conditioning, and medical gas systems would be upgraded. A sketch was shown of a design which features a colorful glass elevator tower. Mr. Hammack said that architects were requested to tie innovative design with existing characteristics of the structure for an appealing, blended appearance. The project will add 188,000 square feet to the facility. The plan calls for pediatric operations to be relocated to the new wing. Sources for funding the expansion were discussed, as well as the bid results for the first phase of construction. On motion duly made and seconded, the Committee unanimously agreed to recommend full Board approval.

President Moulton presented **ITEM 12**, a resolution authorizing the President to engage the firm of Barganier Davis Sims Architects Associated to design plans for a specialized research laboratory building. He reported that USA had competed for federal stimulus programs, and was awarded one of 12 grants. The award from the National Institutes of Health in the amount of \$14.5 million will fund construction of a leading-edge facility for the infectious diseases program. President Moulton said the research laboratory will inspire increased productivity and discovery, and allow our group to be nationally competitive. He noted that specific guidelines must be met for the utilization of federal grant funds, and that assurances must be provided with regard to architect and design

selection. A selection committee was formed to interview three firms; the committee agreed all were qualified to complete a suitable design. Of the three candidates, President Moulton recommended the engagement of Barginier Davis Sims. He said that the lab will be located behind the former Clinical Cancer Center Building, which is adjacent to Building III of the USA Technology and Research Park complex. President Moulton stated that the project will proceed quickly. On motion duly made and seconded, the Committee unanimously agreed to recommend approval by the full Board.

There being no further business, the meeting was adjourned at 2:52 p.m.

Attest to:

Respectfully Submitted:

Bettye R. Maye, Secretary

Steven H. Stokes, MD, Chair Pro Tempore

**UNIVERSITY OF SOUTH ALABAMA
BOARD OF TRUSTEES**

Executive Committee Meeting

**April 15, 2010
2:00 p.m.**

The Executive Committee of the University of South Alabama Board of Trustees was duly convened by Secretary Bettye Maye on Thursday, April 15, 2010, at 2:02 p.m. in the Board Room of the Frederick P. Whiddon Administration Building.

Members Present: Trustees Cecil Gardner, Samuel Jones, Donald Langham, Bettye Maye, James Nix (via phone), and Steven Stokes (via phone).

Member Absent: Trustee James Yance.

Other Trustee: Trustee Christie Miree (via phone).

Administration and Others: President Gordon Moulton; Drs. Bob Shearer, John Smith, and David Turnipseed and Kelly Woodford (Faculty Senate); Messrs. Wayne Davis and Glenn Gardner (SGA); and Ms. Kim Proctor (SGA).

Press: Messrs. Ted Hughes (WPMI), Matthew Peterson (*Vanguard*), and Guy Turnbow (WALA); and Mss. Renee Busby (*Press-Register*) and Daniela Werner (*Vanguard*).

On behalf of Chairman Stokes, Ms. Maye, Secretary of the Executive Committee, convened the meeting and called for approval of the revised agenda. On motion duly made and seconded, the revised agenda was unanimously adopted.

Recommending that **ITEM 2** as follows be considered first, President Moulton noted a pressing demand for additional student housing. He called upon Dr. Smith to discuss plans to construct a residence hall. Dr. Smith discussed a chart showing steady increases in freshman enrollment in the past five years. He reported an increase in freshman enrollment by 231 students since April 2009. Despite the positive side of enrollment increases, Dr. Smith reported that residence halls are at capacity and some students who need housing on campus will be turned away this fall. He told the Committee that, to address the demand for now, single-occupancy rooms had been converted into double-occupancy rooms to add 100 beds. He talked about the goal to establish “live-and-learn” communities in the dorm setting in an effort to help students connect positively to student life. He reported on discussions with Dr. Johnson about identifying faculty members who may consent to live in the residence halls and help to foster the learning communities environment. He discussed the dorm design and security features, including limited entrances to an interior hallway rather than exterior entrances to each unit. President Moulton presented visual slides and discussed the site proposed on a corner near existing residence halls where the land is flat. This location is a short distance from the new Student Recreation Center and the new dining hall. The residence building

will be three or four stories, and the units will be efficiently designed to take advantage of the best use of space and utilities.

The University's request for proposals yielded responses from 17 reputable architectural firms. President Moulton expressed confidence that, with approval by the Executive Committee to award the design contract to the firm of Williams Blackstock Architects, plans would be complete within 60 days, thus allowing for a 13-month window to complete construction. Ms. Maye inquired about the population of students showing interest in housing. Dr. Smith responded that the majority are freshmen and sophomores. He added that this may shift with the incorporation of the learning communities setting. Mr. Glenn Gardner, SGA President, asked if the Student Health Clinic would be moved from its present location in Building III of the USA Technology and Research Park. President Moulton responded that a decision to relocate the clinic has not been made. Ms. Kim Proctor, SGA Vice President, inquired if, with the learning communities concept, the residence hall would be open to all students. Dr. Smith replied that he envisions employing a variety of learning communities to meet a wide array of student needs, and added that all classifications of students could apply for residency. On motion by Mr. Gardner, seconded by Mr. Langham, the resolution was unanimously approved.

RESOLUTION
ARCHITECT FOR RESIDENTIAL BUILDING

WHEREAS, the University of South Alabama has a growing enrollment, and

WHEREAS, the quality of student life is strongly enhanced by excellent residential facilities, and

WHEREAS, the recruitment of students is strongly enhanced by high quality residential facilities, and

WHEREAS, the number of students seeking residence on campus has grown significantly over the past three years, and

WHEREAS, providing additional residential buildings is most beneficial at the beginning of a fall semester, and

WHEREAS, the fall of 2011 is the target date for a new residential building, and

WHEREAS, certain architectural firms are prominent in the field of residential buildings, and

WHEREAS, the University requested proposals from these firms and 17 responses were received, and

WHEREAS, each best qualified firm was evaluated for this project and the University staff has recommended one firm,

THEREFORE, BE IT RESOLVED, that the Board of Trustees of the University of South Alabama authorizes the President to engage the firm of Williams Blackstock Architects for this project.

President Moulton introduced **ITEM 1** as follows and called upon Mr. Wayne Davis to discuss. Mr. Davis reported that, with the economic downturn, the University had put needed projects on hold. He advised the Committee that the resolution at hand authorizes the Administration to merely examine the best means for financing capital improvements, whether through a bank loan or through

the sale of revenue bonds. He added that bank rates are better at the present time and stressed that any major debt encumbering the University must first be approved in a seated meeting of the full Board of Trustees. He presented an option outlined in the resolution whereby one series of bonds might be issued for \$15 million to fund the construction of much-needed student housing, and the possibility of completing a second bond sale to cover funding for renovations to the old recreation center and engineering building, the Bookstore, and the Student Center. If this funding option is selected, the total bond principal is not anticipated to exceed \$30 million. The University, with an A1 rating from Moody's and an A+ rating from Standard and Poor's given in 2008, is in an excellent position to obtain preferred terms. Mr. Davis reminded Committee members that the University's financial advisor is Mr. Louis Cardinal of the firm of Thornton Farish, Inc. He said that the Administration would submit a request for proposals from interested banks, and would specify terms and fixed rates. Following the competitive bid process, a recommendation will be presented for consideration at the Annual Meeting of the Board on June 10. On motion by Mayor Jones, seconded by Mr. Langham, the resolution was unanimously approved.

**RESOLUTION
FINANCING OF CAPITAL IMPROVEMENTS**

WHEREAS, it is necessary, desirable and in the interest of the University of South Alabama (herein called the "University") that the University design, acquire, construct, install, furnish and equip various capital improvements on the property of the University including, without limitation, (i) a new dormitory to consist of approximately 300 bedrooms for use by students of the University, (ii) health services and education improvements, (iii) student center renovations, and (iv) various other capital improvements, together having an estimated cost of not to exceed \$30,000,000 (herein collectively called the "Improvements"), and

WHEREAS, it is expected that the University will issue one or more series of revenue obligations (herein collectively called the "Obligations"), with the first such series to be in the amount of approximately \$15,000,000, pursuant to a plan of financing for the purpose of providing funds to pay the costs of the Improvements, and it is expected that the aggregate principal amount of the Obligations will not exceed \$30,000,000, and

WHEREAS, it is anticipated that all or a portion of the Obligations to be issued by the University shall be sold to one or more financial institutions pursuant to a competitive process, and

WHEREAS, the University expects to incur certain costs to be paid out of general funds of the University in connection with the design, acquisition, construction, installation, furnishing and equipping of the Improvements prior to the issuance of the Obligations, and the University intends to allocate a portion of the proceeds of the Obligations to reimburse the University for certain of the costs incurred in connection with the design, acquisition, construction, installation, furnishing and equipping of the Improvements paid prior to the issuance of the Obligations,

NOW, THEREFORE, BE IT RESOLVED, by the members of the Executive Committee (herein called the "Executive Committee") established by the Board of Trustees of the University, that (i) the University hereby declares that it intends to allocate a portion of the proceeds of the Obligations to reimburse the University for expenditures incurred after the date that is no more than sixty (60) days prior to the date of the adoption of this resolution, but prior to the issuance of the Obligations, in connection with the design, acquisition, construction, installation, furnishing and equipping of the Improvements; and (ii) this resolution is being adopted pursuant to the requirements of the Internal Revenue Code of 1986, as amended, and Treasury Regulations Section 1.150-2(e) promulgated thereunder, and

FURTHER RESOLVED, that the President of the University and the Vice President for Financial Affairs are hereby authorized and directed to explore the feasibility of selling all or a portion of the Obligations to one or more financial institutions through a competitive process.

Executive Committee
Page 4
April 15, 2010

There being no further business, the meeting was adjourned at 2:31 p.m.

Attest to:

Respectfully Submitted:

Donald L. Langham, Member

Bettye R. Maye, Secretary
on behalf of:

Steven H. Stokes, MD
Chair Pro Tempore

RESOLUTION

**BOARD MEETING SCHEDULE
2010-2011**

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:

September 17, 2010

December 9, 2010

March 11, 2011

June 9, 2011

FURTHER, BE IT RESOLVED that the date of June 9, 2011, be designated as the annual meeting of the University of South Alabama Board of Trustees for 2010-2011.

RESOLUTION

DISCONTINUATION OF COURT REPORTING SERVICE

WHEREAS, at its meeting on July 2, 1998, the University of South Alabama Board of Trustees approved engaging the services of a court reporter for meetings of the Board, and

WHEREAS, in addition to approved minutes, a full and accurate record of the meetings can be accomplished via the audio recording of the proceedings without incurring the expense of a court reporting service for a verbatim transcription,

THEREFORE, BE IT RESOLVED, that the Board of Trustees authorizes the discontinuation of court reporting services.

RESOLUTION

**USA HOSPITALS
MEDICAL STAFF APPOINTMENTS AND REAPPOINTMENTS
FOR MARCH, APRIL AND MAY 2010**

WHEREAS, the Medical Staff appointments and reappointments for March, April and May 2010 for the University of South Alabama Hospitals are recommended for approval by the Medical Executive Committees and the Executive Committee of the University of South Alabama Hospitals,

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

UNIVERSITY OF SOUTH ALABAMA



STANLEY K. HAMMACK
VICE PRESIDENT
HEALTH SYSTEM

REC'D
OFFICE OF THE PRESIDENT

MAY 12 2010

TELEPHONE (251) 471-7751
UNIVERSITY OF SOUTH ALABAMA
400 FIDELITY STREET, SUITE 3040
MOBILE, ALABAMA 36617-2293
FAX: (251) 471-7751

MEMORANDUM

TO: V. Gordon Moulton
President

FROM: Stan Hammack *SKH*

DATE: May 12, 2010

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

For Approval:
University of South Alabama Hospitals

Credentials Report – March, April and May 2010

SKH:eb

Attachment

OK TO: Monica

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

MARCH, APRIL AND MAY 2010

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

NAME	USACWH			USAMC			AMBULATORY CARE		
	Type/Stat	Category	Dept/Ser	Type/Stat	Category	Dept/Ser	Type/Stat	Category	Dept/Ser
Allison, Ronald C., M.D.	Reappt	Courtesy	Int Med	Reappt	Active	Int Med	Reappt	Active	Int Med
Alonso, Jorge E., M.D.	Reappt	Active	Ortho	Reappt	Active	Ortho	Reappt	Active	Ortho
Ambrose, Michael R., M.D.	Reappt	Active	Emer Med	Reappt	Active	Emer Med	Reappt	Active	Emer Med
Ashbee, Susan J., M.D.	Reappt	Courtesy	Peds	No Privs	N/A	N/A	N/A	N/A	N/A
Atkinson, Tangela C., M.D.	Reappt	Active	Fam Med	Reappt	Active	Fam Med	Reappt	Active	Fam Med
Awan, Farida N., M.D.	Reappt	Courtesy	Peds	No Privs	N/A	N/A	N/A	N/A	N/A
Batten, Lynn A., M.D.	Reappt	Active	Peds	Reappt	Active	Peds	N/A	N/A	N/A
Bentley, James R., M.D.	Reappt	Courtesy	OB/GYN	No Privs	N/A	N/A	N/A	N/A	N/A
Berry, Michael A., M.D.	Reappt	Courtesy	Int Med	Reappt	Courtesy	Int Med	N/A	N/A	N/A
Blair, Tina R., R.N.	New Appt	Affiliate	Int Med	New Appt	Affiliate	Int Med	N/A	N/A	N/A
Bonner, Johnny L., M.D.	No privs	N/A	N/A	New Appt	Active	Emer Med	New Appt	Active	Emer Med
Bright, Karen L., R.N.	New Appt	Affiliate	Int Med	New Appt	Affiliate	Int Med	N/A	N/A	N/A
Brogdon, Byron G., M.D.	Reappt	Courtesy	Radiology	Reappt	Courtesy	Radiology	Reappt	Courtesy	Radiology
Brooks, Marjorie N., D.O.	Reappt	Active	OB/GYN	Reappt	Active	OB/GYN	Reappt	Active	OB/GYN
Clemens, Elizabeth H., M.D.	Reappt	Active	Anesth	Reappt	Active	Anesth	Reappt	Active	Anesth
Coleman, Anthony L., P.C.T.	New Appt	Affiliate	Int Med	New Appt	Affiliate	Int Med	N/A	N/A	N/A
Dixon, Janie M., R.N.	New Appt	Affiliate	Int Med	New Appt	Affiliate	Int Med	N/A	N/A	N/A
Dumlao, Donato G., M.D.	Reappt	Active	Int Med	Reappt	Active	Int Med	Reappt	Active	Int Med
Dumlao, Theresa L., M.D.	Reappt	Active	Int Med	Reappt	Active	Int Med	Reappt	Active	Int Med
Flotte, Edward R., M.D.	Reappt	Active	Neurosurgery	Reappt	Active	Neurosurgery	N/A	N/A	N/A
Frye, Karen E., M.D.	Reappt	Active	Surgery	Reappt	Active	Surgery	Reappt	Active	Surgery
Gore, Lisa W., CRNP	Reappt	Affiliate	Peds	No Privs	N/A	N/A	Reappt	Affiliate	Peds
Harris, Curtis, M.D.	Reappt	Active	Surgery	Reappt	Active	Surgery	Reappt	Active	Surgery
Hart, James F., D.O.	New Appt	Courtesy	Psychiatry	New Appt	Courtesy	Psychiatry	N/A	N/A	N/A
Hughes, Helen A., CRNA	Reappt	Affiliate	Anesth	Reappt	Affiliate	Anesth	Reappt	Affiliate	Anesth
Ichim, Stefan, M.D.	Reappt	Active	Anesth	Reappt	Active	Anesth	Reappt	Active	Anesth
Kahn, Andrea, M.D.	Reappt	Active	Path	Reappt	Active	Path	Reappt	Active	Path
Kirk, Jessica L., M.D.	Reappt	Active	Peds	No Privs	N/A	N/A	Reappt	Active	Peds
Martinko, Thomas M., M.D.	Reappt	Active	Peds	Reappt	Courtesy	Peds	Reappt	Active	Peds
McGrath, Margaret A., M.D.	Reappt	Courtesy	OB/GYN	No privs	N/A	N/A	N/A	N/A	N/A
Moore, Lauren B., DMD	New Appt	Affiliate	Surgery	No Privs	N/A	N/A	N/A	N/A	N/A
Murray, Valerie C., R.N.	New Appt	Affiliate	Int Med	New Appt	Affiliate	Int Med	N/A	N/A	N/A

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

MARCH, APRIL AND MAY 2010

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

USACWH			USAMC			AMBULATORY CARE		
NAME	Type/Stat	Category	Dept/Ser	Type/Stat	Category	Dept/Ser	Type/Stat	Category
Nimityongskul, Prasit, M.D.	Reappt	Active	Ortho	Reappt	Active	Ortho	Reappt	Active
Omar, Bassam A., M.D.	Reappt	Courtesy	Int Med	Reappt	Active	Int Med	Reappt	Active
Oztas, Ozgur, M.D.	Reappt	Active	Neurology	Reappt	Active	Neurology	No Privs	N/A
Pitts, Denise M., R.N.	New Appt	Affiliate	Int Med	New Appt	Affiliate	Int Med	N/A	N/A
Polk, Nicole D., R.N.	New Appt	Affiliate	Int Med	New Appt	Affiliate	Int Med	N/A	N/A
Reeves, John P., Sr., R.N.	New Appt	Affiliate	Int Med	New Appt	Affiliate	Int Med	N/A	N/A
Rizk, Botros, M.D.	Reappt	Active	OB/GYN	Reappt	Active	OB/GYN	Reappt	Active
Rusyniak, Walter, G., M.D.	Reappt	Active	Neurosurgery	Reappt	Active	Neurosurgery	Reappt	Active
Sansarioq, Jean A., M.D.	Reappt	Active	OB/GYN	Reappt	Active	OB/GYN	No Privs	N/A
Sharp, Gregory A., P.A.	New Appt	Affiliate	Ortho	New Appt	Affiliate	Ortho	N/A	N/A
Silver, Frederick M., M.D.	Reappt	Active	Surgery	Reappt	Active	Surgery	Reappt	Active
Tyon, Warren G., M.D.	New Appt	Active	Eval Center	No Privs	N/A	N/A	New Appt	Active
Watters, Harriett W., R.N.	New Appt	Affiliate	Int Med	New Appt	Affiliate	Int Med	N/A	N/A
Zayek, Michael M., M.D.	Reappt	Active	Peds	Reappt	Courtesy	Peds	Reappt	Active
Zieman, Gregory A., D.M.D.	New Appt	Affiliate	Surgery	No privs	N/A	N/A	N/A	N/A


UNIVERSITY OF SOUTH ALABAMA HEALTHCARE NETWORK MEDICAL STAFF APPOINTMENTS/REAPPOINTMENTS FOR BOARD OF TRUSTEES APPROVAL MARCH, APRIL AND MAY 2010									
The following is a listing of recommendations for approval of new appointments, reappointments and other status changes of physicians and affiliate staff professionals. These have been reviewed and are recommended by the Medical Executive Committee of the respective hospitals.									
USACWH				USAMC			AMBULATORY CARE		
NAME	Type/Stat	Category	Dept/Ser	Type/Stat	Category	Dept/Ser	Type/Stat	Category	Dept/Ser
CHANGE IN STATUS/RESIGNATION									
Dempsey, Thomas R., M.D.	LOA		Ortho	LOA		Ortho	N/A	N/A	N/A
Dempsey, Thomas R., M.D.	From LOA		Ortho	From LOA		Ortho	N/A	N/A	N/A
Wertelecki, Wladimir, M.D.	LOA		Med Genetics	LOA		Med Genetics	LOA		Med Genetics
Resigned/Relocated									
Bryant, Melanie J., D.A.	No longer emp.	Date	4/30/2010	Surgery					
Burch, Andrew D., Jr., M.D.	Resigned		4/9/2010	Surgery					
Burch, Ernest G., M.D.	No bu coverage		4/20/2010	Surgery					
Grant, Arthur, III, M.D.	Dues		8/25/2009	Int Med					
McWilliams, Brenda G., R.N.	Deceased		4/6/2010	Int Med					
Rhoden, Heather, M.D.	Resigned		9/26/2008	Peds					
Stadther, Joseph L., M.D.	Practice overload		4/14/2010	Peds					


UNIVERSITY OF SOUTH ALABAMA HEALTHCARE NETWORK
MEDICAL STAFF APPOINTMENTS/REAPPOINTMENTS
FOR BOARD OF TRUSTEES APPROVAL
NOVEMBER AND DECEMBER 2009


LEGEND:

New Appt New application for medical staff privileges recommended for approval.
Reappt Reappointment application for medical staff privileges recommended for approval.
No Privs No privileges requested
Changes in Status # Change to USA Faculty
 ## Change to Private Practice
 * Additional Privileges Requested – Epicor Cardiac Tissue Ablation
 ** Additional Privileges Requested – OB/GYN Privileges Added
 *** Additional Privileges Requested – Moderate Conscious Sedation Privileges
 **** Additional Privileges Requested – Deep Sedation Privileges
 ***** Added Hematology/Oncology Checklist
 ***** Added Hematology/Oncology Checklist
 ***** Additional Privileges for both USA Hospitals/Already processed at USACW

RECOMMENDED BY:


 Katherine Savells, MD, Chairman, Medical Executive Committee
 USA Children's & Women's Hospital

 5/1/12
 Jack DiPalma, MD, Chairman, Medical Executive Committee
 USA Medical Center


 Stanley K. Hammack
 Vice President, USA Health System

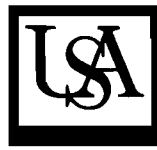
RESOLUTION

**UNIVERSITY OF SOUTH ALABAMA MITCHELL CANCER INSTITUTE
REVISED GUIDELINES AND POLICIES
FOR FACULTY APPOINTMENTS, PROMOTION AND TENURE**

WHEREAS, officials of the USA Mitchell Cancer Institute (MCI) and the USA College of Medicine deem it appropriate for certain qualified individuals to be assigned to faculty appointments within the MCI, and to have the opportunity to be awarded promotion and tenure, and

WHEREAS, said officials have developed cooperatively such revised guidelines and policies, which accompany this resolution and are incorporated by reference herein,

THEREFORE, BE IT RESOLVED, that the USA Board of Trustees approves and adopts the herein-described revised guidelines and policies for MCI faculty appointments, promotion, and tenure.



UNIVERSITY OF SOUTH ALABAMA
MITCHELL
CANCER INSTITUTE

REC'D
OFFICE OF THE PRESIDENT


MAY 21 2010

MEMORANDUM

UNIVERSITY OF SOUTH ALABAMA

DATE: May 21, 2010

TO: V. Gordon Moulton, President
University of South Alabama

FROM: Michael R. Boyd, M.D., Ph.D. 
Abraham Mitchell Chair and Director
USA Mitchell Cancer Institute

SUBJECT: USAMCI Revised Guidelines and Policies for Faculty Appointments,
Promotion, and Tenure

I am recommending approval of the attached resolution titled "University of South Alabama Mitchell Cancer Institute Revised Guidelines and Policies for Faculty Appointments, Promotion, and Tenure". Thank you for your consideration of this request.

MRB/sda

**University of South Alabama
Mitchell Cancer Institute**

***Guidelines and Policies for
Faculty Appointments, Promotions and Tenure***

**Revision 5/12/2010 for USA Board of
Trustees Review June 10, 2010**

**Original Version Approved and Adopted, USA Board of Trustees
June 14, 2007**

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GUIDELINES AND POLICIES

I. Primary Faculty Appointments within the USA Mitchell Cancer Institute (USAMCI)

- A. Academic track. Appointment to a particular academic track is based on the expected primary focus of academic effort for that individual, i.e., cancer research or clinical oncology practice. For promotion or tenure, evaluation of scholarship focuses on the major academic effort defined by the appointment track:
1. *Oncologic Sciences* - major focus on research
 2. *Interdisciplinary Clinical Oncology* - major focus on clinical practice
- B. Appointments can be made on a tenure, tenure-accruing or non-tenure basis, depending on the track.
1. The awarding of tenure is considered separately from the appointments process, and is never automatic, regardless of previous tenure or years of service at other institutions.
 2. Appointments to the Interdisciplinary Clinical Oncology track will not be tenure-accruing.
 3. Tenure may be considered for Full Professors recruited to hold endowed Chairs in the Interdisciplinary Clinical Oncology track, though such appointment does not guarantee an offer of tenure.
 4. Physician-scientists who have major focus on both research and clinical practice may be appointed to either the Oncologic Sciences or the Interdisciplinary Clinical Oncology tracks; however, tenure considerations will apply only to the Oncologic Sciences track.
 5. Administrative appointments, such as Laboratory Chief, Chief of Service, or Program Leader, do not confer tenure.
- C. Appointment rank and title
1. The rank of Lecturer is a faculty appointment. However, this is not a tenure-accruing rank. This rank can be used for individuals appointed to an Institute position who deserve faculty status but who do not have a terminal degree.
 2. The rank of Instructor is also a faculty appointment. Although Instructors may not be granted tenure, years spent at this rank may be applied toward tenure-accruing years if this individual is subsequently promoted to a tenure-accruing position at the rank of Assistant Professor. (see Section III. B.).
 3. Appointment at the level of Associate Professor or Professor requires evidence of significant academic, scholarly accomplishments by the candidate. New appointees are expected to meet the time in previous rank and promotion criteria established for the proposed rank within the pertinent track (see Section III.B. and III.C.).
 4. Physician-scientists initially appointed in the Interdisciplinary Clinical Oncology track may be considered for transfer to the Oncologic Sciences track, or *vice-versa*, depending upon their qualifications and experience pertinent to either track.
 5. The academic rank and track will be used as the professorial title for all faculty.

D. Board certification and licensure

1. Physicians (MD or DO) must have a current Alabama license.
2. To be appointed as an Assistant Professor, physicians must be board-eligible in their specialty.
3. Physicians promoted to Associate Professor or newly appointed as Associate or Full Professor must be board-certified in their specialty or subspecialty.
4. Board certification must be by a board recognized by the American Board of Medical Specialty or the American Osteopathic Association.

E. Materials required for new appointments. These should be submitted at least 5 weeks in advance of the proposed appointment date. These can be reviewed throughout the year. The materials required are outlined in Appendix 1.

II. Academic promotion and tenure within the USAMCI

- A. Regardless of the academic track, promotion to successive ranks and/or tenure is based on the expectation of excellence and scholarship. Promotion or tenure is never automatic, regardless of the number of years of service.
- B. Evaluation for promotion or tenure is based on assessment of scholarship and service in support of the strategic goals and interdisciplinary cancer research and healthcare missions and objectives of the Mitchell Cancer Institute (Appendix 2). The academic track identifies the major focus for evaluation of scholarship. General criteria for promotion and tenure in each track are outlined in this document.
- C. Excellence is defined as a high quality of performance and sufficient quantity of performance.
- D. Scholarship is defined as the intellectual/creative synthesis of new knowledge or insights, the testing of new hypotheses, and the dissemination of ideas and findings to colleagues. Excellence is intrinsic to scholarship, in that the product of scholarly activity should be peer-reviewed. Scholarship may be documented in many areas. Expanded definitions and some examples are given in Appendix 3.

III. Requirements and criteria for academic promotion of USAMCI faculty

- A. The University has a uniform promotion date of August 15th.
- B. Probationary periods - time in rank
 1. Instructors and Assistant Professors with tenure-accruing appointments must be recommended for promotion to the rank of Associate Professor prior to the end of the 7th year of total creditable service. A recommendation relating to tenure must accompany the request for promotion.
 2. Generally, candidates must have at least 6 years of full-time professorial experience as an Assistant Professor before a promotion to Associate Professor will be considered.

3. Credit for previous full-time academic service may be granted up to a maximum of 3 years. If credit is granted, the number of years will be specified in the individual's initial letter of appointment. Lacking this specification, prior experience cannot be used to meet time-in-grade requirements for promotion.
4. To be considered for promotion to the rank of Professor, the candidate must have at least 4 years of full-time academic experience as an Associate Professor.
5. Time spent on sabbatical leave may count toward the required probationary period, whereas other types of leave (e.g., family or medical leave) do not count.

C. General criteria for promotion

1. Oncologic Sciences. Faculty in this academic track are full-time USAMCI employees whose professional effort is focused on basic, translational and/or clinical cancer research. *All USAMCI faculty are expected to contribute substantially toward the overarching strategic goal of the USAMCI to achieve and maintain designation as a National Cancer Institute Comprehensive Cancer Center (Appendix 2). Scholarly activity related to cancer research is expected for advancement in rank.*
 - a. Assistant Professor. At the Assistant Professor level, faculty in this track must have an MD, PhD, or equivalent terminal degree. During the term of appointment at this rank, development of the faculty member with respect to *scholarship and service in behalf of the interdisciplinary missions and objectives (Appendix 2)* of the USAMCI is expected. The major commitment of scholarly effort in this academic track is to cancer research.
 - b. Associate Professor. Promotion to Associate Professor within this track will ordinarily be awarded to faculty who demonstrate a significant body of independent and collaborative cancer research that is recognized by scientific peers at the national level, and *excellence in scholarship and service to the interdisciplinary missions and objectives (Appendix 2) of the USAMCI*. Continued service and performance at the rank of Assistant Professor shall not, by itself, constitute grounds for promotion to Associate Professor. Faculty at this rank are expected to be nationally-recognized for their work, as measured by success in obtaining and maintaining extramural funding as Principal Investigator for investigator-initiated, hypothesis-oriented and peer-reviewed cancer research projects from one or more major national funding agencies, and a high-quality and substantial publication record in peer-reviewed journals. Invited talks at local and regional scientific meetings also provide evidence for independence and recognition, and likewise participation in the peer-review process for scholarly journals or study sections, typically in the capacity of an ad hoc reviewer, and in local or regional professional scientific organizations.
 - c. Professor. Promotion to the rank of Professor in this track requires a consistent, sustained record of outstanding performance at the Associate Professor level. However, continued service and performance at the rank of Associate Professor shall not, by itself, constitute grounds for promotion to Professor. With respect to research, a sustained track record of obtaining and maintaining multiple independent NIH grants or extramural funding of equivalent status is expected, as is the attainment of a strong national reputation for research. Sustained outstanding *scholarship and service in support of the interdisciplinary missions and objectives (Appendix 2) of the USAMCI* is expected. In addition, evidence of

leadership is expected for promotion to this rank, both within the USAMCI, the University and within the scientific community. For example, the individual would be expected to demonstrate leadership, e.g., as chair of USAMCI committees or via other substantial and sustained administrative duties for the USAMCI. Leadership in service could also be evidenced by service as an officer or committee chair for national and international scientific societies, in the design of national or international scientific meetings, as a regular member of a study section, or as a member of a peer-reviewed journal editorial board.

2. Interdisciplinary Clinical Oncology. Faculty in this track are full-time USAMCI employees whose professional effort is focused predominantly or exclusively on oncology clinical practice. *All USAMCI faculty are expected to contribute substantially toward the overarching strategic goal of the USAMCI to achieve and maintain designation as a National Cancer Institute Comprehensive Cancer Center (Appendix 2). Scholarship and excellence related to interdisciplinary clinical oncology practice are expected for promotion within this track.*
 - a. Assistant Professor. Assistant Professors in this track must have an MD or equivalent terminal degree, must have completed an ACGME-accredited training program and be eligible to take the specialty examination in his or her field. During the term of appointment at this rank, development of the faculty member with respect to *scholarship and service in behalf of the interdisciplinary missions and objectives (Appendix 2) of the USAMCI* is expected. Faculty in this track must demonstrate commitment to scholarship and excellence regarding cancer patient care, the latter documented through patient satisfaction measures, clinical performance measures, and peer evaluations.
 - b. Associate Professor. Promotion to Associate Professor within this track will be based on scholarship with respect to oncology clinical practice and the delivery of exceptional clinical service to the local and regional community, *and sustained excellence in scholarship and service in behalf of the interdisciplinary missions and objectives (Appendix 2) of the USAMCI*. Although the primary focus of this track is clinical care, delivery of such care will not, in and of itself, constitute grounds for promotion to Associate Professor. Academic efforts will focus on the scholarship of application, integration and/or discovery with respect to oncology clinical practice. The applicant will be expected to include sufficient information to the committee to demonstrate the importance of this work to the institution. Though not the only criteria, publication and/or presentation of scholarly efforts in national forums will be considered strong evidence as to the importance of the work. Evaluation of clinical services by outside organizations, which demonstrates a level of care that meets or exceeds national standards, will provide strong evidence for excellence. Applicants should continue to demonstrate excellence in direct care delivery as documented through patient satisfaction measures, clinical performance measures, and peer evaluations and should maintain clinical certification by his or her specialty board. Active participation in USAMCI committees, particularly those which pertain to clinical care, is required. Participation in planning and program committees for local or regional medical organizations may constitute another measure of service.
 - c. Professor. Promotion to the rank of Professor requires a consistent record of excellence and scholarship at the Associate Professor level. This individual should be recognized as a preeminent clinician and should have a record of

continued excellence and scholarship with respect to clinical practice. This could be evidenced through introduction and implementation of major clinical innovations or major improvements in the delivery of clinical services within the USAMCI. Evidence of successful review of the service by external agencies should be provided if available. Sustained outstanding *scholarship and service in support of the interdisciplinary missions and objectives (Appendix 2) of the USAMCI is expected*. Leadership is expected for promotion to this rank. This could be evidenced by clinical leadership within the USAMCI, such as directorship of a clinical service, leadership within USAMCI committees and/or administrative duties to the Institute. In addition, the individual would be expected to provide leadership within local, regional or national professional medical organizations, through leadership on planning and program committees. Continued demonstration of excellence in direct care delivery as documented through patient satisfaction measures, clinical performance measures, and peer evaluations is expected, as is maintenance of clinical certification by specialty boards.

IV. Tenure

- A. Tenure is evaluated separately from promotion or appointment. Tenure is recommended based on: 1) evidence of the capacity and likelihood for continued academic excellence, including continued intellectual, scholarly, and professional vitality; 2) evidence of long-term dedication and continuing contributions to achievement of the strategic goals of the USAMCI; and 3) ability and willingness to serve in the best long-term interests of the interdisciplinary missions and objectives of the USAMCI.
- B. Tenure in faculty tracks. Tenure acquisition is never automatic, regardless of the number of years of service and does not apply to all tracks.
 1. Oncologic Sciences. Tenure may be granted to faculty whose excellence in professional and scholarly activities is recognized at the national level, who have a strong and sustained record of peer-reviewed extramural grant funding for their cancer-related research at the USAMCI, who have a consistent and sustained record of service in support of the strategic goals, interdisciplinary missions and objectives of the USAMCI, and who demonstrate a long-term commitment to the Institute and the University.
 2. Interdisciplinary Clinical Oncology. This is not a tenure-accruing track.
- C. Probationary periods - time in rank
 1. Tenure for faculty promoted from within the USAMCI
 - a. Assistant Professors in tenure-accruing tracks must be recommended for promotion to the rank of Associate Professor and tenure prior to the end of the 7th year of service.
 - b. For newly appointed Assistant Professors, credit for previous full-time tenure-accruing service at other institutions may be granted up to a maximum of 3 years. If credit is granted, the number of years will be designated in the letter of appointment.

- c. Faculty promoted to the rank of Associate Professor, but not awarded tenure will be considered for tenure after a probationary period, not to exceed 3 years. The total duration of non-tenured appointment at the University of South Alabama for these individuals should not exceed 7 years. If the term of prior non-tenured appointment as Assistant Professor exceeds 4 years, the length of service as Associate Professor before tenure eligibility will be reduced so that the total non-tenure appointment does not exceed 7 years.
- 2. Tenure for new appointments
 - a. Professors and Associate Professors holding tenure at other institutions may receive tenure when appointed to the faculty of the USAMCI in the Oncologic Sciences track, though tenure is never automatic.
 - b. Individuals recruited from outside the institution to tenure-accruing appointments at the rank of Professor or Associate Professor should be evaluated for tenure after probationary periods of no more than 4 and 5 years, respectively.
 - c. Lecturers, Instructors and Assistant Professors will never be eligible for tenured appointments.
 - d. Appointments to the Interdisciplinary Clinical Oncology track will not be tenure-accruing.
 - e. Tenure may be considered for Full Professors recruited to hold endowed Chairs in the Interdisciplinary Clinical Oncology track, though such appointment does not guarantee an offer of tenure.
 - f. Physician-scientists who have major focus on both research and clinical practice may be appointed to either the Interdisciplinary Clinical Oncology track or the Oncologic Sciences track; however, tenure considerations will apply only to the Oncologic Sciences track.
 - g. Administrative appointments, such as Laboratory Chief, Chief of Service, or Program Leader, do not confer tenure.
 - 3. Time spent on sabbatical leave does count toward the required probationary period, whereas other types of leave (e.g., family or medical leave) do not count.

V. Secondary (Joint) Appointments

- A. Primary faculty appointees in the USAMCI may hold a secondary appointment in a USA College of Medicine (USACOM) department *when there is sufficient participation of the USAMCI faculty member in the educational programs and other functions of the secondary department* to justify such an appointment. A secondary appointment must mutually benefit the faculty, the USAMCI and the USACOM department involved.

1. Rationale for secondary appointment
 - a. Secondary appointments on the basis of teaching reflect substantial contributions of the appointee to teaching and other activities within the secondary department.
 - b. USAMCI faculty who wish to mentor PhD trainees in the USACOM Basic Medical Sciences Graduate Program must hold a secondary appointment in one of the USACOM Basic Science departments and must hold Graduate Faculty status acquired through a separate application processed through the USACOM Graduate Executive Committee and the USA Graduate School.
2. Secondary appointments are always on a non-tenure basis.
3. All secondary appointments are made at the rank of Assistant Professor or above. Secondary appointment as an Associate Professor or Professor requires that the appointee demonstrate accomplishments similar to those required for primary appointment at that rank or promotion to that rank in the secondary department.
4. Appointments do not have to be parallel, i.e., the individual's rank in the secondary appointment with a USACOM department may be lower than that in the primary appointment with the USAMCI.
5. USAMCI primary faculty are not permitted a secondary appointment in more than one USACOM department.
6. The secondary department carries no responsibility for remuneration or recommendations for tenure.

B. Process for secondary appointments

1. Requests for secondary appointments of USAMCI faculty in USACOM departments must be initiated by the Chair of the secondary department.
2. The appointment packet should include: a letter from the Chair of the proposed secondary department documenting the relationship, and the responsibilities entailed. The letter should be approved and co-signed by the prospective appointee and the Director of the USAMCI.
3. Secondary appointments should only be continued for as long as the perceived value of the relationship continues. The Chair of the secondary department, the USAMCI Director and the appointee should review the relationship annually.

VI. Requests for Promotion and/or Tenure

- A. Requests for promotion and/or tenure are reviewed once per year.
- B. Requests are initiated by the USAMCI Director or designee thereof. The letter accompanying the request should summarize the rationale for promotion and/or tenure.
- C. All requests for promotion and/or tenure will be prepared and submitted in a standardized form (see Appendix 4). This packet will include documentation of the candidate's qualifications and other required materials that can be used in support of a candidate (e.g., letters of recommendation, the Director's or designee's letter, and the summary from the intra-Institute review).
- D. The request for promotion and/or tenure must include a minimum of three letters from individuals outside the institution and three letters from individuals within the institution.

- E. Requests for promotion and/or tenure must be initially reviewed within the USAMCI faculty and Membership at or above the proposed rank. A summary of the intra-Institute review must be included in the promotion packet.
- F. Packets documenting materials required for “Requests for promotion and/or tenure” must be organized in a 3-ring binder, and **six** copies of the complete packet submitted. The deadline for submission of packets is April 1st of the proposed promotion/tenure year.
- G. Recommendations for promotion and/or tenure are forwarded from the review committee to the USAMCI Director. Final administrative action is taken by the President of the University who submits recommendations to the Board of Trustees. Promotions and tenure are granted only by the Board.

VII. Role of the **Mitchell Cancer Institute** Faculty Committee on Appointments, Promotions and Evaluations (**MCI-FCAPE**)

The **MCI-FCAPE** is the review body for **USAMCI** faculty appointments, promotion and tenure. The Committee will comprise at least five (5), full-time **MCI** faculty at the professor rank, appointed by the **USAMCI** Director, including representatives from both the **Oncologic Sciences** and **Interdisciplinary Clinical Oncology** tracks.

- A. **MCI-FCAPE** will review new **USAMCI** appointments, promotions and/or tenure recommended at the level of Associate Professor or higher. For appointments at the rank of Lecturer, Instructor, and Assistant Professor appointment packets should be forwarded to **MCI-FCAPE** for informational purposes, but **MCI-FCAPE** does not review.
- B. Requests for new secondary appointments of **USAMCI** faculty in **USACOM** departments will be reviewed by the **USA College of Medicine Faculty Committee on Appointments, Promotions and Evaluation, (COM-FCAPE)**.
- C. Requests for promotions of **USAMCI** faculty in secondary appointments within **COM** departments will be reviewed by the **COM-FCAPE**.
- D. Requests for change of academic track of an individual into a track different from the one into which initially appointed (e.g. a request for change of a **USAMCI** physician-scientist initially appointed in the **Interdisciplinary Clinical Oncology** track to the **Oncologic Sciences** track) will be reviewed by **MCI-FCAPE**.
- E. Recommendations by **MCI-FCAPE** on appointments, academic track changes, promotions and tenure for **USAMCI** faculty will be forwarded from **MCI-FCAPE** to the **USAMCI** Director.
- F. Appeals regarding promotion and tenure decisions should be made directly to the appropriate **USA** administrative official(s), not to **MCI-FCAPE**.

APPENDIX 1

Materials Required for New Appointments Checklist

These should be forwarded to the USA-MCI Office of the Director **at least 1 week in advance of the MCI-FCAPE meeting**, no later than the month prior to the proposed appointment date.

ONE (1) complete set of original materials:

- ☐ Completed Faculty Action Form
- ☐ Director's letter. This letter should outline the proposed track and rank for the new appointee, as well as whether this appointment will be on a tenure-accruing or non-tenure basis. In addition, the letter should briefly summarize the appointee's qualifications and expected contributions to the Institute.
- ☐ An up-to-date curriculum vitae (CV); materials requested in a *Standard Format for CV* should be included in the CV.
- ☐ A completed USA Biographical Data Form
- ☐ I-9 form
- ☐ At least three letters of reference from individuals who can evaluate the academic and/or clinical qualifications of the appointee.
- ☐ Originals or certified copies of undergraduate and graduate transcripts
- ☐ For physicians, documentation of current Alabama licensure
- ☐ For physicians, a copy of the appointee's application for Medical Staff Allied Health Appointment (Hospital Privilege Form).
- ☐ For physicians, all forms required for credentialing by medical insurance companies

SIX (6) collated sets of materials:

- ☐ Completed Faculty Action Form
- ☐ Director's letter
- ☐ An up-to-date curriculum vitae
- ☐ Letters of reference

APPENDIX 2

Strategic Goals, Interdisciplinary Cancer Research and Healthcare Missions and Objectives of the USA Mitchell Cancer Institute

The overarching strategic goal of the USAMCI and its allied institutional partner(s) is to achieve and maintain designation as a National Cancer Institute Comprehensive Cancer Center within the next 10-15 years. Specific requirements for achieving NCI designation, and details concerning the NCI Centers Program, are available at the following NCI website and links therein (<http://www3.cancer.gov/cancercenters>).

The USAMCI is dedicated to innovation and excellence in cancer research and oncology healthcare across many disciplines. Central to our mission is the translation of laboratory research into innovative clinical applications to reduce cancer incidence, morbidity and mortality, and to improve detection, diagnosis, treatment and prevention. Our future success at achieving designation as an NCI Cancer Center will be critically dependent upon our breadth and depth of clinical excellence, our impact upon the quality and availability of oncology healthcare in our region, the investigational successes of our faculty and Members, the productivity and value-added support of our core facilities and other shared resources, and the intense collaborative interplay among our faculty and Members. *A highly interactive and productive participation of our faculty and Members in USAMCI programs and related activities will comprise an important benchmark of our overall success, as well as a critical element for assessing each individual faculty or Member's impact on the mission of the USAMCI.*

In accord with the above, objectives of the USAMCI include but are not limited to the following:

- (1) Develop and maintain a broad portfolio of cancer-related research and service programs encompassing basic/translational science, clinical research and trials, prevention, control, and community-based research and outreach to expand and complement existing regional cancer research and clinical resources.
- (2) Develop and provide a series of shared, core-support facilities and expertise to enable and enhance intra- and inter-institutional collaborations in cancer research, technology development and interdisciplinary oncology healthcare.
- (3) Contribute to strengthening areas in cancer research and clinical oncology support services at USA that will benefit from greater depth and breadth. In particular, the Institute will strive to develop translational oncology programs by fostering new faculty appointments of high quality and by providing developmental and/or shared resource support where appropriate and available.
- (4) Strive for the highest quality of clinical care by promoting cross-disciplinary prevention, diagnostic, and treatment services; by implementing and evaluating new clinical and research program management approaches, technologies, and business models; and, by fostering the rapid clinical application of state-of-the-art methods of cancer care and control.
- (5) Collaborate with the USA College of Medicine, Nursing, and Allied Health Sciences to initiate and/or strengthen pre- and post-doctoral oncology research and training programs, to

help grow the oncology professional and technical workforce locally, regionally and nationally.

- (6) Serve as a community and regional resource by sponsoring and conducting informational and educational activities for citizens, patients, and health care professionals, and by implementing outreach programs that link communities to the research and services of the Institute.
- (7) Participate in teaching, training, and other educational and service activities that enhance the research and service missions of the USAMCI.
- (8) Nurture and advance the growth of formal alliance(s) between the USAMCI and other regional healthcare system(s) to accelerate the introduction of the latest advances in cancer care, research and technology to our region; such alliance(s) will not only combine the institutional strengths of USA and the other system(s), but also broaden and enhance the cancer professional and support workforce associated with the allied institution(s).
- (9) Promote active participation in USAMCI research and clinical programs by other practicing health professionals in the Mobile and Baldwin County areas and throughout the broader Gulf coastal region.

APPENDIX 3: Examples of Scholarship

Category	Definition	Examples
Scholarship of discovery	<ul style="list-style-type: none"> • basic research • clinical research • investigation of translational or applied problems in clinical medicine 	<ul style="list-style-type: none"> • peer-reviewed research publications • success in obtaining peer-reviewed extramural grant funding • recognition by peers as independent investigator • invited presentations at national or international scientific meetings • participation in development of program projects and training grants
Scholarship of integration	<ul style="list-style-type: none"> • synthesis of isolated facts into a new perspective • connections made across disciplines • illumination of data in revealing and creative ways • development of new insight on original research 	<ul style="list-style-type: none"> • publication of clinical or basic science reviews • publication of monographs or book chapters
Scholarship of application	<ul style="list-style-type: none"> • application of clinical or basic science knowledge • scholarship with respect to service requires rigor, excellence, and accountability • development of new intellectual understanding relating to medical diagnoses, treatment, or public policy 	<ul style="list-style-type: none"> • published clinical or basic science reviews • reports of innovative treatment • editorials or special reports regarding health care • organization of a new clinical service • implementation of new, cutting edge treatment modalities or clinical services • recognition by peers regionally and nationally as a preeminent clinician • success in obtaining extramural funding to support and develop clinical infrastructure

APPENDIX 4

Request for Promotion and/or Tenure: Required Materials and Format

All information requested must be supplied. No question should remain unanswered. Use N/A (not applicable) where necessary. All materials should be organized in this format and submitted in a 3-ring binder. Major sections should be separated by tabbed dividers. The deadline for submission of packets is April 1st. Fourteen (14) copies of the complete packet are required.

I. Personal history

A. Full name - Self-explanatory

B. Date and place of birth - Self-explanatory

C. Education

1. Earned degrees

Beginning with the baccalaureate, list each degree earned, the institution awarding the degree, the city and state where the institution is located, and year the degree was conferred. Example: B.S., University of Chicago, Chicago, IL, 1980.

2. Honorary degrees - Cite as above

3. Fellowships, internships, residencies, etc.

List additional educational experiences for which no academic degree is awarded, including postdoctoral fellowships, internships, residencies, special courses, etc. The nature of the educational experience should be cited, followed by the institution where obtained, city and state, and inclusive dates. Example: Residency in Medicine, Cook County Hospital, Chicago, IL, 1986-1988.

4. Academic honors - Self-explanatory

5. Board certification, licenses, memberships in professional societies

This section should include only those items that involve recognition of professional achievements. Of particular relevance to this item are those organizations that require examination or nomination and election for certification or membership. Membership in "open" professional societies where the main criterion for membership is payment of dues should not be included here.

D. Employment history

1. Present academic rank, and track within USAMCI - Self-explanatory
2. Secondary appointment (if any) in a USACOM department – Self-explanatory
3. Time in rank

Indicate the time in rank for the primary USAMCI appointment, and for the secondary USACOM appointment (if any) separately.

4. Past positions

List all positions in chronological order, ending with the position held immediately prior to the present academic position. Do not cite in this section those educational experiences listed in Section I.C. For each position, include the rank or position title, department, institution, city and state, and inclusive dates of employment. Example: Director, Division of Hematology; Associate Professor, Department of Medicine; Tulane University, New Orleans, LA, 1995-1998.

E. Academic track(s) within USAMCI (for review of scholarship)

F. Proposed rank(s), primary appointment (and secondary appointment, if applicable)

USAMCI faculty requesting concurrent promotion in a secondary appointment with a USACOM department, should so indicate here.

II. Review

A. USAMCI Director's or designee's letter

The USAMCI Director's or designee's letter must 1) provide a detailed and evaluative appraisal of the candidate's qualifications and academic contributions, 2) reiterate the academic track in which the candidate's credentials should be reviewed with respect to scholarship and excellence, and 3) summarize the rationale for promotion and/or tenure.

B. Summary report from intra-departmental review

Requests for promotion and tenure must initially be reviewed by USAMCI faculty and Membership at or above the proposed rank. A summary of the review, stating the following elements, should be included here:

Faculty and/or Members participating
Recommendation
Statement of rationale

C. Signature and title of the person initiating this request - Self-explanatory

III. Letters of recommendation

- A. A minimum of three letters of recommendation are required from qualified individuals outside the institution, such as Chairs of departments, faculty who have participated in the promotions and tenure process at their institution, or faculty who hold regional or national professional leadership positions. It would be helpful if these individuals were asked to comment on whether the candidate would be promoted or tenured at their own institution.

At least two should be from individuals who were not previous mentors or collaborators

- B. A minimum of three letters of recommendation from inside the institution, in addition to the USAMCI Director's or designee's letter, must also be included. These could be solicited from professional colleagues or administrators.

At least two should be solicited from individuals other than those participating in the intra-Institute review

- C. Samples of the letters requesting an evaluation of the candidate sent by the USAMCI Director or designee to individuals outside and inside the institution should be included in the packet.

IV. Secondary appointment

This section is required only if promotion is requested for secondary appointment

- A. When a candidate is requesting promotion in both the USAMCI and a USACOM secondary department this section should include letters from both the USAMCI Director and the USACOM departmental Chairs.
- B. It is critical that the Chair of the USACOM department in which the candidate holds a secondary appointment clearly state the rationale for promotion in the secondary department.
- C. The promotion request and supporting materials for a secondary appointment will be forwarded by the MCI-FCAPE to the COM-FCAPE. The COM-FCAPE will be responsible for review and recommendation of proposed promotions of USAMCI faculty in secondary appointments in USACOM departments

V. Material essential to the evaluation of candidates

In this section, the candidate should document all activities since the first faculty appointment noted in Section I.D.3, unless otherwise specified. When relevant, the material should be organized in chronological order, ending with the most recent items.

A. Scholarship and excellence

This section encompasses the major criteria for promotion and/or tenure. Both scholarship and excellence are expected for promotion and tenure. Scholarship must be documented in

the major area identified by the appointment track(s) (Oncologic Sciences and/or Interdisciplinary Clinical Oncology) for either promotion or tenure. Attention to detail and completeness in organizing the material of this section is essential.

1. Scholarship related to research

a. Publications and funding

i. Published, peer-reviewed contributions

Only those publications accepted and published in bona fide professional journals should be included in this section. List authors' names as they appear in the literature, followed by the title of the publication, name of the journal, volume number, inclusive pages and year. Reprints of the 3 most representative publications should be included in the Appendix.

ii. Unpublished contributions (submitted and in review)

List authors, the title of the manuscript, name of the journal to which the manuscript has been submitted, and the year. Copies of manuscripts must be attached for review in the Appendix.

iii. Abstracts

This section may include published abstracts of poster or oral presentations at professional meetings. Use the same format as above.

iv. Books

List authors, book chapter and/or book title, editor, publishers, inclusive pages and year. A brief description of the items listed would be useful. In lieu of this, copies may be attached for review in the Appendix.

v. Documentation of other scholarly activity related to research

In this section, the candidate may detail other scholarly activities that pertain to research. This may include, for example, organization of conferences and/or symposia.

vi. Extramural research support

List in chronological order all grants or contracts awarded to the candidate, as principal investigator. Give the organization awarding the grant, the grant number, project title, percent effort, total funding period (i.e., 1998-2001), and total direct costs for the complete grant period.

List separately grants or contracts on which the candidate acted as co-principal or collaborating investigator, using the same format.

b. Regional, national and international contributions

i. Invited presentations

Particular emphasis should be given to invited scientific presentations before professional groups. These may include invited seminars at other institutions and participation in professional conferences. Conference poster or oral presentations of abstracts should not be included here. List only invited presentations for the last 5 years.

ii. Professional recognition and leadership

Cite participation in regional and national peer review groups, editorial boards and journal editorships focusing on original research, committee participation and/or leadership in professional scientific societies. For each, note the group, role and inclusive years of appointment. Election to distinguished scientific societies or appointments to national scientific oversight groups should be noted here.

2. Scholarship related to clinical practice

a. Publications and funding

i. Published, peer-reviewed contributions

Only those publications accepted and published in bona fide professional journals focusing upon clinical practice should be included in this section. Editorials, case reports, position statements on clinical care, etc. are appropriate for inclusion here. List authors' names as they appear in the literature, followed by the title of the publication, name of the journal, volume number, inclusive pages and year. Reprints of the 3 most representative publications should be included in the Appendix.

ii. Unpublished contributions (submitted and in review)

List authors, the title of the manuscript, name of the journal to which the manuscript has been submitted, and the year. Copies of manuscripts must be attached for review in the Appendix.

iii. Abstracts

This section may include published abstracts of poster or oral presentations at professional meetings. Use the same format as above.

iv. Books or other scholarly documents pertaining to clinical practice

For books, list authors, publisher, inclusive pages and year. For other materials, a brief description of each would be useful, including a discussion of the role of the candidate in preparing these materials. Copies may be attached for review in the Appendix.

v. Documentation of other scholarly activity related to clinical practice

In this section, the candidate may detail other activities that utilize the scholarship of application, including development of new clinical services, substantive reorganization of existing services, or implementation of new, cutting-edge treatment modalities, etc.

vi. Extramural funding related to clinical practice

List in chronological order all grants and contracts awarded to the candidate, as principal investigator, for development of clinical infrastructure, equipment or new clinical services. Give the organization awarding the grant, the grant number, project title, percent effort, total funding period (i.e., 1998-2001), and total direct costs for the complete grant period.

List separately grants on which the candidate acted as co-principal or collaborating investigator, using the same format.

b. Regional, national and international contributions

i. Invited presentations

Particular emphasis should be given to invited presentations before professional groups focusing upon clinical care or practice. These may include invited seminars regarding clinical care or practice at other institutions and invited talks at professional conferences. Conference poster or oral presentations of abstracts should not be included here. List only presentations for the last 5 years.

ii. Professional recognition and leadership roles

Include participation in professional journals or professional societies that focus upon clinical care or practice, such as membership on editorial boards or journal editorships, participation in society committees, and/or leadership or professional societies. Participation as an examiner for certifying specialty or sub-specialty boards is also appropriate to include here. For each, note the group, role and inclusive years of appointment.

B. Service

1. Research support of the strategic goals, interdisciplinary missions and objectives of the USAMCI

- a. Collaborative engagement in the initiation and growth of USAMCI programmatically aligned research programs

Included here are brief descriptions of the candidate's contributions that may be exemplified by but not limited to the following: proactive collaborations with other USAMCI faculty and Members to enhance the quality and productivity of USAMCI interdisciplinary cancer research programs; technical assistance, consultation or advice to support other USAMCI faculty and Members' research; participation in USAMCI recruitment activities to expand and enhance USAMCI research faculty and programs; joint publications, joint grants /grant applications, and/or other outcomes of collaborative initiatives among USAMCI faculty and Members.

- b. Technical core-support of USAMCI research programs and investigators

Summarized here are contributions of a technical nature provided by the candidate to broadly enable and expand the cancer research capabilities across the USAMCI, USACOM, the University and collaborating institutional partners.

2. Clinical support of the strategic goals, interdisciplinary missions and objectives of the USAMCI

- a. Collaborative engagement in the initiation and growth of USAMCI programmatically aligned clinical research and service programs

Included here are brief descriptions of the candidate's contributions that may be exemplified by but not limited to the following: proactive collaborations with other USAMCI faculty and Members to enhance the quality and productivity of USAMCI interdisciplinary clinical research and service programs; initiation of and/or collaboration in the design and implementation of cancer clinical trials under auspices of the USAMCI; active support of clinical cancer research through patient accruals to cancer clinical trials at USAMCI; other support of clinical cancer research and/or interdisciplinary clinical services through direct clinical participation, and sustained intellectual and practical assistance.

- b. Clinical service responsibilities and productivity

This section should be used to describe fully the candidate's individual productivity as a clinician. Clinics, attending duties, or other clinical responsibilities should be detailed. For each, the candidate should summarize the major contributions and clinical responsibilities (e.g., workload, patient numbers, clinical billings and revenues, etc.). If these have changed from year to year, give a summary of responsibilities and clinical volume for each year to be reviewed.

- c. Relation of workload to professional/national norms

An objective comparison of the candidate's clinical workload to national or discipline-specific benchmarks should be included if such data are available.

3. Educational and teaching activities specifically in support of the strategic goals, interdisciplinary missions and/or objectives (Appendix 2) of the USAMCI
4. Community service, outreach and other extramural activities in support of the USAMCI missions and objectives of the USAMCI

This section may include documentation of contributions to the lay press or articles published in non-refereed magazines and journals. Also pertinent to this section are speeches delivered to civic groups, and contributions to the public through newspapers, radio, television, and magazines. Other activities which include service to the lay community should be documented, such as memberships on advisory boards or boards of directors.

5. Administration

- a. Positions held

List all USMCI administrative positions held over the past five years. For each position, note the inclusive years of appointment.

- b. Evaluation of administrative ability

The USAMCI Director should carefully evaluate the candidate's administrative ability. Particular emphasis should be directed to the candidate's ability to supervise and coordinate complex activities. Demonstrated leadership examples should be noted.

6. Committee service and leadership

List committee memberships over the past five years, noting, if any, those committees for which the candidate has served as Chair. Note the term of appointment for each (e.g., 2000-2003).

- a. Departmental committees
 - b. College or Institute committees
 - c. University committees

7. Teaching contributions to the secondary department (list any applicable)

This section is required if promotion is requested for a secondary appointment in a USACOM department

1. Local teaching contributions of the USAMCI faculty member *specifically to the secondary USACOM department*

a. Course responsibilities

For each course, indicate the nature of the course, the number of students involved (approximately), and the number of contact hours. Only formal (for credit) teaching responsibilities should be included here. If these responsibilities have changed from year to year, detail the teaching load for each year to be reviewed.

b. Invited teaching presentations, e.g., Grand Rounds

Give dates, titles of presentation and target audience for each. List only presentations for the last 5 years.

c. Advising and mentoring responsibilities

This section includes documentation of graduate training in the PhD program (as major advisor or member of dissertation committees), mentoring of undergraduate or medical students in the summer research program, the research honors program, or mentoring of master's degree students or mentoring of postdoctoral fellows.

d. Graduate medical education

Document involvement in graduate medical education. For each course, indicate the nature of the training, the number of students involved (approximately), and the number of contact hours.

2. Evaluation of teaching ability

a. Student and/or resident/fellow evaluations

An evaluation of the candidate's capabilities as a lecturer and/or as a clinical preceptor by trainees should be included. Do not include copies of individual evaluations from students. For each pertinent course, summarize formal evaluations by students for each year. Document trends over the last 5 years.

b. Supervisor/peer evaluation

Departmental chairs or immediate supervisors should carefully evaluate the candidate's ability to teach. If formal evaluations are conducted on a yearly basis, the trends in performance over the last 5 years should be documented.

c. Teaching awards

Awards given within the College as well as awards presented by regional or national professional groups should be documented here.

VI. Appendix of supporting documentation

This section should include reprints, submitted manuscripts, or other materials for review.

Checklist - the Request packet must include all of the following elements:

- ☐ Summary of personal history
- ☐ USAMCI Director's or designee's letter summarizing the rationale for promotion or tenure
- ☐ Summary report from the intra-Institute review process
- ☐ Minimum of three letters of recommendation from individuals outside the institution
- ☐ Minimum of three letters from individuals inside the institution
- ☐ USACOM Chair's and USAMCI Director's recommendation letters and listing of teaching activities supporting promotion in secondary appointment, if pertinent
- ☐ Documentation of scholarship and excellence in research and/or clinical practice
- ☐ Documentation of contributions through service
- ☐ Appendix of supporting materials

RESOLUTION

ASSOCIATE PROFESSOR EMERITUS

WHEREAS, the following faculty member has retired from the University of South Alabama:

Jerrold L. Downey, Ph.D., Associate Professor of Psychology

and,

WHEREAS, in recognition of his contributions to the University through extraordinary accomplishments in teaching and in the generation of new knowledge through research and scholarship, and for serving as a consistently inspiring influence to students for a period of time, and

WHEREAS, the faculty and chairperson from his department, academic dean, the Senior Vice President for Academic Affairs, and the President have duly recommended the aforementioned retiree from the University faculty for appointment to the rank of Associate Professor Emeritus, and

NOW THEREFORE, BE IT RESOLVED that the Board of Trustees of the University of South Alabama in a seated meeting held on June 10, 2010, hereby appoints the aforementioned individual to the rank of Associate Professor Emeritus with the rights and privileges thereunto appertaining, and

FURTHER, BE IT RESOLVED that the Board of Trustees of the University of South Alabama, in recognition of his extraordinary accomplishments and dedicated service to the University of South Alabama, wishes to convey its deep appreciation to this individual.

MAY 13 2010




MEMORANDUM

UNIVERSITY OF SOUTH ALABAMA

UNIVERSITY OF SOUTH ALABAMA

OFFICE OF ACADEMIC AFFAIRS

May 18, 2010

TO: Gordon Moulton
FROM: G. David Johnson 
RE: Associate Professor Emeritus Recommendation

In accordance with the recommendation of the faculty and Chair of the Department of Psychology and Dean of the College of Arts and Sciences, I recommend that the retired University of South Alabama faculty listed below be granted the status of *Associate Professor Emeritus* effective upon approval of you and the Board of Trustees.

- Dr. Jerrold L. Downey, Associate Professor of Psychology, Retired July, 2005

A resolution for the Board of Trustees is attached.

GDJ/pbm

A handwritten signature, likely of G. David Johnson, consisting of stylized initials and a surname.

RESOLUTION

AMENDMENTS TO FACULTY SENATE CONSTITUTION

WHEREAS, Article III of the University of South Alabama Faculty Senate Constitution provides that any amendments must be approved by a majority of the University faculty and by the Board of Trustees, and

WHEREAS, amendments were properly proposed and unanimously passed by the University of South Alabama Faculty Senate, and

WHEREAS, these amendments as outlined below were subsequently voted upon by the University faculty and each obtained the required votes,

- A Faculty Senator may be elected to a second three-year term.
- The Chair of the Faculty Senate may be elected to a second one-year term.
- Amendments to the Faculty Senate Constitution may be proposed by a 3/5 vote of the Senate. A majority of the faculty must vote on the proposed amendment and a majority of those voting must approve the proposed change.

THEREFORE, BE IT RESOLVED, the Board of Trustees approves said amendments to the Faculty Senate Constitution.

UNIVERSITY OF SOUTH ALABAMA

MAY 24 2010

DEPARTMENT OF MANAGEMENT
MITCHELL COLLEGE OF BUSINESS



UNIVERSITY OF SOUTH ALABAMA
MOBILE, ALABAMA 36688
TELEPHONE: (251) 460-6411
FAX: (251) 460-7909

18 May, 2010

President V. Gordon Moulton
University of South Alabama
Mobile, A 36688

Dear President Moulton:

On behalf of the University of South Alabama Faculty Senate, I would like for you to present the following changes to our Constitution to the USA Board of Directors for approval:

1. A senator may be elected to a second term
2. The Chair may be elected to a second one-year term
3. Amendments to the Constitution may be proposed by a 3/5 vote of the faculty senate. A majority of the faculty must vote on the amendment and a majority of those voting must prove the proposed change.

Thank you for your assistance in getting these changes approved.

Sincerely,

David Turnipseed, Ph.D.
Past Chair, Faculty Senate

RESOLUTION

FOOD SERVICE SCHEDULE

WHEREAS, the University is constructing a new state-of-the-art dining facility in the area of the residence halls to provide a high-quality and convenient dining option for the residence hall students, and

WHEREAS, this facility is to be financially self-supporting and an important part of campus life,

THEREFORE, BE IT RESOLVED, that the Board of Trustees approves the requirement that, effective Fall Semester 2010, all students living in University Housing be required to purchase a meal plan, and approves the dining services meal plans and rates for 2010-2011 as set forth in the attached schedule.

UNIVERSITY OF SOUTH ALABAMA

FEB 13 2010

VICE PRESIDENT
FOR STUDENT AFFAIRS



UNIVERSITY OF SOUTH ALABAMA
TELEPHONE: (205) 960-6145
SC 270 • MOBILE, ALABAMA 36688-0002

TO: Gordon Moulton, President

FROM: John Smith, ^{JS}Vice President for Student Affairs

DATE: February 15, 2010

RE: MEAL PLAN RATES – 2010-2011

Currently, all freshmen living on campus are required to purchase a meal plan. With construction of the new dining facility in the area of the residence halls, it is necessary to expand this requirement to include all students. For the past year, I have met with the student food service advisory committee to review design for the new facility as well as the meal plans. Though some members of the committee would prefer not having a required meal plan, they understand the need for it and support the new meal plans and rates that are being recommended to you. The attached chart provides meal plans and rates for 2010-2011 and reflects the input we received from the students. I recommend your approval.

Please let me know if I can provide you with additional information concerning this recommendation.

*Approved
JSM*

**MEAL PLAN RATES
(2010-2011)**

PLAN

COST

7 meals per week	\$700/semester
7 meals per week & \$325 bonus bucks	\$1,000/semester
7 meals per week & \$500 bonus bucks	\$1,150/semester
15 meals per week & \$150 bonus bucks	\$1,350/semester
24 meals per week & \$100 bonus bucks	\$1,475/semester
24 meals per week & \$250 bonus bucks	\$1,605/semester

NOTE: All students living in university residence halls are required to purchase a meal plan. Freshmen and sophomores are required to purchase a minimum of 15 meals per week during fall and spring semesters. Juniors, seniors, and graduate students required to purchase a minimum of 7 meals per week during fall and spring semesters.

MEAL PLAN COMPARISON

USA (Current)

9 meals per week & \$600 bonus bucks	\$1,300/semester
19 meals per week & \$100 bonus bucks	\$1,300/semester

NOTE: All freshmen living on campus required to purchase a meal plan. The 9 meals per week plan includes evening and weekend meals only. The 19 meals per week plan includes 10 breakfast and lunch meal equivalences per week.

USA (Proposed 2010-2011)

7 meals per week	\$700/semester
7 meals per week & \$325 bonus bucks	\$1,000/semester
7 meals per week & \$500 bonus bucks	\$1,150/semester
15 meals per week & \$150 bonus bucks	\$1,350/semester
24 meals per week & \$100 bonus bucks	\$1,475/semester
24 meals per week & \$250 bonus bucks	\$1,605/semester

NOTE: All students living on campus required to purchase a meal plan. Freshmen and sophomores required to purchase minimum of 15 meals per week. Juniors, seniors, and graduate students required to purchase minimum of 7 meals per week.

University of Alabama (Current)

50 meals per semester & \$300 declining balance	\$685/semester
90 meals per semester & \$300 declining balance	\$1,068/semester
160 meals per semester & \$300 declining balance	\$1,535/semester
220 meals per semester & \$300 declining balance	\$1,826/semester
Unlimited meals per semester & \$300 declining balance	\$1,998/semester

NOTE: All freshmen required to live on campus and purchase minimum of 160 meals per semester plan with a \$300 declining balance. All undergraduate students not living on campus are required to purchase \$300 per semester in declining balance dollars.

Auburn University (Current)

All students living on campus required to purchase \$995 declining balance meal plan (in second year of phase in)

NOTE: All undergraduate students not living on campus required to purchase \$300 per semester in dining dollars. (In second year of phase in)

Troy University (Current)

9 meals per week with \$500 flex dollars	\$1,475.28
14 meals per week with \$350 flex dollars	\$1,475.28
Block of 75 meals with \$650 flex dollars	\$1,475.28
Unlimited meals with \$25 flex dollars	\$1,475.28

NOTE: All residence hall students required to purchase a meal plan.

University of Alabama at Birmingham (Current)

16 meals per semester with \$225 dining dollars	\$350
3 meals per week with \$225 dining dollars	\$535
5 meals per week with \$225 dining dollars	\$729
12 meals per week with \$225 dining dollars	\$1,690
15 meals per week with \$225 dining dollars	\$1,825

NOTE: All freshmen living on campus required to purchase minimum of 12 meals per week. All upperclass students living on campus required to purchase one of the meal plans. All undergraduate students taking 12 or more credit hours required to purchase \$225 in dining dollars each semester whether living on or off campus.

RESOLUTION
TUITION, HOUSING AND FEE SCHEDULES, 2010-2011

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

WHEREAS, in the face of a global economic recession that has diminished state revenues, the Alabama Legislature has approved a 2010-2011 education budget that reduces USA’s state funding by \$40 million from three years ago, a 29 percent decrease, and

WHEREAS, the University since 2007-08 has incurred more than \$23.4 million in unavoidable additional costs annually, including increases in employer contributions to the Alabama Teachers’ Retirement System, PEEHIP health insurance for retirees, utilities and operations, and employee health insurance, and others, and

WHEREAS, the University has responded to the recession by implementing cost-cutting measures including the reduction of 320 positions, as well as new initiatives to maximize efficiency of delivery of services, and

WHEREAS, the federal stimulus funds of \$21.6 million that have helped defray a portion of the cuts in state funding are expected to expire after the 2010-2011 budget year, and

WHEREAS, the recent legislation limiting the University from raising tuition by more than 2.5 percent annually for the 400 PACT students at USA will result in a loss of revenue of more than \$1.6 million over the next five years, placing an additional financial burden on non-PACT students, and

WHEREAS, increases in tuition, fees, and housing rates are necessary to maintain the standard of quality that USA students and their families desire and expect, and

WHEREAS, USA desires to adopt a simpler tuition structure that integrates required fees into credit hour charges, providing students and parents with easier cost comparisons among institutions, greater predictability in budgeting for college, and less complicated billing, at the same time ensuring that all student services previously supported by individually designated fees will continue to receive funding at levels equal to those approved by the Board of Trustees, and

WHEREAS, with the proposed tuition, housing and required fees for 2010-2011 as set forth in the attached schedules, such costs at the University would continue to be among the lowest in effect at the public doctoral-level institutions in the State of Alabama,

THEREFORE, BE IT RESOLVED, that the Board of Trustees of the University of South Alabama approves the tuition, housing and required student fees for 2010-2011 as set forth in the attached schedules.

University of South Alabama

2010-2011 Tuition & Fees

I. Tuition & Fees

- A. Increase in resident undergraduate tuition & fees is 14 percent for a typical student taking 15 hours a semester.

Note: Including 2010-2011 proposed changes, tuition & fees have increased an average of 8.6 percent annually over the past five years.

II. Policy Changes

- A. The University required fees now being charged to students have been incorporated into tuition reflecting the proposed (2010-2011) hourly tuition charge.
- B. Undergraduate students registering for 1 - 14 hours and Graduate students registering for 1 - 11 hours per semester will be assessed a \$150 registration fee.

III. Alabama Pre-Paid Tuition Plan

- A. During the recent session of the Alabama Legislature, legislation was passed that requires all universities other than the University of Alabama and Auburn University to increase tuition & fees no higher than 2.5% annually on students in the PACT program. It is anticipated that the loss of revenue at USA for approximately 400 students on the PACT program during the next five years will be approximately \$1.6 million.

University of South Alabama

2010-2011 Tuition & Fees

2.

Student Classification	Current*	Proposed	Change
	<u>2009-2010</u>	<u>2010-2011</u>	
Undergraduate In-State	\$199	\$227	\$28
Undergraduate Out-of-State	\$337	\$454	\$117
Graduate In-State	\$264	\$300	\$36
Graduate Out-of-State	\$506	\$600	\$94

*The current tuition charge reflects the required student fees combined with the current hourly tuition charge.

Student Classification	Current full academic year tuition plus fees	Proposed full academic year tuition & fees	Change in full academic year tuition
	<u>2009-2010</u>	<u>2010-2011</u>	
Undergraduate In-State	\$5,962	\$6,810	\$848
Undergraduate Out-of-State	\$11,302	\$13,620	\$2,318
Graduate In-State	\$6,334	\$7,200	\$866
Graduate Out-of-State	\$12,142	\$14,400	\$2,258

Note: Based on 30 undergraduate and 24 graduate hours over two semesters per academic year.

Web Course per Hour Tuition**

Undergraduate	\$262	\$300	\$38
Graduate	\$318	\$366	\$48

**The current charge for web tuition reflects the required student fees combined with the current hourly tuition charge for an undergraduate and graduate student.

College of Medicine	\$19,655	\$22,318	\$2,663
---------------------	----------	----------	---------

Note:

1. The undergraduate rate for resident tuition will go from \$199 to \$227 per credit hour.
2. Net increase for undergraduate in-state tuition and fees is 14 percent for a student taking 15 hours a semester.
3. College of Medicine will increase tuition & fees by 14 percent.
4. A differential tuition of \$12 for undergraduates and \$17 for graduates per credit hour will be assessed in the Mitchell College of Business, College of Nursing & College of Allied Health (Physical Therapy & Physician Assistant Studies) and \$16 in the College of Engineering.

University of South Alabama

3.

Resident Undergraduate Tuition and Fees Charges at Alabama Institutions

Institution	Current 2009-10	Proposed 2010-11*	Percent Change from 2009-2010
AU	\$6,972	\$7,900	13%
Montevallo	\$7,010	\$7,781	11%
Troy	\$6,130	\$7,295	19%
UA*	\$7,000	\$7,910	13%
UAB*	\$6,296	\$7,114	13%
UAH*	\$6,510	\$7,356	13%
Average	\$6,653	\$7,559	14%
USA	\$5,962	\$6,810	14%
USA cost below average	\$691	\$749 or 10% below average	

Note: Institutional data acquired from the Alabama Commission on Higher education.

*Assumes a 2010-2011 annual cost based on estimated increases equal to Auburn University's announced increase.

Resident Graduate Tuition and Fees Charges at Alabama Institutions

Institution	Current 2009-10	Proposed 2010-11*	% Change
AU	\$6,924	\$7,894	14%
Montevallo	\$6,074	\$6,742	11%
Troy	\$5,572	\$6,631	19%
UA*	\$7,000	\$7,910	13%
UAB*	\$6,320	\$7,142	13%
UAH*	\$8,030	\$9,074	13%
Average	\$6,653	\$7,566	14%
USA	\$6,334	\$7,200	14%
USA cost below average	\$319	\$366	

*Assumes a 2010-2011 annual cost based on estimated increases equal to Auburn University's announced increase.

2010-2011 Total annual cost: Tuition, Fees, Housing, Board, and Books

Student Classification	Current Cost	Proposed Cost 2010-2011	Percentage increase for 2010-2011
Resident Undergraduate full-time student cost for living on campus	\$12,406	\$13,518	8.9%

Note: Charges include tuition, fees, housing, meals and books (estimated book charge is \$1,100 per year).


UNIVERSITY OF SOUTH ALABAMA

MAR 03 2010

VICE PRESIDENT
FOR STUDENT AFFAIRS



UNIVERSITY OF SOUTH ALABAMA
TELEPHONE: (251) 460-6171
SC 270 • MOBILE, ALABAMA 36688-0002

TO: Gordon Moulton, President
FROM: John Smith,  Vice President for Student Affairs
DATE: March 3, 2010
RE: Housing Rate Increase – 2010-2011

As you know, we did not increase housing rates last year. Dr. Chris Charlton, Director of Housing, is recommending an average rate increase of 6.0% for all of student housing for 2010-2011. This increase is needed to maintain and upgrade our housing facilities. Also, the Post Office box rent for students living on campus is included as a part of the proposed room rental rates. Currently, residence hall students are required to purchase a mail box, but must go to the Post Office and pay their \$15 box rental each semester. With this change, the Post Office will assign each residence hall student a mail box number and greatly enhance our ability to communicate with the students.

For the 2009-2010 academic year, housing has an annualized occupancy of approximately 94%. Housing applications for fall 2010 have increased slightly as compared to this time last year and it is expected that our occupancy will remain strong for the coming year. The attached chart provides the proposed housing rates for 2010-2011 compared with the current rates. Also included is the current room rates charged by other universities in Alabama. As you can see, even with the proposed rate increase, our rates are still very competitive. I recommend approval of this rate increase.

Please let me know if I can provide you with additional information concerning this request.

c: Dr. Chris Charlton
Mr. Richard Rose

Proposed Semester Room Rates

2010-2011

<u>Residence Hall</u>	<u>Proposed 2010-2011</u>	<u>Current 2009-2010</u>	<u>Percent Increase</u>
Beta			
Two Bedroom Apartment for Four (4)	\$ 1,435.00	\$ 1,354.00	6.0%
Efficiency Apartment for Two (2)	1,595.00	1,507.00	5.8%
Private Apartment	2,395.00	2,260.00	6.0%
Gamma			
Private Suite	\$ 2,180.00	\$ 2,058.00	5.9%
Two Bedroom Apartment for Two (2)	2,155.00	2,032.00	6.1%
Efficiency Apartment for Two (2)	1,595.00	1,507.00	5.8%
Private Apartment	2,395.00	2,260.00	6.0%
Private Suite w/Semi-Private Bath	1,995.00	1,881.00	6.1%
Delta			
Two (2) Person Suite (D1-4)	1,455.00	1,372.00	6.0%
Single Suite (D1-3)	1,895.00	1,790.00	6.1%
Two (2) Person Delta Efficiency (D-6)	1,590.00	1,500.00	6.0%
Single Person Efficiency (D-6)	2,105.00	1,987.00	5.9%
Large Two (2) Person Suite (D4-5)	1,620.00	1,529.00	6.0%
Single Suite (D4-5)	2,040.00	1,923.00	6.1%
Large Single Suite (D-5)	2,200.00	2,073.00	6.1%
Epsilon			
Two (2) Person Suite	1,535.00	1,451.00	5.8%

Housing Comparison

USA (Current)

Double occupancy suite	\$1,372 - \$1,451
Private suite	\$1,790 - \$2,073
Double occupancy suite with kitchenette	\$1,500
Private suite with kitchenette	\$1,987
Double occupancy apartment	\$1,354 - \$2,032
Private apartment	\$2,260

USA (Proposed 2010-2011)

Double occupancy suite	\$1,455-\$1,535
Private suite	\$1,895-\$2,200
Double occupancy suite with kitchenette	\$1,590
Private suite with kitchenette	\$2,105
Double occupancy apartment	\$1,435-\$2,155
Private apartment	\$2,395

University of Alabama (Current)

<i>Double occupancy (community bath) per semester</i>	<i>\$2,200</i>
<i>Private room (community bath) per semester</i>	<i>\$2,550 - \$3,300</i>
Private apt	\$2,850 - \$3,500
Double occupancy/ bedroom apt	\$2,350 - \$2,475

Auburn University (Current)

<i>Double occupancy (community bath)</i>	<i>\$1,900 - \$2,200</i>
<i>Private room (community bath)</i>	<i>\$2,430 - \$2,690</i>
Private bedroom suite (2bed/1 bath)	\$2,890

Troy University (Current)

<i>Double occupancy (community bath)</i>	<i>\$1,245</i>
Double occupancy suite	\$1,460 - \$1,540
Double Occupancy suite with kitchen	\$1,560
Double occupancy apartment	\$2,340

University of Alabama at Birmingham (Current)

Double occupancy suite	\$1,910 - \$2,300
Private apartment	\$2,385 - \$3,820

I N D E X **JANUARY 2010**

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Financial Report Highlights January 31, 2010

Introduction

This Financial Report presents the financial position and financial activity of the University of South Alabama utilizing the fund basis of accounting. The report presents the assets, liabilities and fund balances of each fund including the current funds (unrestricted and restricted), loan funds, endowment funds, and plant funds (renewals and replacements, retirement of indebtedness and investment in plant). The financial reporting requirements of the Governmental Accounting Standard Board, by which the University reports its quarterly financial statements, are not utilized in this monthly financial report.

Financial Highlights

Financial report highlights at, and for the four months ended, January 31, 2010 and 2009 are as follows (in thousands):

	At and for the four months ended	
	1-31-10	1-31-09
<i>Total assets, by fund</i>		
Current	\$ 193,017	\$ 188,747
Loan	4,790	4,765
Endowment	99,897	74,691
Plant	605,835	608,634

Fund Balances, by fund

Current	\$ 24,490	\$ 36,141
Loan	416	432
Endowment	90,446	65,330
Plant	296,663	293,804

Other balance sheet highlights

Cash and investments	\$ 281,730	\$ 321,875
Receivables, primarily patient care	71,250	62,037
Bonds and notes payable	302,528	305,837

	For the four months ended	
	1-31-10	1-31-09
<i>Selected operating highlights (current funds)</i>		
Tuition and fees	\$ 35,639	\$ 31,078
State appropriations	33,341	38,182
Hospital revenues	99,180	93,464
Gifts, grants and contracts	39,184	31,981
Instruction and academic support	43,016	43,519
Research and public service	24,940	23,551
Hospital expenses	103,190	101,004
Net current fund decrease	(2,949)	(12,880)

Financial Analysis

This report should be read in conjunction with the University's monthly financial reports and with the understanding of the cyclical nature of the University's operations. Certain revenues (tuition and fees, auxiliary enterprises, etc.) are received at specific times in the University's fiscal year while certain other revenue streams (hospital, state appropriations) are received throughout the year. Additionally, certain revenue and expense items fluctuate with changes in enrollment while others do not. As a result of these items, significant fluctuations of cash and investments along with other balance sheet items are normal.

Economic Outlook

While enrollment and tuition have increased in recent years, the University is experiencing a significant decrease in state appropriations in the fiscal 2010 year. Additionally, the University is subject to declines in general economic conditions in the United States and the State of Alabama. Recent declines in financial markets have had a significant impact on the value of the University's endowment. Further weakening of the economy could have a potential additional negative impact on other aspects of the University's operations.

UNIVERSITY OF SOUTH ALABAMA
BALANCE SHEETS
JANUARY 2010 AND 2009

ASSETS		LIABILITIES AND FUND BALANCES	
		2010	2009
CURRENT FUNDS:			
UNRESTRICTED:			
CASH AND CASH EQUIVALENTS	\$	141,538.03	\$ 151,886.35
INVESTMENTS		76,196,911.03	83,194,025.44
ACCOUNTS RECEIVABLE - PATIENTS (LESS ALLOWANCE FOR DOUBTFUL ACCOUNTS OF \$47,041,703.76 FOR 2010 AND \$48,077,864.67 FOR 2009)			
DEPOSITS		71,250,031.77	62,087,062.50
INVENTORIES AT COST		35,000.00	35,000.00
PREPAID EXPENSES		4,300,993.19	4,701,144.01
		22,873,745.59	21,318,411.56
TOTAL UNRESTRICTED		174,798,219.61	171,487,529.86
RESTRICTED FUNDS:			
CASH AND CASH EQUIVALENTS		7,022,791.73	7,709,847.29
INVESTMENTS		7,458.21	11,529.60
UNBILLED COSTS AND ACCOUNTS RECEIVABLE		11,188,821.64	9,537,757.31
TOTAL RESTRICTED		18,219,071.58	17,259,134.20
TOTAL CURRENT FUNDS		193,017,291.19	188,746,664.06
LOAN FUNDS:			
CASH AND CASH EQUIVALENTS		914,802.07	527,118.92
NOTES RECEIVABLE (LESS ALLOWANCE FOR DOUBTFUL ACCOUNTS OF \$490,934.85 FOR 2010 AND \$500,533.16 FOR 2009)		3,875,011.14	4,237,874.90
TOTAL LOAN FUNDS		4,789,813.21	4,764,993.82
ENDOWMENT FUNDS:			
CASH AND CASH EQUIVALENTS		21,200,152.01	18,137,469.94
FUNDS WITH TRUSTEES		0.00	53,981.22
INVESTMENTS		73,681,755.35	52,996,779.94
PREPAID-LIFE ESTATE		3,676,713.00	3,500,298.00
REAL ESTATE HELD FOR RESALE		1,338,429.00	0.00
TOTAL ENDOWMENT FUNDS		99,897,049.36	74,630,529.10
PLANT FUNDS:			
CASH AND CASH EQUIVALENTS		41,293,597.85	111,708,450.26
FUNDS WITH TRUSTEES		0.00	351,707.17
INVESTMENTS		61,271,029.93	47,436,030.00
REAL ESTATE HELD FOR RESALE		0.00	986,429.00
ACCOUNTS RECEIVABLE		1,758,326.00	1,799,284.00
NOTES RECEIVABLE		254,936.16	254,936.16
DUE FROM OTHER FUNDS		82,108,760.61	68,397,519.96
PREPAID EXPENSES		4,881,288.93	5,087,834.76
CAPITAL LEASE RECEIVABLE		1,154,800.94	1,069,471.49
INVESTMENT IN PLANT:			
LAND		29,232,252.32	29,232,252.32
LAND IMPROVEMENTS		9,159,717.26	9,686,143.28
BUILDINGS - ACCUM DEPREC AND IMPROVEMENTS		252,161,867.27	133,883,239.77
OTHER EQUIPMENT, BOOKS AND FILMS		55,484,640.14	55,955,793.34
CONSTRUCTION IN PROGRESS		67,073,402.33	142,782,596.48
TOTAL PLANT FUNDS		605,834,619.74	608,633,677.99
TOTAL ASSETS	\$	903,538,773.50	\$ 876,835,864.97
CURRENT FUNDS:			
UNRESTRICTED:			
ACCOUNTS PAYABLE AND ACCRUED LIABILITIES	\$	47,569,771.28	\$ 48,851,599.16
DEFERRED REVENUES		37,309,283.15	33,059,324.09
DUE TO OTHER FUNDS		82,108,760.61	68,397,519.96
DEPOSITS HELD IN CUSTODY		397,517.36	809,130.10
OTHER DEPOSITS		585,433.32	310,049.79
FUND BALANCES:			
ALLOCATED FOR:			
HOSPITALS		(32,359,989.94)	(24,050,987.50)
AUXILIARY ENTERPRISES		2,346,417.51	2,112,738.69
ENCUMBRANCES		2,649,293.33	3,479,385.71
SELF-SUPPORTING ACTIVITIES		40,285,304.35	44,596,984.57
UNALLOCATED		(6,093,571.36)	(6,076,214.71)
TOTAL FUND BALANCES		6,827,453.89	20,059,906.76
TOTAL UNRESTRICTED		174,798,219.61	171,487,529.86
RESTRICTED FUNDS:			
ACCOUNTS PAYABLE AND ACCRUED LIABILITIES		50,672.93	20,437.38
OTHER DEPOSITS		1,170.00	1,150.00
DEFERRED REVENUES		504,956.66	1,156,665.32
FUND BALANCES		17,662,271.99	16,080,881.50
TOTAL RESTRICTED		18,219,071.58	17,259,134.20
TOTAL CURRENT FUNDS		193,017,291.19	188,746,664.06
LOAN FUNDS:			
ACCOUNTS PAYABLE		0.00	350.00
REFUNDABLE GOVERNMENT ADVANCES		4,374,048.83	4,333,038.93
FUND BALANCES:			
UNIVERSITY FUNDS, UNRESTRICTED		415,764.38	431,604.89
TOTAL FUND BALANCES		415,764.38	431,604.89
TOTAL LOAN FUNDS		4,789,813.21	4,764,993.82
ENDOWMENT FUNDS:			
DEFERRED REVENUES		1,641,786.00	2,023,282.00
BONDS PAYABLE		7,809,044.00	7,336,871.00
FUND BALANCES:			
RESTRICTED NONEXPENDABLE		26,855,050.26	23,193,685.82
UNRESTRICTED EXPENDABLE		63,591,169.10	42,136,690.28
TOTAL FUND BALANCES		90,446,219.36	65,330,376.10
TOTAL ENDOWMENT FUNDS		99,897,049.36	74,630,529.10
PLANT FUNDS:			
ACCOUNTS PAYABLE AND ACCRUED LIABILITIES		458,833.72	2,180,654.47
DEFERRED REVENUES		6,156,275.82	6,724,681.66
OTHER DEPOSITS		27,791.67	27,791.67
BONDS PAYABLE		302,528,238.68	305,837,250.93
CAPITAL LEASE OBLIGATIONS		0.00	58,809.89
FUND BALANCES:			
RENEWALS AND REPLACEMENTS		96,172,293.89	21,469,986.89
RETIREMENT OF INDEBTEDNESS		6,037,398.48	17,967,319.40
INVESTMENT IN PLANT		194,453,787.48	254,367,183.08
TOTAL FUND BALANCES		296,663,479.85	293,804,489.37
TOTAL PLANT FUNDS		605,834,619.74	608,633,677.99
TOTAL LIABILITIES AND FUND BALANCES	\$	903,538,773.50	\$ 876,835,864.97

UNIVERSITY OF SOUTH ALABAMA
STATEMENT OF CHANGES IN FUND BALANCES
FOR THE FOUR MONTHS ENDED JANUARY 31, 2010

	CURRENT FUNDS		LOAN FUNDS	ENDOWMENT FUNDS	RENEWALS AND REPLACEMENTS	PLANT FUNDS RETIREMENT OF INDEBTEDNESS	INVESTMENT IN PLANT
	UNRESTRICTED	RESTRICTED					
REVENUES AND OTHER ADDITIONS:							
EDUCATIONAL AND GENERAL REVENUES	91,425,588.86						
HOSPITALS REVENUES	102,050,729.35						
AUXILIARY ENTERPRISES REVENUES	6,268,092.04						
GRANTS AND CONTRACTS:							
FEDERAL		12,639,150.00					
STATE AND LOCAL		2,322,767.46					
PRIVATE		943,222.97					
GOVERNMENT APPROPRIATIONS:							
FEDERAL							
STATE					936,286.00		
INVESTMENT INCOME,GAINS/LOSS			1,356.55	2,700,159.24	33,277.81	4,604.53	
INSURANCE PROCEEDS							
INTEREST ON LOANS RECEIVABLE							
GIFTS AND BEQUESTS			16,937.72	1,049,151.05	243,491.68	14,322.93	
EXPENDED FOR PLANT FACILITIES (INCLUDING							7,926,064.28
\$817,929.98 CURRENT FUNDS EXPENDITURES)							
RETIREMENT OF INDEBTEDNESS							3,600,000.00
PROCEEDS FROM SALE OF CAPITAL ASSETS							
OTHER SOURCES		8,388,934.86	0.00	6,222.88	298,737.62		163,971.56
TOTAL REVENUES AND OTHER ADDITIONS	199,744,410.25	24,294,075.29	18,294.27	3,755,633.17	1,511,793.11	18,927.46	11,690,035.84
EXPENDITURES AND OTHER DEDUCTIONS:							
EDUCATIONAL AND GENERAL EXPENDITURES	83,257,126.97	21,593,991.32					
HOSPITALS EXPENDITURES	101,504,223.44						
AUXILIARY ENTERPRISES EXPENDITURES	5,589,861.67						
INDIRECT COSTS RECOVERED		1,568,172.11					
REFUNDED TO GRANTORS		16,314.83					
RETIREMENT OF INDEBTEDNESS						3,600,000.00	
ADMINISTRATIVE AND COLLECTION COSTS			412.50				
EXPENDED FOR PLANT FACILITIES (INCLUDING					7,475,632.17		
\$367,497.87 FOR NON-CAPITALIZED EXPENDITURES)							
INTEREST ON INDEBTEDNESS							
DEPRECIATION EXPENSES OF PLANT FACILITIES						2,663,927.77	8,316,183.68
DISPOSAL OF PLANT							
LOSS ON DISPOSAL OF PLANT							
OTHER DEDUCTIONS			12,049.22	98,804.82			
TOTAL EXPENDITURES AND OTHER DEDUCTIONS	190,351,212.08	23,178,478.26	12,461.72	98,804.82	7,475,632.17	6,263,927.77	8,316,183.68
TRANSFERS AMONG FUNDS-ADDITIONS(DEDUCTIONS):							
MANDATORY:							
PRINCIPAL AND INTEREST							
FINANCIAL AID MATCHING	(5,950,948.63)				(833,683.13)	6,784,631.76	
NON-MANDATORY:							
FUNDED DEPRECIATION	(1,969,744.64)						
MOBILE RACING COMMISSION	(18,992.05)				1,969,744.64		
PLANT ADDITIONS AND REPLACEMENTS	(4,344,471.25)				18,992.05		
ENDOWMENT FUND	(1,231,843.90)				4,344,471.25		
OTHER TRANSFERS	685,150.02	70,787.16		1,180,048.79	(18,992.05)	65,781.25	(426,316.25)
TOTAL TRANSFERS	(12,830,850.45)	(697,495.92)		1,923.40	370,957.50	6,850,413.01	(426,316.25)
NET INCREASE (DECREASE) FOR THE PERIOD	(3,437,652.28)		0.00	1,181,972.19	5,851,490.26	605,412.70	2,947,535.91
FUND BALANCES AT OCTOBER 1, 2009	10,265,106.17	488,888.27	5,832.55	4,838,700.54	(112,348.80)	5,431,985.78	191,506,251.57
FUND BALANCES AT JANUARY 31, 2010	6,827,453.89	17,173,383.72	409,931.83	85,607,518.82	96,284,642.69	6,037,398.48	194,453,787.48
	\$	\$	\$	\$	\$	\$	\$

*HOSPITALS REVENUES AND HOSPITAL FUNDED DEPRECIATION TRANSFERS INCLUDE \$763,276.64 IN MEDICAID DISPROPORTIONATE SHARE PAYMENTS.

UNIVERSITY OF SOUTH ALABAMA
STATEMENT OF CURRENT FUNDS REVENUES, EXPENDITURES AND OTHER CHANGES
FOR THE FOUR MONTHS ENDED JANUARY 31, 2010
WITH COMPARATIVE FIGURES FOR 2009

	MONTH ENDED JANUARY 31, 2010		JANUARY 31, 2009
	UNRESTRICTED	RESTRICTED	TOTAL
REVENUES:			
TUITION AND FEES	\$ 35,638,839.55	\$	\$ 35,638,839.55
STATE APPROPRIATIONS	30,470,331.08		30,470,331.08
MOBILE RACING COMMISSION	18,982.05		18,982.05
FEDERAL GRANTS AND CONTRACTS	1,330,840.75	17,809,104.89	19,139,945.64
STATE GRANTS AND CONTRACTS (INCLUDING INDIRECT COST RECOVERED OF \$131,594.45)	183,788.37	1,692,350.53	1,876,138.90
PRIVATE GIFTS, GRANT \$, AND CONTRACTS (INCLUDING INDIRECT COSTS RECOVERED OF \$105,736.91)	17,358,283.15	808,577.12	18,166,860.27
INVESTMENT INCOME	43,674.84		43,674.84
SALES AND SERVICES OF EDUCATIONAL ACTIVITIES	1,159,503.43		1,159,503.43
HOSPITALS - SALES AND SERVICES	99,180,316.43		99,180,316.43
- STATE APPROPRIATIONS	2,870,412.92		2,870,412.92
AUXILIARY ENTERPRISES - SALES AND SERVICES	6,266,092.04		6,266,092.04
OTHER SOURCES	5,221,335.84	1,283,258.78	6,504,594.62
TOTAL CURRENT REVENUES	199,744,410.25	21,593,991.32	221,338,401.57
EXPENDITURES AND TRANSFERS:			
EDUCATIONAL AND GENERAL:			
INSTRUCTION	30,909,732.32	6,382,717.39	37,292,449.71
RESEARCH	2,702,556.19	3,958,938.41	6,661,494.60
PUBLIC SERVICE	17,825,815.27	452,605.07	18,278,420.34
ACADEMIC SUPPORT	5,682,415.86	40,968.32	5,723,384.18
STUDENT SERVICES	8,522,991.92	363,731.44	8,886,723.36
INSTITUTIONAL SUPPORT	7,969,506.09	224,028.40	8,193,534.49
OPERATION AND MAINTENANCE OF PLANT	6,525,528.25	1,798,402.59	8,323,930.84
SCHOLARSHIPS	3,118,581.07	8,372,599.70	11,491,180.77
EDUCATIONAL AND GENERAL	83,257,128.97	21,593,991.32	104,851,118.29
MANDATORY TRANSFERS FOR:			
PRINCIPAL AND INTEREST	3,604,869.08		3,604,869.08
FINANCIAL AID MATCHING	86,861,996.05	21,593,991.32	108,455,987.37
TOTAL EDUCATIONAL AND GENERAL	103,189,959.55		103,189,959.55
HOSPITALS (INCLUDING DEBT SERVICE OF \$1,685,736.11)			
AUXILIARY ENTERPRISES:			
EXPENDITURES	5,589,861.67		5,589,861.67
MANDATORY TRANSFERS FOR:			
PRINCIPAL AND INTEREST	680,343.44		680,343.44
NON-MANDATORY TRANSFERS FOR:			
OTHER TRANSFERS	0.00		
TOTAL AUXILIARIES	6,250,205.11	0.00	6,250,205.11
TOTAL EXPENDITURES AND TRANSFERS	198,302,160.71	21,593,991.32	217,896,152.03
OTHER TRANSFERS AND ADDITIONS/(DEDUCTIONS):			
EXCESS OF RESTRICTED RECEIPTS OVER TRANSFERS TO REVENUES		1,131,911.86	1,131,911.86
REFUNDED TO GRANTORS		(16,314.83)	(16,314.83)
FUNDED DEPRECIATION	(1,969,744.64)		(1,969,744.64) *
MOBILE RACING COMMISSION	(18,992.05)		(18,992.05)
PLANT ADDITIONS AND REPLACEMENTS	(4,344,471.25)		(4,344,471.25)
ENDOWMENT FUND	(1,231,843.90)		(1,231,843.90)
OTHER TRANSFERS	685,150.02	70,787.16	(1,161,056.74)
TOTAL TRANSFERS	(6,879,901.82)	(697,485.92)	(7,577,387.74)
NET INCREASE/(DECREASE) IN FUND BALANCES	\$ (3,437,652.28)	\$ 488,888.27	\$ (2,948,764.01)
			\$

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS.

*HOSPITALS REVENUES AND HOSPITAL FUNDED DEPRECIATION TRANSFERS INCLUDE \$783,276.64 IN MEDICAID DISPROPORTIONATE SHARE PAYMENTS.

UNIVERSITY OF SOUTH ALABAMA
Notes to Financial Report

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTS

The accompanying financial reports are the responsibility of management of the University of South Alabama. Management is responsible for adopting sound accounting policies, for maintaining an adequate and effective system of accounts, for the safeguarding of assets and for devising a system of internal control that will, among other things, help assure the production of proper financial statements. The transactions which should be reflected in the accounts and in the financial reports are matters within the direct knowledge and control of management.

BASIS OF PRESENTATION

The financial reports of the University of South Alabama (the University) are prepared on the accrual basis. The statement of current funds revenues, expenditures and other changes is a statement of financial activities of current funds related to the current reporting period. It does not purport to present the results of operations as would a statement of income or a statement of revenues and expenses.

To the extent that current funds are used to finance plant assets, the amounts so provided are accounted for as (1) expenditures, in the case of normal replacement of movable equipment and library books; (2) mandatory transfers, in the case of required provisions for debt amortization and interest and equipment renewal and replacement; and, (3) transfers of a nonmandatory nature in all other cases.

FUND ACCOUNTING

In order to observe limitations and restrictions placed on the use of resources available to the University, the accounts of the University are maintained in accordance with the principles of fund accounting. Resources for various purposes are classified for accounting and reporting purposes into funds which may be used for specified activities or objectives. Separate accounts are maintained for each fund; however, in the accompanying financial statements funds that have similar characteristics have been combined into fund groups. Accordingly, all financial transactions have been recorded and reported by fund group.

Within each fund group, funds restricted by outside sources are so indicated and are distinguished from funds designated for specific purposes by authority of the Board of Trustees.

USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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.

UNIVERSITY OF SOUTH ALABAMA
Notes to Financial Report

CURRENT FUNDS

Current fund balances are separated into those which are unrestricted and those which are restricted by donors and grantors. Restricted funds may only be expended for the purpose indicated by the donor or grantor, whereas unrestricted funds are under the control of the University to use in achieving its educational purposes.

PLANT FUNDS

Plant funds include the transactions related to investment in institutional properties and related indebtedness.

Plant assets consisting of land, buildings, equipment and library books are stated at cost or, if contributed, at fair market value at the time of receipt. Investment in plant is reduced for disposals of plant assets.

Some equipment purchases are made from current funds and are presented under the appropriate functional classification of expenditures, while other additions are funded by transfers from unrestricted current funds to the plant funds. All such expenditures in excess of \$5,000 having a life of two years or more are capitalized as investment in plant.

INVESTMENT IN POOLED FUNDS

Investments are stated at cost, except those received by gift which are stated at fair market value at date of receipt. Endowment investments of the University are maintained and administered in a common pool. Separate accounts are maintained for each fund, as applicable. Depositories and other financial institutions that held investments for the University have pledged securities of various governmental agencies to secure funds held on deposit.

UNRESTRICTED GIFTS

Except for pledged operating and capital gifts, unrestricted gifts are recognized as revenue when received. Certain operating and capital pledges are recorded as a receivable, along with the corresponding revenue, when such pledges are made.

GRANTS AND CONTRACTS

The University has been awarded grants and contracts for current funds operations for which the funds have not been received nor have expenditures been made for the purpose specified in the grant or contract. These awards have not been reflected in the financial reports, but represent commitments of sponsors to provide funds for specific research and training projects.

UNIVERSITY OF SOUTH ALABAMA
Notes to Financial Report

SCHOLARSHIPS AND FELLOWSHIPS

The University receives funds which are restricted by donors and grantors for assistance to qualified students. When these funds are granted to students, the University records the expenditure for scholarships and fellowships along with the corresponding revenue.

INCOME TAXES

The Internal Revenue Service has determined that the University is a tax-exempt organization; accordingly, no provision for income taxes has been made in the accompanying financial statements.

DEFERRED REVENUES AND EXPENDITURES

Dormitory rentals, student tuition and other fees, together with related expenditures, are deferred and amortized over the applicable academic semester.

EMPLOYEE BENEFITS

Employees of the University are covered by two pension plans, a defined contribution pension plan and a pension plan administered by the Teachers' Retirement System of the State of Alabama (the Retirement Plan).

The defined contribution pension plan covers certain academic and administrative employees and contributions under this plan are funded as accrued.

Permanent employees of the University participate in the Teachers' Retirement System of Alabama. The Retirement Plan is fully funded by the State and by contributions from participating employees. The University contributes 12.07% of each employee's gross earnings to the Retirement Plan and is reflected in current funds expenditures. All covered employees must contribute 5% of their gross earnings to the Retirement Plan. Benefits fully vest after 10 years of full-time, permanent employment.

LIABILITY INSURANCE

The University and certain of its affiliates participate in professional and general liability trust funds. These trust funds are irrevocable and use contributions by the University and its affiliates, together with earnings thereon, to pay liabilities arising from the performance of its employees. Contributions to the trusts are recorded as expenditures upon payment and are determined by independent actuaries. If the trust funds are ever terminated, appropriate provision for payment of reported claims will be made and any remaining balance will be distributed to the University and its affiliates in proportion to contributions made.

UNIVERSITY OF SOUTH ALABAMA
Notes to Financial Report

BONDS PAYABLE

Bonds payable consist of the following:

- University Tuition Revenue Refunding and Capital Improvements Bonds, Series 1996, 3.80% to 5.00%, payable through November 2015 (refunded in January 2007)
- University Tuition Revenue Bonds, Series 1999, 3.70% to 5.25%, payable through November 2018.
- University Tuition Revenue Refunding and Capital Improvement Bonds, Series 2004, 2.00% to 5.00%, payable through March 2024.
- University Tuition Revenue Refunding and Capital Improvement Bonds, Series 2006, 5.00% payable through June 2037.
- University Facilities Revenue Capital Improvement Bonds, Series 2008, 3.00% to 5.00%, payable through August 2038.

LITIGATION

Various other claims have been filed against the University alleging discriminatory employment practices and other matters. University administration and legal counsel are of the opinion that the resolution of these matters will not have a material effect on the financial position or results of operations of the University.

MEDICAID DISPROPORTIONATE SHARE PAYMENTS

Hospitals revenues include funds received from the Alabama Medicaid Agency for services provided to a disproportionately high number of low income patients.

SUPPLEMENTAL SCHEDULES

SUMMARY SCHEDULE OF AUXILIARY ENTERPRISES
REVENUES, EXPENDITURES AND OTHER CHANGES
FOR THE FOUR MONTHS ENDED JANUARY 31, 2010
WITH COMPARATIVE FIGURES FOR 2009

	REVENUES	EXPENDITURES	TRANSFERS	EXCESS REVENUES OVER EXPENDITURES AND OTHER CHANGES (DEFICIT)	
				01/31/10	01/31/09
BOOKSTORE	\$ 3,334,112.17	\$ 2,999,077.15	\$ 0.00	\$ 335,035.02	\$ 389,001.39
BROOKLEY CENTER	611,822.94	732,056.78	0.00	(120,233.84)	(248,325.51)
FOOD SERVICES-CAMPUS	117,517.85	56,626.90	0.00	60,890.95	38,619.33
HOUSING	2,204,639.08	1,802,100.84	(660,343.44)	(257,805.20)	(240,459.47)
TOTAL	\$ 6,268,092.04	\$ 5,589,861.67	\$ (660,343.44)	\$ 17,886.93	\$ (61,164.26)

BOOKSTORE
STATEMENT OF REVENUES, EXPENDITURES AND OTHER CHANGES
FOR THE FOUR MONTHS ENDED JANUARY 31, 2010
WITH COMPARATIVE FIGURES FOR 2009

	01/31/10	01/31/09
REVENUES:		
SALES	\$ 3,302,190.87	\$ 3,373,044.82
LESS: DEPARTMENTAL DISCOUNTS	1,031.01	1,802.66
COST OF GOODS SOLD	2,390,189.68	2,429,354.55
GROSS PROFIT	910,970.18	941,887.61
CASH OVER/(SHORT)	131.83	(922.40)
GRADUATION (NET)	11,052.00	15,626.00
BAD DEBT RECOVERY	0.00	0.00
OTHER	20,737.47	16,478.39
NET REVENUES:	942,891.48	973,069.60
EXPENDITURES:		
SALARIES	253,878.87	231,902.61
EMPLOYEE BENEFITS	83,324.85	76,323.43
SUPPLIES	6,681.20	13,040.32
TRAVEL	664.68	2,752.20
EQUIPMENT	3,980.05	3,305.52
EQUIPMENT MAINTENANCE AND REPAIR	19,800.20	23,395.28
BUILDING & EQUIPMENT RENTAL	9,628.42	967.85
UTILITIES	25,000.00	25,000.00
TELEPHONE	4,200.05	2,069.93
INSURANCE AND BONDS	2,036.00	2,240.00
CONTRACT SERVICES	65,112.84	60,149.21
BAD DEBT EXPENSE	0.00	0.00
RENT	0.00	6,660.00
OBSOLETE INVENTORY	0.00	1,448.68
GENERAL EXPENSES	20,363.14	22,116.36
CHARGE CARD AND FACULTY		
STAFF DISCOUNTS	15,350.84	14,861.50
INSTITUTIONAL COST ALLOCATION	97,835.32	97,835.32
TOTAL EXPENDITURES	607,856.46	584,068.21
TRANSFERS AMONG FUNDS- ADDITIONS/(DEDUCTIONS):		
MANDATORY:		
PRINCIPAL AND INTEREST	0.00	0.00
NON-MANDATORY:		
OTHER TRANSFERS	0.00	0.00
RENEWAL AND REPLACEMENT	0.00	0.00
RETIREMENT REIMBURSEMENT	0.00	0.00
TOTAL TRANSFERS	0.00	0.00
EXCESS REVENUES OVER EXPENDITURES AND MANDATORY TRANSFERS	\$ 335,035.02	\$ 389,001.39

BROOKLEY CENTER
STATEMENT OF REVENUES, EXPENDITURES AND OTHER CHANGES
FOR THE FOUR MONTHS ENDED JANUARY 31, 2010
WITH COMPARATIVE FIGURES FOR 2009

	ADMINISTRATION	INVESTMENT HOUSING	GOLF SHOP	FOOD SERVICE	TOTAL AUXILIARY SERVICES
REVENUES:					
SALES-FOOD & MERCHANDISE	\$ 0.00	\$ 0.00	\$ 5,830.58	\$ 0.00	\$ 5,830.58
LESS: COST OF GOODS SOLD	0.00	0.00	3,732.36	0.00	3,732.36
DISCOUNTS	0.00	0.00	(333.07)	0.00	(333.07)
GROSS PROFIT	0.00	0.00	2,431.29	0.00	2,431.29
FEES	0.00	0.00	94,486.52	9,493.22	103,979.74
RENTALS	9,332.00	225,141.38	0.00	0.00	225,141.38
OTHER	2,288.14	100.00	6.23	0.00	106.23
FACILITY ASSESSMENT FEE	16,688.00	0.00	0.00	0.00	0.00
NET REVENUES	28,288.14	225,241.38	96,924.04	9,493.22	331,658.64
EXPENDITURES:					
OPERATING EXPENDITURES:					
SALARIES	204,000.38	24,841.55	61,574.60	0.00	86,416.15
EMPLOYEE BENEFITS	72,096.45	5,283.24	19,922.92	0.00	25,205.86
SUPPLIES	17,613.45	129.22	11,481.71	310.20	11,921.13
TRAVEL	773.93	0.00	0.00	0.00	0.00
CONTRACT SERVICE	20,272.48	29,704.69	24,428.07	390.00	54,522.76
BUILDING MAINTENANCE & REPAIR	2,791.61	10,840.99	858.49	0.00	11,697.48
GROUND MAINTENANCE	6,004.36	4,276.77	4,640.21	0.00	8,916.98
UTILITIES	32,105.77	9,873.87	10,245.58	16,088.83	36,208.28
EQUIPMENT MAINTENANCE & REPAIR	121.95	1,089.45	11,990.19	833.70	13,913.34
BUILDING & EQUIPMENT RENTAL	999.92	0.00	6,138.03	586.56	6,724.59
TELEPHONE	5,211.45	0.00	218.30	0.88	219.18
INSURANCE AND BONDS	41,690.00	0.00	0.00	1,988.00	1,988.00
RECEPTIONS	0.00	0.00	0.00	0.00	0.00
ADVERTISING	2,177.84	1,236.83	858.45	0.00	2,095.28
BAD DEBT EXPENSE	0.00	0.00	0.00	0.00	0.00
GENERAL EXPENSES	26,542.32	383.60	4,505.10	438.36	5,327.06
EXPENSE OFFSET	0.00	0.00	0.00	0.00	0.00
EDUCATIONAL SUPPORT ALLOCATIONS	0.00	0.00	0.00	0.00	0.00
OPERATING COST ALLOCATIONS	(404,113.77)	113,151.85	0.00	16,164.54	129,316.39
TOTAL OPERATING EXPENDITURES	28,288.14	200,812.06	156,859.35	36,801.07	394,472.48
EXCESS REVENUES OVER EXPENDITURES	0.00	24,429.32	(59,935.31)	(27,307.85)	(62,813.84)
OTHER EXPENDITURES:					
EQUIPMENT	0.00	3,596.40	0.00	0.00	3,596.40
OTHER COST ALLOCATIONS	0.00	0.00	0.00	0.00	0.00
TOTAL OTHER EXPENDITURES	0.00	3,596.40	0.00	0.00	3,596.40
TRANSFERS AMONG FUNDS -					
ADDITIONS/(DEDUCTIONS):					
MANDATORY:					
PRINCIPAL AND INTEREST	0.00	0.00	0.00	0.00	0.00
NON-MANDATORY:					
OTHER NON-MANDATORY TRANSFERS	0.00	0.00	0.00	0.00	0.00
TOTAL TRANSFERS	0.00	0.00	0.00	0.00	0.00
EXCESS REVENUES OVER					
EXPENDITURES (DEFICIT)	\$ 0.00	\$ 20,832.92	\$ (59,935.31)	\$ (27,307.85)	\$ (66,410.24)

BROOKLEY CENTER
STATEMENT OF REVENUES, EXPENDITURES AND OTHER CHANGES
FOR THE FOUR MONTHS ENDED JANUARY 31, 2010
WITH COMPARATIVE FIGURES FOR 2009

	CONTINUING EDUCATION	EDUCATIONAL LEASING	UNIVERSITY SERVICE	TOTAL EDUCATIONAL SERVICES	BROOKLEY CENTER TOTAL 01/31/10	BROOKLEY CENTER TOTAL 01/31/09
REVENUES:						
SALES-FOOD & MERCHANDISE	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 5,830.58	\$ 9,186.42
LESS: COST OF GOODS SOLD	0.00	0.00	0.00	0.00	3,732.36	6,843.45
DISCOUNTS	211.65	0.00	0.00	211.65	(121.42)	1,526.81
GROSS PROFIT	(211.65)	0.00	0.00	(211.65)	2,219.64	816.16
FEES	55,030.85	162,439.76	0.00	217,470.61	321,450.35	381,611.86
RENTALS	0.00	0.00	0.00	0.00	234,473.38	244,850.99
OTHER	0.00	31,006.26	0.00	31,006.26	33,400.63	915.94
FACILITY ASSESSMENT FEE	0.00	0.00	0.00	0.00	16,668.00	16,668.00
NET REVENUES	54,819.20	193,446.02	0.00	248,265.22	608,212.00	644,862.95
EXPENDITURES:						
OPERATING EXPENDITURES:						
SALARIES	12,374.88	0.00	0.00	12,374.88	302,791.41	321,543.99
EMPLOYEE BENEFITS	3,794.34	0.00	0.00	3,794.34	101,086.65	110,581.31
SUPPLIES	5,556.13	2,839.90	0.00	8,396.03	37,930.61	33,525.83
TRAVEL	0.00	0.00	0.00	0.00	773.93	1,147.63
CONTRACT SERVICE	2,031.93	164.58	0.00	2,196.51	76,991.75	75,087.38
BUILDING MAINTENANCE & REPAIR	1,804.93	5,879.94	0.00	7,684.87	22,173.96	31,010.11
GROUND MAINTENANCE	0.00	0.00	0.00	0.00	14,921.34	15,978.33
UTILITIES	45,885.88	33,093.82	0.00	78,979.70	147,293.75	189,369.89
EQUIPMENT MAINTENANCE & REPAIR	432.57	122.43	0.00	555.00	14,590.29	24,908.87
BUILDING & EQUIPMENT RENTAL	0.00	0.00	0.00	0.00	7,724.51	8,268.66
TELEPHONE	0.00	0.00	0.00	0.00	5,430.63	9,934.01
INSURANCE AND BONDS	2,040.00	0.00	0.00	2,040.00	45,718.00	45,272.00
RECEPTIONS	0.00	0.00	0.00	0.00	0.00	876.50
ADVERTISING	4,616.50	0.00	0.00	4,616.50	8,889.62	8,319.95
BAD DEBT EXPENSE	0.00	0.00	0.00	0.00	0.00	0.00
GENERAL EXPENSES	0.00	0.00	0.00	0.00	45,951.05	70,281.25
EXPENSE OFFSET	0.00	14,081.67	0.00	14,081.67	0.00	(11,350.00)
EDUCATIONAL SUPPORT ALLOCATIONS	0.00	0.00	0.00	0.00	(110,473.32)	(73,288.68)
OPERATING COST ALLOCATIONS	84,863.90	68,689.34	(110,473.32)	274,797.38	0.00	0.00
TOTAL OPERATING EXPENDITURES	163,401.06	124,881.68	121,234.14	299,043.56	721,804.18	860,467.03
EXCESS REVENUES OVER EXPENDITURES	(108,581.86)	68,564.34	(10,760.82)	(50,778.34)	(113,592.18)	(215,604.08)
OTHER EXPENDITURES:						
EQUIPMENT	3,045.26	0.00	0.00	3,045.26	6,641.88	14,295.13
OTHER COST ALLOCATIONS	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL OTHER EXPENDITURES	3,045.26	0.00	0.00	3,045.26	6,641.88	14,295.13
TRANSFERS AMONG FUNDS:						
ADDITIONS/(DEDUCTIONS):						
MANDATORY:						
PRINCIPAL AND INTEREST	0.00	0.00	0.00	0.00	0.00	(23,744.00)
NON-MANDATORY:						
OTHER NON-MANDATORY TRANSFERS	0.00	0.00	0.00	0.00	0.00	5,317.70
TOTAL TRANSFERS	0.00	0.00	0.00	0.00	0.00	(18,426.30)
EXCESS REVENUES OVER	(111,627.12)	68,564.34	(10,760.82)	(53,823.60)	(120,233.84)	(248,325.51)
EXPENDITURES (DEFICIT)	\$	\$	\$	\$	\$	\$

FOOD SERVICE
STATEMENT OF REVENUES, EXPENDITURES AND OTHER CHANGES
FOR THE FOUR MONTHS ENDED JANUARY 31, 2010
WITH COMPARATIVE FIGURES FOR 2009

	<u>01/31/10</u>	<u>01/31/09</u>
REVENUES:		
COMMISSION INCOME	\$ 117,517.85	\$ 94,369.01
TOTAL REVENUES	<u>117,517.85</u>	<u>94,369.01</u>
EXPENDITURES:		
SALARIES	0.00	0.00
EMPLOYEE BENEFITS	0.00	0.00
SUPPLIES	467.98	0.00
EQUIPMENT MAINTENANCE AND REPAIR	12,637.57	12,847.69
UTILITIES	21,666.68	21,666.68
TELEPHONE	105.84	27.52
MEMBERSHIPS AND DUES	0.00	0.00
CONTRACT SERVICES	3,608.68	2,452.17
INSURANCE AND BONDS	11,149.00	12,269.00
EQUIPMENT	0.00	0.00
BUILDING MAINTENANCE AND REPAIR	1,310.00	627.00
INDIRECT COST	5,394.00	5,394.00
GENERAL EXPENSE	<u>287.15</u>	<u>465.62</u>
TOTAL EXPENDITURES	<u>56,626.90</u>	<u>55,749.68</u>
TRANSFERS AMONG FUNDS-		
ADDITIONS/(DEDUCTIONS):		
NON-MANDATORY:		
OTHER TRANSFERS		
TOTAL TRANSFERS	<u>0.00</u>	<u>0.00</u>
EXCESS REVENUES OVER		
EXPENDITURES AND MANDATORY		
TRANSFERS (DEFICIT)	<u>\$ 60,890.95</u>	<u>\$ 38,619.33</u>

HOUSING
STATEMENT OF REVENUES, EXPENDITURES, AND OTHER CHANGES
FOR THE FOUR MONTHS ENDED JANUARY 31, 2010
WITH COMPARATIVE FIGURES FOR 2009

	CENTRAL HOUSING	HOUSING PROGRAMMING	WASHERS AND DRYERS	HILLSDALE MARRIED STUDENT	SMALL GROUP HOUSING	GAMMA DORMS
REVENUES:	\$	0.00	\$	27,924.00	\$	401,652.29
RENTAL INCOME		0.00	42,300.00	\$	132,928.94	\$
BAD DEBT RECOVERY	576.00	0.00	0.00	124.92	0.00	0.00
OTHER	25.00	0.00	0.00	1,659.27	36,721.54	1,948.40
TOTAL REVENUES	601.00	0.00	42,300.00	29,708.19	169,650.48	403,600.69
EXPENDITURES:						
SALARIES	114,484.28	40,130.13	0.00	53,637.85	24,005.40	68,371.29
EMPLOYEE BENEFITS	35,766.85	0.00	0.00	21,218.61	4,539.81	14,989.81
CONTRACT LABOR	0.00	0.00	0.00	0.00	0.00	0.00
CONTRACT SERVICES	286.75	0.00	28,798.00	1,020.45	4,289.94	4,654.49
TRAVEL	3,129.37	385.00	0.00	0.00	0.00	0.00
RECEPTIONS	0.00	6,017.19	0.00	0.00	0.00	0.00
SUPPLIES	9,203.89	245.27	0.00	1,415.50	7,483.86	2,866.25
CABLE	51,702.00	0.00	0.00	36.56	0.00	0.00
TELEPHONE	88.14	0.00	0.00	452.14	355.77	22,201.44
UTILITIES	0.00	0.00	0.00	3,049.49	126.03	0.00
INSURANCE AND BONDS	0.00	0.00	0.00	2,231.00	7,629.00	12,762.00
BUILDING MAINTENANCE AND REPAIR	0.00	0.00	0.00	0.00	390.00	0.00
EQUIPMENT	374.44	0.00	0.00	0.00	1,723.71	0.00
EQUIPMENT RENTAL	753.40	0.00	0.00	0.00	0.00	0.00
EQUIPMENT MAINTENANCE AND REPAIR	0.00	0.00	0.00	95.39	396.03	0.00
GROUND MAINTENANCE	0.00	0.00	0.00	0.00	0.00	0.00
GENERAL EXPENSES	24,850.26	12.25	0.00	1,682.81	0.00	35,355.00
ADMINISTRATIVE OVERHEAD	153,019.00	0.00	0.00	0.00	27,233.00	154,770.52
ADMINISTRATIVE EXPENSES	(393,057.38)	(46,789.84)	16,274.35	1,759.39	40,905.79	84,450.67
TOTAL EXPENDITURES	601.00	0.00	45,072.35	86,599.19	119,078.34	400,421.47
TRANSFERS AMONG FUNDS -						
ADDITIONS/(DEDUCTIONS):						
MANDATORY:						
PRINCIPAL AND INTEREST	0.00	0.00	0.00	0.00	(303,516.00)	(76,571.44)
TOTAL MANDATORY TRANSFERS	0.00	0.00	0.00	0.00	(303,516.00)	(76,571.44)
NON-MANDATORY:						
OTHER NON-MANDATORY TRANSFERS	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL NON-MANDATORY TRANSFERS	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL TRANSFERS	0.00	0.00	0.00	0.00	(303,516.00)	(76,571.44)
EXCESS REVENUES OVER EXPENDITURES	\$	0.00	\$	(56,891.00)	\$	(73,392.22)
AND TRANSFERS (DEFICIT)			(2,772.35)		(252,943.86)	

HOUSING
STATEMENT OF REVENUES, EXPENDITURES, AND OTHER CHANGES
FOR THE FOUR MONTHS ENDED JANUARY 31, 2010
WITH COMPARATIVE FIGURES FOR 2009

	BETA DORMS	DELTA DORMS	EPSILON DORMS	TOTAL HOUSING 01/31/10	TOTAL HOUSING 01/31/09
REVENUES:					
RENTAL INCOME	\$ 256,233.28	\$ 933,798.35	\$ 340,455.44	\$ 2,135,292.30	\$ 2,007,525.31
BAD DEBT RECOVERY	0.00	0.00	0.00	700.92	1,723.50
OTHER	2,780.00	13,623.15	11,888.50	68,645.86	70,702.60
TOTAL REVENUES	<u>259,013.28</u>	<u>947,421.50</u>	<u>352,343.94</u>	<u>2,204,639.08</u>	<u>2,079,951.41</u>
EXPENDITURES:					
SALARIES	24,360.20	72,895.41	45,361.90	443,246.46	470,006.03
EMPLOYEE BENEFITS	5,660.47	15,016.44	5,345.56	102,537.55	113,290.38
CONTRACT LABOR	0.00	0.00	0.00	0.00	7,884.03
CONTRACT SERVICES	3,651.97	9,046.34	5,394.20	57,142.14	57,912.70
TRAVEL	0.00	0.00	0.00	3,514.37	1,661.18
RECEPTIONS	0.00	0.00	0.00	6,017.19	7,194.42
SUPPLIES	6,101.25	23,517.28	15,599.29	66,432.59	51,543.02
CABLE	0.00	0.00	0.00	51,738.56	51,395.39
TELEPHONE	10,311.99	53,181.72	17,714.47	104,305.67	87,729.47
UTILITIES	0.00	0.00	0.00	3,175.52	7,536.48
INSURANCE AND BONDS	6,550.00	17,885.00	5,729.00	52,786.00	62,602.00
BUILDING MAINTENANCE AND REPAIR	0.00	0.00	0.00	390.00	520.63
EQUIPMENT	0.00	0.00	0.00	2,098.15	0.00
EQUIPMENT RENTAL	0.00	0.00	0.00	753.40	1,509.65
EQUIPMENT MAINTENANCE AND REPAIR	0.00	260.10	0.00	751.52	1,002.50
GROUPS MAINTENANCE	0.00	0.00	0.00	0.00	0.00
GENERAL EXPENSES	23,989.92	81,880.00	34,367.92	202,138.16	171,951.08
ADMINISTRATIVE OVERHEAD	73,066.00	222,675.52	74,309.52	705,073.56	673,200.08
ADMINISTRATIVE EXPENSES	47,943.34	186,495.22	62,018.46	0.00	0.00
TOTAL EXPENDITURES	<u>201,635.14</u>	<u>682,853.03</u>	<u>265,840.32</u>	<u>1,802,100.84</u>	<u>1,766,939.04</u>
TRANSFERS AMONG FUNDS -					
ADDITIONS/(DEDUCTIONS):					
MANDATORY:					
PRINCIPAL AND INTEREST	(22,880.00)	(133,080.00)	(124,296.00)	(660,343.44)	(555,939.44)
TOTAL MANDATORY TRANSFERS	<u>(22,880.00)</u>	<u>(133,080.00)</u>	<u>(124,296.00)</u>	<u>(660,343.44)</u>	<u>(555,939.44)</u>
NON-MANDATORY:					
OTHER NON-MANDATORY TRANSFERS	0.00	0.00	0.00	0.00	2,467.60
TOTAL NON-MANDATORY TRANSFERS	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>2,467.60</u>
TOTAL TRANSFERS	<u>(22,880.00)</u>	<u>(133,080.00)</u>	<u>(124,296.00)</u>	<u>(660,343.44)</u>	<u>(553,471.84)</u>
EXCESS REVENUES OVER EXPENDITURES	\$ 34,498.14	\$ 131,488.47	\$ (37,792.38)	\$ (257,805.20)	\$ (240,459.47)
AND TRANSFERS (DEFICIT)					

I N D E X **FEBRUARY 2010**

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Financial Report Highlights February 28, 2010

Introduction

This Financial Report presents the financial position and financial activity of the University of South Alabama utilizing the fund basis of accounting. The report presents the assets, liabilities and fund balances of each fund including the current funds (unrestricted and restricted), loan funds, endowment funds, and plant funds (renewals and replacements, retirement of indebtedness and investment in plant). The financial reporting requirements of the Governmental Accounting Standard Board, by which the University reports its quarterly financial statements, are not utilized in this monthly financial report.

Financial Highlights

Financial report highlights at, and for the five months ended, February 28, 2010 and February 29, 2009 are as follows (in thousands):

	At and for the five months ended	
	2-28-10	2-29-09
<i>Total assets, by fund</i>		
Current	\$ 194,952	\$ 190,954
Loan	4,795	4,768
Endowment	99,391	73,694
Plant	607,134	606,070
<i>Fund Balances, by fund</i>		
Current	\$ 23,790	\$ 33,464
Loan	421	435
Endowment	89,940	64,334
Plant	298,040	291,333
<i>Other balance sheet highlights</i>		
Cash and investments	\$ 268,718	\$ 302,989
Net receivable, primarily patient care	71,678	64,107
Bonds and notes payable	302,528	305,837

	For the five months ended	
	2-28-10	2-29-09
<i>Selected operating highlights (current funds)</i>		
Tuition and fees	\$ 42,801	\$ 37,270
State appropriations	41,676	47,483
Hospital revenues	121,509	112,474
Gifts, grants and contracts	47,265	38,683
Instruction and academic support	54,424	55,171
Research and public service	29,651	28,448
Hospital expenses	126,612	123,664
Net current fund decrease	\$ (3,648)	\$ (15,557)

Financial Analysis

This report should be read in conjunction with the University's monthly financial reports and with the understanding of the cyclical nature of the University's operations. Certain revenues (tuition and fees, auxiliary enterprises, etc.) are received at specific times in the University's fiscal year while certain other revenue streams (hospital, state appropriations) are received throughout the year. Additionally, certain revenue and expense items fluctuate with changes in enrollment while others do not. As a result of these items, significant fluctuations of cash and investments along with other balance sheet items are normal.

Economic Outlook

While enrollment and tuition have increased in recent years, the University is experiencing a significant decrease in state appropriations in the fiscal 2010 year. Additionally, the University is subject to declines in general economic conditions in the United States and the State of Alabama. Recent declines in financial markets have had a significant impact on the value of the University's endowment. Further weakening of the economy could have a potential additional negative impact on other aspects of the University's operations.

UNIVERSITY OF SOUTH ALABAMA
BALANCE SHEETS
FEBRUARY 2010 AND 2009

ASSETS		2010	2009	LIABILITIES AND FUND BALANCES		2010	2009
CURRENT FUNDS:				CURRENT FUNDS:			
UNRESTRICTED:				UNRESTRICTED:			
CASH AND CASH EQUIVALENTS	\$	141,593.03	40,530.15	ACCOUNTS PAYABLE AND ACCRUED LIABILITIES	\$	44,553,627.55	50,235,572.95
INVESTMENTS		78,060,970.96	83,217,223.62	DEFERRED REVENUES		31,469,297.61	25,409,489.24
ACCOUNTS RECEIVABLE - PATIENTS (LESS ALLOWANCE FOR DOUBTFUL ACCOUNTS OF \$46,184,496.46 FOR 2010 AND \$38,989,731.70 FOR 2009)				DUE TO OTHER FUNDS		93,564,781.83	79,852,169.68
DEPOSITS		71,878,003.92	64,107,061.62	DEPOSITS HELD IN CUSTODY		483,128.14	526,364.99
INVENTORIES AT COST		35,000.00	35,000.00	OTHER DEPOSITS		638,722.64	333,205.58
PREPAID EXPENSES		4,497,428.17	4,731,068.41	FUND BALANCES:			
		22,652,005.32	21,215,204.57	ALLOCATED FOR:			
				HOSPITALS		(33,529,162.99)	(27,292,040.70)
				AUXILIARY ENTERPRISES		2,164,028.49	1,955,568.22
				ENCUMBRANCES		2,986,274.89	3,398,713.63
				SELF-SUPPORTING ACTIVITIES		41,420,137.58	45,362,722.94
				UNALLOCATED		(6,685,834.44)	(6,435,678.16)
				TOTAL FUND BALANCES		6,355,443.63	16,989,285.93
				TOTAL UNRESTRICTED		177,065,001.40	173,346,088.37
TOTAL UNRESTRICTED		177,065,001.40	173,346,088.37				
RESTRICTED FUNDS:				RESTRICTED FUNDS:			
CASH AND CASH EQUIVALENTS		7,176,663.27	7,311,749.35	ACCOUNTS PAYABLE AND ACCRUED LIABILITIES		82,624.45	76,477.33
INVESTMENTS		7,458.21	11,529.60	OTHER DEPOSITS		1,170.00	1,150.00
UNBILLED COSTS AND ACCOUNTS RECEIVABLE		10,702,396.76	10,284,468.26	DEFERRED REVENUES		368,169.38	1,055,593.53
				FUND BALANCES		17,434,554.41	16,474,526.35
				TOTAL RESTRICTED		17,886,518.24	17,607,747.21
TOTAL RESTRICTED		17,886,518.24	17,607,747.21	TOTAL CURRENT FUNDS		194,951,519.64	190,953,835.58
TOTAL CURRENT FUNDS		194,951,519.64	190,953,835.58				
LOAN FUNDS:				LOAN FUNDS:			
CASH AND CASH EQUIVALENTS		976,657.90	543,086.82	ACCOUNTS PAYABLE		0.00	0.00
NOTES RECEIVABLE (LESS ALLOWANCE FOR DOUBTFUL ACCOUNTS OF \$490,934.85 FOR 2010 AND \$500,533.16 FOR 2009)				REFUNDABLE GOVERNMENT ADVANCES		4,374,048.83	4,333,038.93
				FUND BALANCES:			
				UNIVERSITY FUNDS, UNRESTRICTED		421,044.17	434,804.60
				TOTAL FUND BALANCES		421,044.17	434,804.60
TOTAL LOAN FUNDS		4,795,093.00	4,767,843.53	TOTAL LOAN FUNDS		4,795,093.00	4,767,843.53
ENDOWMENT FUNDS:				ENDOWMENT FUNDS:			
CASH AND CASH EQUIVALENTS		22,013,778.91	17,341,208.31	DEFERRED REVENUES		1,641,786.00	2,023,282.00
FUNDS WITH TRUSTEES		0.00	53,981.22	BONDS PAYABLE		7,809,044.00	7,336,871.00
INVESTMENTS		72,362,237.26	51,809,977.76	FUND BALANCES:			
PREPAID-LIFE ESTATE		3,676,713.00	988,429.00	RESTRICTED NONEXPENDABLE		26,855,050.26	24,182,114.82
REAL ESTATE HELD FOR RESALE		1,338,429.00	3,500,298.00	UNRESTRICTED EXPENDABLE		63,085,277.91	40,151,626.47
				TOTAL FUND BALANCES		89,940,328.17	64,333,741.29
TOTAL ENDOWMENT FUNDS		99,391,158.17	73,693,894.29	TOTAL ENDOWMENT FUNDS		99,391,158.17	73,693,894.29
PLANT FUNDS:				PLANT FUNDS:			
CASH AND CASH EQUIVALENTS		32,540,523.70	94,265,432.45	ACCOUNTS PAYABLE AND ACCRUED LIABILITIES		110,323.14	2,095,087.89
FUNDS WITH TRUSTEES		0.00	351,707.17	DEFERRED REVENUES		6,427,626.43	6,724,717.17
INVESTMENTS		55,437,674.45	48,448,065.00	OTHER DEPOSITS		27,791.67	27,791.67
REAL ESTATE HELD FOR RESALE		0.00	1,799,284.00	BONDS PAYABLE		302,528,238.68	305,837,250.93
ACCOUNTS RECEIVABLE		1,758,326.00	254,936.16	CAPITAL LEASE OBLIGATIONS		0.00	50,522.04
NOTES RECEIVABLE		254,936.16	0.00				
DUE FROM OTHER FUNDS		93,564,781.83	79,852,169.68				
PREPAID EXPENSES		4,881,288.93	5,087,834.76				
CAPITAL LEASE RECEIVABLE		1,158,409.69	1,108,897.58				
INVESTMENT IN PLANT:							
LAND		29,232,252.32	29,232,252.32				
LAND IMPROVEMENTS		9,078,610.19	9,589,294.33				
BUILDINGS, ACCUM DEPREC AND IMPROVEMENTS		251,263,470.57	133,209,569.92				
OTHER EQUIPMENT, BOOKS AND FILMS		54,972,861.16	54,674,981.31				
CONSTRUCTION IN PROGRESS		72,990,388.22	148,195,144.91				
TOTAL PLANT FUNDS		607,133,523.22	606,065,569.59				
TOTAL ASSETS		906,271,294.03	875,485,142.99				
				TOTAL LIABILITIES AND FUND BALANCES		906,271,294.03	875,485,142.99

UNIVERSITY OF SOUTH ALABAMA
STATEMENT OF CHANGES IN FUND BALANCES
FOR THE FIVE MONTHS ENDED FEBRUARY 28, 2010

	CURRENT FUNDS		LOAN FUNDS	ENDOWMENT FUNDS	RENEWALS AND REPLACEMENTS	PLANT FUNDS RETIREMENT OF INDEBTEDNESS	INVESTMENT IN PLANT
	UNRESTRICTED	RESTRICTED					
REVENUES AND OTHER ADDITIONS:							
EDUCATIONAL AND GENERAL REVENUES	112,196,280.33						
HOSPITALS REVENUES	125,096,817.37						
AUXILIARY ENTERPRISES REVENUES	7,140,173.80						
GRANTS AND CONTRACTS:							
FEDERAL		16,223,781.59					
STATE AND LOCAL		2,788,055.28					
PRIVATE		1,133,467.73					
GOVERNMENT APPROPRIATIONS:							
FEDERAL							
STATE			1,892.63	1,399,000.15	1,971,091.00	5,390.02	
INVESTMENT INCOME, GAINS/LOSS					252,144.29		
INSURANCE PROCEEDS							
INTEREST ON LOANS RECEIVABLE							
GIFTS AND BEQUESTS			21,691.93	1,324,324.84	262,686.90	17,931.68	
EXPENDED FOR PLANT FACILITIES (INCLUDING							14,431,497.17
\$1,006,430.98 CURRENT FUNDS EXPENDITURES)							
RETIREMENT OF INDEBTEDNESS							3,600,000.00
PROCEEDS FROM SALE OF CAPITAL ASSETS							
OTHER SOURCES		8,598,354.02		6,222.88	354,825.92		207,702.45
TOTAL REVENUES AND OTHER ADDITIONS	244,433,271.30	28,743,658.62	23,584.56	2,729,547.87	2,840,748.11	23,321.70	18,239,199.62
EXPENDITURES AND OTHER DEDUCTIONS:							
EDUCATIONAL AND GENERAL EXPENDITURES	102,073,287.68						
HOSPITALS EXPENDITURES	124,504,914.63						
AUXILIARY ENTERPRISES EXPENDITURES	6,479,246.39						
INDIRECT COSTS RECOVERED	1,948,870.55						
REFUNDED TO GRANTORS	12,329.19						
RETIREMENT OF INDEBTEDNESS							
ADMINISTRATIVE AND COLLECTION COSTS							
EXPENDED FOR PLANT FACILITIES (INCLUDING			423.00		13,927,798.53		
\$502,732.34 FOR NON-CAPITALIZED EXPENDITURES)							3,600,000.00
INTEREST ON INDEBTEDNESS							
DEPRECIATION EXPENSES OF PLANT FACILITIES							
DISPOSAL OF PLANT							
LOSS ON DISPOSAL OF PLANT							
OTHER DEDUCTIONS			12,049.22	98,804.82		(4,691.08)	
TOTAL EXPENDITURES AND OTHER DEDUCTIONS	233,057,448.70	27,769,564.29	12,472.22	98,804.82	13,927,798.53	6,259,236.69	10,395,913.43
TRANSFERS AMONG FUNDS-ADDITIONS/(DEDUCTIONS):							
MANDATORY:							
PRINCIPAL AND INTEREST	(7,438,685.79)				(1,042,103.91)	8,480,789.70	
FINANCIAL AID MATCHING	(60,204.00)	60,204.00					
NON-MANDATORY:							
FUNDED DEPRECIATION	(2,462,180.80)				2,462,180.80		
MOBILE RACING COMMISSION	(22,458.40)				22,458.40		
PLANT ADDITIONS AND REPLACEMENTS	(4,354,471.25)				4,354,471.25		
ENDOWMENT FUND	(1,501,151.66)				(22,458.40)		
OTHER TRANSFERS	553,666.76	75,467.16			401,539.64		
TOTAL TRANSFERS	(15,285,485.14)	(848,594.80)			61,760,877.78	65,781.25	(426,316.25)
NET INCREASE/(DECREASE) FOR THE PERIOD	(3,909,662.54)	(712,923.64)	0.00	1,702,066.30	6,176,087.78	8,546,570.95	(426,316.25)
FUND BALANCES AT OCTOBER 1, 2009	10,265,106.17	281,170.69	11,112.34	4,332,809.35	(4,910,962.64)	2,310,655.96	7,416,969.94
FUND BALANCES AT FEBRUARY 28, 2010	6,355,443.63	17,473,383.72	409,931.83	85,607,518.82	96,284,642.69	5,431,985.78	191,506,251.57
		17,434,564.41	421,044.17	89,940,328.17	91,373,680.05	7,742,641.74	198,923,221.51

*HOSPITALS REVENUES AND HOSPITAL FUNDED DEPRECIATION TRANSFERS INCLUDE \$954,095.80 IN MEDICAID DISPROPORTIONATE SHARE PAYMENTS.

UNIVERSITY OF SOUTH ALABAMA
STATEMENT OF CURRENT FUNDS REVENUES, EXPENDITURES AND OTHER CHANGES
FOR THE FIVE MONTHS ENDED FEBRUARY 28, 2010
WITH COMPARATIVE FIGURES FOR 2009

	MONTH ENDED FEBRUARY 28, 2010		
	UNRESTRICTED	RESTRICTED	TOTAL
REVENUES:	\$	\$	\$
TUITION AND FEES	42,800,637.73		42,800,637.73
STATE APPROPRIATIONS	38,087,913.85		38,087,913.85
MOBILE RACING COMMISSION	22,458.40		22,458.40
FEDERAL GRANTS AND CONTRACTS	1,651,886.89	21,308,833.52	22,960,720.41
STATE GRANTS AND CONTRACTS (INCLUDING INDIRECT COST RECOVERED OF \$164,158.30)	232,418.21	2,129,660.14	2,362,078.35
PRIVATE GIFTS, GRANTS, AND CONTRACTS (INCLUDING INDIRECT COSTS RECOVERED OF \$132,825.36)	20,974,016.46	968,540.38	21,942,556.84
INVESTMENT INCOME	162,137.57		162,137.57
SALES AND SERVICES OF EDUCATIONAL ACTIVITIES	1,716,228.36		1,716,228.36
HOSPITALS - SALES AND SERVICES	121,508,801.22		121,508,801.22
- STATE APPROPRIATIONS	3,588,016.15		3,588,016.15
AUXILIARY ENTERPRISES - SALES AND SERVICES	7,140,173.60		7,140,173.60
OTHER SOURCES	6,548,582.84	1,401,330.51	7,949,913.35
TOTAL CURRENT REVENUES	244,433,271.30	25,808,364.55	270,241,635.85
EXPENDITURES AND TRANSFERS:			
EDUCATIONAL AND GENERAL:			
INSTRUCTION	39,375,526.86	7,966,031.44	47,341,558.30
RESEARCH	3,351,721.99	4,970,322.52	8,322,044.51
PUBLIC SERVICE	20,742,295.57	586,433.94	21,328,729.51
ACADEMIC SUPPORT	7,030,797.26	51,210.40	7,082,007.66
STUDENT SERVICES	10,163,765.34	459,376.55	10,623,141.89
INSTITUTIONAL SUPPORT	9,958,863.49	369,321.22	10,328,184.71
OPERATION AND MAINTENANCE OF PLANT	8,350,315.18	2,865,366.81	11,215,681.99
SCHOLARSHIPS	3,100,001.99	8,540,301.57	11,640,303.56
EDUCATIONAL AND GENERAL	102,073,287.66	25,808,364.55	127,881,652.23
MANDATORY TRANSFERS FOR:			
PRINCIPAL AND INTEREST	4,506,086.35		4,506,086.35
FINANCIAL AID MATCHING	60,204.00		60,204.00
TOTAL EDUCATIONAL AND GENERAL	106,639,578.03	25,808,364.55	132,447,942.58
HOSPITALS (INCLUDING DEBT SERVICE OF \$2,107,170.14)	126,612,084.77		126,612,084.77
AUXILIARY ENTERPRISES:			
EXPENDITURES	6,479,246.39		6,479,246.39
MANDATORY TRANSFERS FOR:			
PRINCIPAL AND INTEREST	825,429.30		825,429.30
NON-MANDATORY TRANSFERS FOR:			
OTHER TRANSFERS	0.00		0.00
TOTAL AUXILIARIES	7,304,675.69	0.00	7,304,675.69
TOTAL EXPENDITURES AND TRANSFERS	240,556,338.49	25,808,364.55	266,364,703.04
OTHER TRANSFERS AND ADDITIONS/(DEDUCTIONS):			
EXCESS OF RESTRICTED RECEIPTS OVER TRANSFERS TO REVENUES		986,423.52	986,423.52
REFUNDED TO GRANTORS		(12,329.19)	(12,329.19)
FUNDED DEPRECIATION		(2,462,180.80)	(2,462,180.80) *
MOBILE RACING COMMISSION		(22,458.40)	(22,458.40)
PLANT ADDITIONS AND REPLACEMENTS		75,467.16	(4,354,471.25)
ENDOWMENT FUND		(1,501,151.66)	(1,425,664.50)
OTHER TRANSFERS		553,666.76	(788,390.80)
TOTAL TRANSFERS		261,170.69	(7,525,424.66)
NET INCREASE/(DECREASE) IN FUND BALANCES	\$	\$	\$
	(3,909,662.54)	261,170.69	(3,648,491.85)
			(15,556,567.68)

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS.

*HOSPITALS REVENUES AND HOSPITAL FUNDED DEPRECIATION TRANSFERS INCLUDE \$954,095.80 IN MEDICAID DISPROPORTIONATE SHARE PAYMENTS.

UNIVERSITY OF SOUTH ALABAMA
Notes to Financial Report

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTS

The accompanying financial reports are the responsibility of management of the University of South Alabama. Management is responsible for adopting sound accounting policies, for maintaining an adequate and effective system of accounts, for the safeguarding of assets and for devising a system of internal control that will, among other things, help assure the production of proper financial statements. The transactions which should be reflected in the accounts and in the financial reports are matters within the direct knowledge and control of management.

BASIS OF PRESENTATION

The financial reports of the University of South Alabama (the University) are prepared on the accrual basis. The statement of current funds revenues, expenditures and other changes is a statement of financial activities of current funds related to the current reporting period. It does not purport to present the results of operations as would a statement of income or a statement of revenues and expenses.

To the extent that current funds are used to finance plant assets, the amounts so provided are accounted for as (1) expenditures, in the case of normal replacement of movable equipment and library books; (2) mandatory transfers, in the case of required provisions for debt amortization and interest and equipment renewal and replacement; and, (3) transfers of a nonmandatory nature in all other cases.

FUND ACCOUNTING

In order to observe limitations and restrictions placed on the use of resources available to the University, the accounts of the University are maintained in accordance with the principles of fund accounting. Resources for various purposes are classified for accounting and reporting purposes into funds which may be used for specified activities or objectives. Separate accounts are maintained for each fund; however, in the accompanying financial statements funds that have similar characteristics have been combined into fund groups. Accordingly, all financial transactions have been recorded and reported by fund group.

Within each fund group, funds restricted by outside sources are so indicated and are distinguished from funds designated for specific purposes by authority of the Board of Trustees.

USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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.

UNIVERSITY OF SOUTH ALABAMA
Notes to Financial Report

CURRENT FUNDS

Current fund balances are separated into those which are unrestricted and those which are restricted by donors and grantors. Restricted funds may only be expended for the purpose indicated by the donor or grantor, whereas unrestricted funds are under the control of the University to use in achieving its educational purposes.

PLANT FUNDS

Plant funds include the transactions related to investment in institutional properties and related indebtedness.

Plant assets consisting of land, buildings, equipment and library books are stated at cost or, if contributed, at fair market value at the time of receipt. Investment in plant is reduced for disposals of plant assets.

Some equipment purchases are made from current funds and are presented under the appropriate functional classification of expenditures, while other additions are funded by transfers from unrestricted current funds to the plant funds. All such expenditures in excess of \$5,000 having a life of two years or more are capitalized as investment in plant.

INVESTMENT IN POOLED FUNDS

Investments are stated at cost, except those received by gift which are stated at fair market value at date of receipt. Endowment investments of the University are maintained and administered in a common pool. Separate accounts are maintained for each fund, as applicable. Depositories and other financial institutions that held investments for the University have pledged securities of various governmental agencies to secure funds held on deposit.

UNRESTRICTED GIFTS

Except for pledged operating and capital gifts, unrestricted gifts are recognized as revenue when received. Certain operating and capital pledges are recorded as a receivable, along with the corresponding revenue, when such pledges are made.

GRANTS AND CONTRACTS

The University has been awarded grants and contracts for current funds operations for which the funds have not been received nor have expenditures been made for the purpose specified in the grant or contract. These awards have not been reflected in the financial reports, but represent commitments of sponsors to provide funds for specific research and training projects.

UNIVERSITY OF SOUTH ALABAMA
Notes to Financial Report

SCHOLARSHIPS AND FELLOWSHIPS

The University receives funds which are restricted by donors and grantors for assistance to qualified students. When these funds are granted to students, the University records the expenditure for scholarships and fellowships along with the corresponding revenue.

INCOME TAXES

The Internal Revenue Service has determined that the University is a tax-exempt organization; accordingly, no provision for income taxes has been made in the accompanying financial statements.

DEFERRED REVENUES AND EXPENDITURES

Dormitory rentals, student tuition and other fees, together with related expenditures, are deferred and amortized over the applicable academic semester.

EMPLOYEE BENEFITS

Employees of the University are covered by two pension plans, a defined contribution pension plan and a pension plan administered by the Teachers' Retirement System of the State of Alabama (the Retirement Plan).

The defined contribution pension plan covers certain academic and administrative employees and contributions under this plan are funded as accrued.

Permanent employees of the University participate in the Teachers' Retirement System of Alabama. The Retirement Plan is fully funded by the State and by contributions from participating employees. The University contributes 12.07% of each employee's gross earnings to the Retirement Plan and is reflected in current funds expenditures. All covered employees must contribute 5% of their gross earnings to the Retirement Plan. Benefits fully vest after 10 years of full-time, permanent employment.

LIABILITY INSURANCE

The University and certain of its affiliates participate in professional and general liability trust funds. These trust funds are irrevocable and use contributions by the University and its affiliates, together with earnings thereon, to pay liabilities arising from the performance of its employees. Contributions to the trusts are recorded as expenditures upon payment and are determined by independent actuaries. If the trust funds are ever terminated, appropriate provision for payment of reported claims will be made and any remaining balance will be distributed to the University and its affiliates in proportion to contributions made.

UNIVERSITY OF SOUTH ALABAMA
Notes to Financial Report

BONDS PAYABLE

Bonds payable consist of the following:

- University Tuition Revenue Refunding and Capital Improvements Bonds, Series 1996, 3.80% to 5.00%, payable through November 2015 (refunded in January 2007)
- University Tuition Revenue Bonds, Series 1999, 3.70% to 5.25%, payable through November 2018.
- University Tuition Revenue Refunding and Capital Improvement Bonds, Series 2004, 2.00% to 5.00%, payable through March 2024.
- University Tuition Revenue Refunding and Capital Improvement Bonds, Series 2006, 5.00% payable through June 2037.
- University Facilities Revenue Capital Improvement Bonds, Series 2008, 3.00% to 5.00%, payable through August 2038.

LITIGATION

Various other claims have been filed against the University alleging discriminatory employment practices and other matters. University administration and legal counsel are of the opinion that the resolution of these matters will not have a material effect on the financial position or results of operations of the University.

MEDICAID DISPROPORTIONATE SHARE PAYMENTS

Hospitals revenues include funds received from the Alabama Medicaid Agency for services provided to a disproportionately high number of low income patients.

SUPPLEMENTAL SCHEDULES

**SUMMARY SCHEDULE OF AUXILIARY ENTERPRISES
REVENUES, EXPENDITURES AND OTHER CHANGES
FOR THE FIVE MONTHS ENDED FEBRUARY 28, 2010
WITH COMPARATIVE FIGURES FOR 2009**

	<u>REVENUES</u>	<u>EXPENDITURES</u>	<u>TRANSFERS</u>	<u>EXCESS REVENUES OVER EXPENDITURES AND OTHER CHANGES (DEFICIT)</u>	
				<u>02/28/10</u>	<u>02/28/09</u>
BOOKSTORE	\$ 3,491,460.67	\$ 3,263,793.58	\$ 0.00	\$ 227,667.09	\$ 289,498.02
BROOKLEY CENTER	756,078.20	982,876.24	0.00	(226,798.04)	(311,335.35)
FOOD SERVICES-CAMPUS	156,169.38	68,863.78	0.00	87,305.60	54,557.54
HOUSING	2,736,465.35	2,163,712.79	(825,429.30)	(252,676.74)	(251,054.94)
TOTAL	<u>\$ 7,140,173.60</u>	<u>\$ 6,479,246.39</u>	<u>\$ (825,429.30)</u>	<u>\$ (164,502.09)</u>	<u>\$ (218,334.73)</u>

BOOKSTORE
STATEMENT OF REVENUES, EXPENDITURES AND OTHER CHANGES
FOR THE FIVE MONTHS ENDED FEBRUARY 28, 2010
WITH COMPARATIVE FIGURES FOR 2009

	<u>02/28/10</u>	<u>02/28/09</u>
REVENUES:		
SALES	\$ 3,448,998.52	\$ 3,547,147.34
LESS: DEPARTMENTAL DISCOUNTS	1,497.67	2,046.98
COST OF GOODS SOLD	<u>2,510,035.44</u>	<u>2,569,938.86</u>
GROSS PROFIT	937,465.41	975,161.50
CASH OVER/(SHORT)	141.81	(897.69)
GRADUATION (NET)	19,301.00	17,368.50
BAD DEBT RECOVERY	0.00	0.00
OTHER	<u>23,019.34</u>	<u>18,940.79</u>
NET REVENUES:	<u>979,927.56</u>	<u>1,010,573.10</u>
EXPENDITURES:		
SALARIES	311,173.40	282,068.95
EMPLOYEE BENEFITS	102,983.96	93,729.63
SUPPLIES	7,765.33	14,892.44
TRAVEL	2,009.68	2,352.20
EQUIPMENT	4,942.05	3,308.72
EQUIPMENT MAINTENANCE AND REPAIR	19,800.20	23,395.28
BUILDING & EQUIPMENT RENTAL	9,815.69	1,185.12
UTILITIES	31,250.00	31,250.00
TELEPHONE	5,917.07	2,848.35
INSURANCE AND BONDS	2,036.00	2,240.00
CONTRACT SERVICES	89,586.95	87,642.29
BAD DEBT EXPENSE	0.00	0.00
RENT	0.00	8,325.00
OBSOLETE INVENTORY	0.00	1,448.68
GENERAL EXPENSES	26,666.28	28,421.11
CHARGE CARD AND FACULTY		
STAFF DISCOUNTS	16,019.71	15,673.16
INSTITUTIONAL COST ALLOCATION	<u>122,294.15</u>	<u>122,294.15</u>
TOTAL EXPENDITURES	<u>752,260.47</u>	<u>721,075.08</u>
TRANSFERS AMONG FUNDS-		
ADDITIONS/(DEDUCTIONS):		
MANDATORY:		
PRINCIPAL AND INTEREST	0.00	0.00
NON-MANDATORY:		
OTHER TRANSFERS	0.00	0.00
RENEWAL AND REPLACEMENT	0.00	0.00
RETIREMENT REIMBURSEMENT	0.00	0.00
TOTAL TRANSFERS	<u>0.00</u>	<u>0.00</u>
EXCESS REVENUES OVER EXPENDITURES		
AND MANDATORY TRANSFERS	<u>\$ 227,667.09</u>	<u>\$ 289,498.02</u>

BROOKLEY CENTER
STATEMENT OF REVENUES, EXPENDITURES AND OTHER CHANGES
FOR THE FIVE MONTHS ENDED FEBRUARY 28, 2010
WITH COMPARATIVE FIGURES FOR 2009

	ADMINISTRATION	INVESTMENT HOUSING	GOLF SHOP	FOOD SERVICE	TOTAL AUXILIARY SERVICES
REVENUES:					
SALES-FOOD & MERCHANDISE	\$ 0.00	\$ 0.00	\$ 6,945.73	\$ 0.00	\$ 6,945.73
LESS: COST OF GOODS SOLD	0.00	0.00	3,732.36	0.00	3,732.36
DISCOUNTS	0.00	0.00	(329.59)	0.00	(329.59)
GROSS PROFIT	0.00	0.00	3,542.96	0.00	3,542.96
FEES	75.00	0.00	108,956.02	10,743.22	119,699.24
RENTALS	11,665.00	281,854.38	0.00	0.00	281,854.38
OTHER	2,749.67	100.00	6.34	0.00	106.34
FACILITY ASSESSMENT FEE	20,835.00	0.00	0.00	0.00	0.00
NET REVENUES	35,324.67	281,954.38	112,505.32	10,743.22	405,202.92
EXPENDITURES:					
OPERATING EXPENDITURES:					
SALARIES	247,109.77	28,179.97	74,138.50	0.00	102,318.47
EMPLOYEE BENEFITS	88,960.74	6,132.36	24,432.02	0.00	30,564.38
SUPPLIES	23,515.06	407.46	13,739.07	310.20	14,456.73
TRAVEL	787.46	0.00	0.00	0.00	0.00
CONTRACT SERVICE	25,506.69	34,337.79	27,408.49	1,492.00	63,236.28
BUILDING MAINTENANCE & REPAIR	3,893.24	20,756.72	1,035.31	0.00	21,792.03
GROUPS MAINTENANCE	6,495.46	4,276.77	4,875.01	0.00	9,151.78
UTILITIES	79,744.11	51,854.76	13,477.33	21,690.12	87,022.21
EQUIPMENT MAINTENANCE & REPAIR	729.45	1,089.45	13,736.39	1,077.45	15,903.29
BUILDING & EQUIPMENT RENTAL	1,198.14	0.00	8,184.04	977.60	9,161.64
TELEPHONE	6,461.33	0.00	289.59	1.36	290.95
INSURANCE AND BONDS	41,690.00	0.00	0.00	1,988.00	1,988.00
RECEPTIONS	0.00	0.00	0.00	0.00	0.00
ADVERTISING	2,974.65	1,564.83	1,067.15	0.00	2,631.98
BAD DEBT EXPENSE	0.00	0.00	0.00	0.00	0.00
GENERAL EXPENSES	32,926.90	513.60	6,113.30	438.36	7,071.26
EXPENSE OFFSET	0.00	0.00	0.00	0.00	0.00
EDUCATIONAL SUPPORT ALLOCATIONS	0.00	0.00	0.00	0.00	0.00
OPERATING COST ALLOCATIONS	(526,668.33)	147,467.12	0.00	21,066.73	168,533.85
TOTAL OPERATING EXPENDITURES	35,324.67	296,580.83	188,502.20	49,041.82	534,124.85
EXCESS REVENUES OVER EXPENDITURES	0.00	(14,626.45)	(75,996.88)	(38,298.60)	(128,921.93)
OTHER EXPENDITURES:					
EQUIPMENT	0.00	3,596.40	0.00	0.00	3,596.40
OTHER COST ALLOCATIONS	0.00	0.00	0.00	0.00	0.00
TOTAL OTHER EXPENDITURES	0.00	3,596.40	0.00	0.00	3,596.40
TRANSFERS AMONG FUNDS -					
ADDITIONS/(DEDUCTIONS):					
MANDATORY:					
PRINCIPAL AND INTEREST	0.00	0.00	0.00	0.00	0.00
NON-MANDATORY:					
OTHER NON-MANDATORY TRANSFERS	0.00	0.00	0.00	0.00	0.00
TOTAL TRANSFERS	0.00	0.00	0.00	0.00	0.00
EXCESS REVENUES OVER					
EXPENDITURES (DEFICIT)	\$ 0.00	\$ (18,222.85)	\$ (75,996.88)	\$ (38,298.60)	\$ (132,518.33)

BROOKLEY CENTER
STATEMENT OF REVENUES, EXPENDITURES AND OTHER CHANGES
FOR THE FIVE MONTHS ENDED FEBRUARY 28, 2010
WITH COMPARATIVE FIGURES FOR 2009

	CONTINUING EDUCATION	EDUCATIONAL LEASING	UNIVERSITY SERVICE	TOTAL EDUCATIONAL SERVICES	BROOKLEY CENTER TOTAL 02/28/10	BROOKLEY CENTER TOTAL 02/28/09
REVENUES:						
SALES-FOOD & MERCHANDISE	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 6,945.73	\$ 10,446.83
LESS: COST OF GOODS SOLD	0.00	0.00	0.00	0.00	3,732.36	6,843.45
DISCOUNTS	230.80	0.00	0.00	230.80	(98.79)	2,307.29
GROSS PROFIT	(230.80)	0.00	0.00	(230.80)	3,312.16	1,296.09
FEES	64,492.06	198,931.59	0.00	263,423.65	383,197.89	465,235.14
RENTALS	0.00	0.00	0.00	0.00	293,519.38	313,607.62
OTHER	600.00	48,124.19	0.00	48,724.19	51,580.20	(29,971.86)
FACILITY ASSESSMENT FEE	0.00	0.00	0.00	0.00	20,835.00	20,835.00
NET REVENUES	64,861.26	247,055.78	0.00	311,917.04	752,444.63	771,001.99
EXPENDITURES:						
OPERATING EXPENDITURES:						
SALARIES	15,219.68	0.00	0.00	15,219.68	364,647.92	394,757.82
EMPLOYEE BENEFITS	4,712.46	0.00	0.00	4,712.46	124,237.58	137,147.15
SUPPLIES	7,146.29	3,346.79	0.00	10,493.08	48,464.87	42,748.35
TRAVEL	0.00	0.00	0.00	0.00	787.46	1,257.63
CONTRACT SERVICE	2,558.26	3,868.59	0.00	6,426.85	95,171.82	94,251.63
BUILDING MAINTENANCE & REPAIR	2,149.78	6,420.88	0.00	8,570.66	34,255.93	34,911.27
GROUND MAINTENANCE	0.00	0.00	0.00	0.00	15,847.24	19,100.37
UTILITIES	60,865.63	45,336.16	0.00	106,221.79	272,988.11	236,989.46
EQUIPMENT MAINTENANCE & REPAIR	432.57	122.43	0.00	555.00	17,187.74	28,937.39
BUILDING & EQUIPMENT RENTAL	0.00	0.00	0.00	0.00	10,359.78	10,692.89
TELEPHONE	0.00	0.00	0.00	0.00	6,752.28	10,792.68
INSURANCE AND BONDS	2,040.00	0.00	0.00	2,040.00	45,718.00	45,512.00
RECEPTIONS	0.00	0.00	0.00	0.00	0.00	876.50
ADVERTISING	8,764.00	0.00	0.00	8,764.00	14,390.63	10,818.80
BAD DEBT EXPENSE	0.00	0.00	0.00	0.00	0.00	0.00
GENERAL EXPENSES	1,500.00	0.00	0.00	1,500.00	59,573.33	80,431.66
EXPENSE OFFSET	0.00	18,075.17	0.00	19,575.17	0.00	(14,187.50)
EDUCATIONAL SUPPORT ALLOCATIONS	0.00	0.00	(138,091.65)	(138,091.65)	(138,091.65)	(91,610.85)
OPERATING COST ALLOCATIONS	110,600.36	89,533.82	158,000.50	358,134.48	972,091.04	0.00
TOTAL OPERATING EXPENDITURES	216,029.03	166,703.64	19,908.85	402,641.52	(219,646.41)	1,043,427.25
EXCESS REVENUES OVER EXPENDITURES	(151,167.77)	80,352.14	(19,908.85)	(90,724.48)	7,151.63	(272,425.26)
OTHER EXPENDITURES:						
EQUIPMENT	3,555.23	0.00	0.00	3,555.23	7,151.63	14,547.79
OTHER COST ALLOCATIONS	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL OTHER EXPENDITURES	3,555.23	0.00	0.00	3,555.23	7,151.63	14,547.79
TRANSFERS AMONG FUNDS -						
ADDITIONS/(DEDUCTIONS):						
MANDATORY:						
PRINCIPAL AND INTEREST	0.00	0.00	0.00	0.00	0.00	(29,680.00)
OTHER NON-MANDATORY TRANSFERS	0.00	0.00	0.00	0.00	0.00	5,317.70
TOTAL TRANSFERS	0.00	0.00	0.00	0.00	0.00	(24,362.30)
EXCESS REVENUES OVER						
EXPENDITURES (DEFICIT)	\$ (154,723.00)	\$ 80,352.14	\$ (19,908.85)	\$ (94,279.71)	\$ (226,796.04)	\$ (311,335.35)

FOOD SERVICE
STATEMENT OF REVENUES, EXPENDITURES AND OTHER CHANGES
FOR THE FIVE MONTHS ENDED FEBRUARY 28, 2010
WITH COMPARATIVE FIGURES FOR 2009

	<u>02/28/10</u>	<u>02/28/09</u>
REVENUES:		
COMMISSION INCOME	\$ 156,169.38	\$ 124,265.90
TOTAL REVENUES	<u>156,169.38</u>	<u>124,265.90</u>
EXPENDITURES:		
SALARIES	0.00	0.00
EMPLOYEE BENEFITS	0.00	0.00
SUPPLIES	458.13	310.73
EQUIPMENT MAINTENANCE AND REPAIR	17,413.05	16,444.04
UTILITIES	27,083.35	27,083.35
TELEPHONE	101.75	27.44
MEMBERSHIPS AND DUES	0.00	0.00
CONTRACT SERVICES	4,285.85	4,798.68
INSURANCE AND BONDS	11,149.00	12,269.00
EQUIPMENT	0.00	0.00
BUILDING MAINTENANCE AND REPAIR	1,310.00	1,567.00
INDIRECT COST	6,742.50	6,742.50
GENERAL EXPENSE	<u>320.15</u>	<u>465.62</u>
TOTAL EXPENDITURES	<u>68,863.78</u>	<u>69,708.36</u>
TRANSFERS AMONG FUNDS- ADDITIONS/(DEDUCTIONS):		
NON-MANDATORY:		
OTHER TRANSFERS	<u>0.00</u>	<u>0.00</u>
TOTAL TRANSFERS		
EXCESS REVENUES OVER EXPENDITURES AND MANDATORY TRANSFERS (DEFICIT)	<u>\$ 87,305.60</u>	<u>\$ 54,557.54</u>

HOUSING
STATEMENT OF REVENUES, EXPENDITURES, AND OTHER CHANGES
FOR THE FIVE MONTHS ENDED FEBRUARY 28, 2010
WITH COMPARATIVE FIGURES FOR 2009

	CENTRAL HOUSING	HOUSING PROGRAMMING	WASHERS AND DRYERS	OLD SHELL ROAD HOUSING	HILLSDALE MARRIED STUDENT	SMALL GROUP HOUSING
REVENUES:						
RENTAL INCOME	\$ 0.00	\$ 0.00	\$ 108,020.00	\$ 0.00	\$ 34,909.00	\$ 163,384.68
BAD DEBT RECOVERY	1,116.00	0.00	0.00	0.00	124.92	0.00
OTHER	50.00	0.00	0.00	0.00	1,934.27	41,521.54
TOTAL REVENUES	<u>1,166.00</u>	<u>0.00</u>	<u>108,020.00</u>	<u>0.00</u>	<u>36,968.19</u>	<u>204,906.22</u>
EXPENDITURES:						
SALARIES	147,083.35	49,439.47	0.00	0.00	66,048.52	27,655.00
EMPLOYEE BENEFITS	45,602.42	0.00	0.00	0.00	26,496.81	5,663.44
CONTRACT LABOR	0.00	0.00	0.00	0.00	0.00	0.00
CONTRACT SERVICES	340.50	0.00	57,171.00	0.00	4,063.17	5,784.92
TRAVEL	3,129.37	385.00	0.00	0.00	0.00	0.00
RECEPTIONS	0.00	6,934.35	0.00	0.00	0.00	0.00
SUPPLIES	9,778.73	245.27	0.00	0.00	2,733.92	9,564.23
CABLE	64,147.41	0.00	0.00	0.00	36.56	0.00
TELEPHONE	119.30	0.00	0.00	0.00	602.48	445.08
UTILITIES	0.00	0.00	0.00	0.00	3,893.20	307.92
INSURANCE AND BONDS	0.00	0.00	0.00	0.00	2,231.00	7,629.00
BUILDING MAINTENANCE AND REPAIR	0.00	0.00	0.00	0.00	0.00	674.00
EQUIPMENT	374.44	0.00	0.00	0.00	0.00	3,447.42
EQUIPMENT RENTAL	847.00	0.00	0.00	0.00	0.00	0.00
EQUIPMENT MAINTENANCE AND REPAIR	0.00	0.00	0.00	0.00	95.39	396.03
GROUPS MAINTENANCE	0.00	0.00	0.00	0.00	0.00	0.00
GENERAL EXPENSES	28,109.41	37.25	0.00	0.00	1,916.02	0.00
ADMINISTRATIVE OVERHEAD	191,273.75	0.00	0.00	0.00	0.00	34,041.25
ADMINISTRATIVE EXPENSES	(489,306.55)	(57,041.34)	20,214.87	0.00	2,185.41	50,810.35
TOTAL EXPENDITURES	<u>1,499.13</u>	<u>0.00</u>	<u>77,385.87</u>	<u>0.00</u>	<u>110,302.48</u>	<u>146,418.64</u>
TRANSFERS AMONG FUNDS -						
ADDITIONS/(DEDUCTIONS):						
MANDATORY:						
PRINCIPAL AND INTEREST	0.00	0.00	0.00	0.00	0.00	(379,395.00)
TOTAL MANDATORY TRANSFERS	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>(379,395.00)</u>
NON-MANDATORY:						
OTHER NON-MANDATORY TRANSFERS	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL NON-MANDATORY TRANSFERS	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
TOTAL TRANSFERS	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>(379,395.00)</u>
EXCESS REVENUES OVER EXPENDITURES	\$ (333.13)	\$ 0.00	\$ 30,634.13	\$ 0.00	\$ (73,334.29)	\$ (320,907.42)
AND TRANSFERS (DEFICIT)						

HOUSING
STATEMENT OF REVENUES, EXPENDITURES, AND OTHER CHANGES
FOR THE FIVE MONTHS ENDED FEBRUARY 28, 2010
WITH COMPARATIVE FIGURES FOR 2009

	GAMMA DORMS	BETA DORMS	DELTA DORMS	EPSILON DORMS	TOTAL HOUSING 02/28/10	TOTAL HOUSING 2/29/2009
REVENUES:						
RENTAL INCOME	\$ 491,962.68	\$ 311,188.33	\$ 1,137,259.21	\$ 412,330.05	\$ 2,659,053.95	\$ 2,504,001.11
BAD DEBT RECOVERY	0.00	0.00	0.00	0.00	1,240.92	3,912.15
OTHER	2,158.40	3,015.00	14,637.77	12,853.50	76,170.48	82,730.77
TOTAL REVENUES	<u>494,121.08</u>	<u>314,203.33</u>	<u>1,151,896.98</u>	<u>425,183.55</u>	<u>2,736,465.35</u>	<u>2,590,644.03</u>
EXPENDITURES:						
SALARIES	80,949.43	27,197.66	82,923.77	52,484.16	533,781.36	556,554.29
EMPLOYEE BENEFITS	18,451.26	6,816.49	18,533.67	6,657.31	128,221.40	146,542.57
CONTRACT LABOR	0.00	0.00	0.00	0.00	0.00	9,315.08
CONTRACT SERVICES	6,328.14	4,540.75	10,402.39	6,001.70	94,632.57	72,526.23
TRAVEL	0.00	0.00	0.00	0.00	3,514.37	1,959.54
RECEPTIONS	0.00	0.00	0.00	0.00	6,934.35	10,695.70
SUPPLIES	2,957.55	6,269.91	28,635.39	15,609.67	75,794.67	65,274.27
CABLE	0.00	0.00	0.00	0.00	64,183.97	63,834.26
TELEPHONE	22,212.72	10,401.30	53,209.44	17,734.36	104,724.68	101,297.91
UTILITIES	0.00	0.00	0.00	0.00	4,201.12	9,412.83
INSURANCE AND BONDS	12,762.00	6,550.00	17,885.00	5,729.00	52,786.00	62,602.00
BUILDING MAINTENANCE AND REPAIR	170.00	0.00	950.70	0.00	1,794.70	647.25
EQUIPMENT	0.00	0.00	0.00	0.00	3,821.86	0.00
EQUIPMENT RENTAL	0.00	0.00	0.00	0.00	847.00	1,934.75
EQUIPMENT MAINTENANCE AND REPAIR	0.00	0.00	678.68	0.00	1,170.10	1,277.50
GROUPS MAINTENANCE	0.00	0.00	0.00	0.00	0.00	800.00
GENERAL EXPENSES	35,355.00	23,989.92	81,943.54	34,611.55	205,962.69	203,067.99
ADMINISTRATIVE OVERHEAD	193,463.15	91,332.50	278,344.40	92,886.90	881,341.95	841,500.10
ADMINISTRATIVE EXPENSES	104,898.80	59,551.91	231,651.50	77,035.05	0.00	0.00
TOTAL EXPENDITURES	<u>477,548.05</u>	<u>236,650.44</u>	<u>805,158.48</u>	<u>308,749.70</u>	<u>2,163,712.79</u>	<u>2,149,242.27</u>
TRANSFERS AMONG FUNDS -						
ADDITIONS/(DEDUCTIONS):						
MANDATORY:						
PRINCIPAL AND INTEREST	(95,714.30)	(28,600.00)	(166,350.00)	(155,370.00)	(825,429.30)	(694,924.30)
TOTAL MANDATORY TRANSFERS	<u>(95,714.30)</u>	<u>(28,600.00)</u>	<u>(166,350.00)</u>	<u>(155,370.00)</u>	<u>(825,429.30)</u>	<u>(694,924.30)</u>
NON-MANDATORY:						
OTHER NON-MANDATORY TRANSFERS	0.00	0.00	0.00	0.00	0.00	2,467.60
TOTAL NON-MANDATORY TRANSFERS	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>2,467.60</u>
TOTAL TRANSFERS	<u>(95,714.30)</u>	<u>(28,600.00)</u>	<u>(166,350.00)</u>	<u>(155,370.00)</u>	<u>(825,429.30)</u>	<u>(692,456.70)</u>
EXCESS REVENUES OVER EXPENDITURES	\$ (79,141.27)	\$ 48,952.89	\$ 180,388.50	\$ (38,936.15)	\$ (252,676.74)	\$ (251,054.94)
AND TRANSFERS (DEFICIT)						

I N D E X **MARCH 2010**

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Financial Report Highlights

March 31, 2010

Introduction

This Financial Report presents the financial position and financial activity of the University of South Alabama utilizing the fund basis of accounting. The report presents the assets, liabilities and fund balances of each fund including the current funds (unrestricted and restricted), loan funds, endowment funds, and plant funds (renewals and replacements, retirement of indebtedness and investment in plant). The financial reporting requirements of the Governmental Accounting Standard Board, by which the University reports its quarterly financial statements, are not utilized in this monthly financial report.

Financial Highlights

Financial report highlights at, and for the six months ended, March 31, 2010 and 2009 are as follows (in thousands):

	At and for the six months ended	
	3-31-10	3-31-09
<i>Total assets, by fund</i>		
Current	\$ 192,242	\$ 174,973
Loan	4,800	4,771
Endowment	101,795	71,567
Plant	604,891	601,775
<i>Fund Balances, by fund</i>		
Current	\$ 22,116	\$ 33,859
Loan	426	438
Endowment	92,320	62,206
Plant	294,081	288,889
<i>Other balance sheet highlights</i>		
Cash and investments	\$ 264,246	\$ 292,851
Receivables, primarily patient care	68,524	61,984
Bonds and notes payable	301,591	304,487

	For the six months ended	
	3-31-10	3-31-09
<i>Selected operating highlights (current funds)</i>		
Tuition and fees	\$ 50,057	\$ 43,556
State appropriations	50,011	55,444
Hospital revenues	148,226	141,665
Gifts, grants and contracts	55,924	46,168
Instruction and academic support	65,628	65,533
Research and public service	35,541	34,010
Hospital expenses	153,967	152,620
Net current fund decrease	(5,322)	(15,161)

Financial Analysis

This report should be read in conjunction with the University's monthly financial reports and with the understanding of the cyclical nature of the University's operations. Certain revenues (tuition and fees, auxiliary enterprises, etc.) are received at specific times in the University's fiscal year while certain other revenue streams (hospital, state appropriations) are received throughout the year. Additionally, certain revenue and expense items fluctuate with changes in enrollment while others do not. As a result of these items, significant fluctuations of cash and investments along with other balance sheet items are normal.

Economic Outlook

While enrollment and tuition have increased in recent years, the University is experiencing a significant decrease in state appropriations in the fiscal 2010 year. Additionally, the University is subject to declines in general economic conditions in the United States and the State of Alabama. Recent declines in financial markets have had a significant impact on the value of the University's endowment. Further weakening of the economy could have a potential additional negative impact on other aspects of the University's operations.

UNIVERSITY OF SOUTH ALABAMA
BALANCE SHEETS
MARCH 2010 AND 2009

ASSETS		LIABILITIES AND FUND BALANCES	
	2010	2010	2009
CURRENT FUNDS:			
UNRESTRICTED:			
CASH AND CASH EQUIVALENTS	\$ 141,659.66	\$ 40,538.03	\$ 50,321,874.94
INVESTMENTS	78,048,556.64	73,372,234.11	17,740,617.03
ACCOUNTS RECEIVABLE - PATIENTS (LESS ALLOWANCE FOR DOUBTFUL ACCOUNTS OF \$46,052,476.76 FOR 2010 AND \$43,527,182.75 FOR 2009)			71,231,505.21
DEPOSITS	68,524,039.45	61,983,667.36	534,105.61
INVENTORIES AT COST	35,000.00	35,000.00	362,322.66
PREPAID EXPENSES	4,117,121.09	4,369,298.06	
	23,377,870.65	17,241,881.08	
TOTAL UNRESTRICTED	174,244,247.49	157,042,618.64	
RESTRICTED FUNDS:			
CASH AND CASH EQUIVALENTS	7,471,942.88	8,440,057.71	65,965.86
INVESTMENTS	7,458.21	11,529.60	1,150.00
UNBILLED COSTS AND ACCOUNTS RECEIVABLE	10,518,805.98	9,478,868.34	856,642.27
TOTAL RESTRICTED	17,998,207.07	17,930,453.65	17,006,695.52
TOTAL CURRENT FUNDS	192,242,454.56	174,973,072.29	174,973,072.29
LOAN FUNDS:			
CASH AND CASH EQUIVALENTS	1,007,535.53	575,757.07	150.00
NOTES RECEIVABLE (LESS ALLOWANCE FOR DOUBTFUL ACCOUNTS OF \$490,934.85 FOR 2010 AND \$500,533.16 FOR 2009)	3,792,490.48	4,195,621.63	4,333,038.93
TOTAL LOAN FUNDS	4,800,026.01	4,771,378.70	4,333,038.93
ENDOWMENT FUNDS:			
CASH AND CASH EQUIVALENTS	23,454,880.48	14,882,983.92	2,023,282.00
FUNDS WITH TRUSTEES	0.00	45,610.55	7,336,871.00
INVESTMENTS	73,288,352.76	52,169,260.26	24,729,291.39
PREPAID-LIFE ESTATE	3,713,116.00	988,429.00	37,477,137.34
REAL ESTATE HELD FOR RESALE	1,338,429.00	3,500,298.00	62,206,428.73
TOTAL ENDOWMENT FUNDS	101,794,778.24	71,566,581.73	71,566,581.73
PLANT FUNDS:			
CASH AND CASH EQUIVALENTS	15,350,103.84	120,388,544.09	1,603,855.16
INVESTMENTS	65,475,706.65	22,989,700.05	6,724,902.17
ACCOUNTS RECEIVABLE	1,740,664.00	1,799,284.00	27,791.67
NOTES RECEIVABLE	254,836.16	254,936.16	304,487,250.93
DUE FROM OTHER FUNDS	98,415,441.32	71,231,505.21	42,196.62
PREPAID EXPENSES	4,881,288.93	5,087,834.76	
CAPITAL LEASE RECEIVABLE	1,162,029.72	1,108,897.58	
INVESTMENT IN PLANT:			
LAND	29,232,252.32	29,232,252.32	
LAND IMPROVEMENTS	8,997,503.12	9,492,445.38	
BUILDINGS, ACCUM DEPREC AND IMPROVEMENTS	250,365,073.87	132,538,075.45	6,782,242.46
OTHER EQUIPMENT, BOOKS AND FILMS	54,077,597.67	53,842,236.91	18,786,086.89
CONSTRUCTION IN PROGRESS	74,938,034.31	153,809,604.40	263,320,990.41
TOTAL PLANT FUNDS	604,890,631.81	601,775,316.31	288,889,319.76
TOTAL ASSETS	\$ 903,727,890.62	\$ 853,086,349.03	\$ 853,086,349.03
CURRENT FUNDS:			
UNRESTRICTED:			
ACCOUNTS PAYABLE AND ACCRUED LIABILITIES	\$ 46,958,613.63	\$ 46,958,613.63	\$ 50,321,874.94
DEFERRED REVENUES	23,142,774.06	23,142,774.06	17,740,617.03
DUE TO OTHER FUNDS	98,415,441.32	98,415,441.32	71,231,505.21
DEPOSITS HELD IN CUSTODY	543,313.02	543,313.02	534,105.61
OTHER DEPOSITS	470,516.40	470,516.40	362,322.66
FUND BALANCES:			
ALLOCATED FOR:			
HOSPITALS	(34,106,726.11)	(34,106,726.11)	(27,039,064.55)
AUXILIARY ENTERPRISES	2,041,926.60	2,041,926.60	1,832,013.71
ENCUMBRANCES	2,911,766.26	2,911,766.26	3,150,805.59
SELF-SUPPORTING ACTIVITIES	41,143,478.54	41,143,478.54	47,673,024.85
UNALLOCATED	(7,276,856.23)	(7,276,856.23)	(8,764,386.41)
TOTAL FUND BALANCES	4,713,589.06	4,713,589.06	16,852,193.19
TOTAL UNRESTRICTED	174,244,247.49	157,042,618.64	157,042,618.64
RESTRICTED FUNDS:			
ACCOUNTS PAYABLE AND ACCRUED LIABILITIES	180,780.94	180,780.94	65,965.86
OTHER DEPOSITS	1,170.00	1,170.00	1,150.00
DEFERRED REVENUES	413,495.20	413,495.20	856,642.27
FUND BALANCES	17,402,760.93	17,402,760.93	17,006,695.52
TOTAL RESTRICTED	17,998,207.07	17,930,453.65	17,930,453.65
TOTAL CURRENT FUNDS	192,242,454.56	174,973,072.29	174,973,072.29
LOAN FUNDS:			
ACCOUNTS PAYABLE	0.00	0.00	150.00
REFUNDABLE GOVERNMENT ADVANCES	4,374,048.83	4,374,048.83	4,333,038.93
FUND BALANCES:			
UNIVERSITY FUNDS, UNRESTRICTED	425,977.18	425,977.18	438,189.77
TOTAL FUND BALANCES	425,977.18	425,977.18	438,189.77
TOTAL LOAN FUNDS	4,800,026.01	4,771,378.70	4,771,378.70
ENDOWMENT FUNDS:			
DEFERRED REVENUES	1,567,533.00	1,567,533.00	2,023,282.00
BONDS PAYABLE	7,907,064.00	7,907,064.00	7,336,871.00
FUND BALANCES:			
RESTRICTED NONEXPENDABLE	26,855,050.26	26,855,050.26	24,729,291.39
UNRESTRICTED EXPENDABLE	65,465,130.98	65,465,130.98	37,477,137.34
TOTAL FUND BALANCES	92,320,181.24	92,320,181.24	62,206,428.73
TOTAL ENDOWMENT FUNDS	101,794,778.24	71,566,581.73	71,566,581.73
PLANT FUNDS:			
ACCOUNTS PAYABLE AND ACCRUED LIABILITIES	3,120,959.78	3,120,959.78	1,603,855.16
DEFERRED REVENUES	6,068,974.04	6,068,974.04	6,724,902.17
OTHER DEPOSITS	27,791.67	27,791.67	27,791.67
BONDS PAYABLE	301,591,486.18	301,591,486.18	304,487,250.93
CAPITAL LEASE OBLIGATIONS	0.00	0.00	42,196.62
FUND BALANCES:			
RENEWALS AND REPLACEMENTS	89,893,526.67	89,893,526.67	6,782,242.46
RETIREMENT OF INDEBTEDNESS	4,149,378.59	4,149,378.59	18,786,086.89
INVESTMENT IN PLANT	200,038,514.88	200,038,514.88	263,320,990.41
TOTAL FUND BALANCES	294,081,420.14	294,081,420.14	288,889,319.76
TOTAL PLANT FUNDS	604,890,631.81	601,775,316.31	601,775,316.31
TOTAL LIABILITIES AND FUND BALANCES	\$ 903,727,890.62	\$ 853,086,349.03	\$ 853,086,349.03

UNIVERSITY OF SOUTH ALABAMA
STATEMENT OF CHANGES IN FUND BALANCES
FOR THE SIX MONTHS ENDED MARCH 31, 2010

	CURRENT FUNDS		LOAN FUNDS	ENDOWMENT FUNDS	RENEWALS AND REPLACEMENTS	PLANT FUNDS RETIREMENT OF INDEBTEDNESS	INVESTMENT IN PLANT
	UNRESTRICTED	RESTRICTED					
REVENUES AND OTHER ADDITIONS:							
EDUCATIONAL AND GENERAL REVENUES	133,863,299.55						
HOSPITALS REVENUES	152,531,864.12						
AUXILIARY ENTERPRISES REVENUES	8,059,765.52						
GRANTS AND CONTRACTS:							
FEDERAL		19,749,475.09					
STATE AND LOCAL		3,233,298.87					
PRIVATE		1,426,597.11					
GOVERNMENT APPROPRIATIONS:							
FEDERAL							
STATE			2,469.10	2,454,041.61	1,971,091.00	9,085.37	
INVESTMENT INCOME GAINS/LOSS					295,274.79		
INSURANCE PROCEEDS							
INTEREST ON LOANS RECEIVABLE							
GIFTS AND BEQUESTS			26,269.37	1,821,511.41	272,727.12	21,551.71	16,584,105.85
EXPENDED FOR PLANT FACILITIES (INCLUDING \$1,006,430.98 CURRENT FUNDS EXPENDITURES)							5,025,000.00
RETIREMENT OF INDEBTEDNESS							
PROCEEDS FROM SALE OF CAPITAL ASSETS							
OTHER SOURCES		9,071,401.09		6,222.88	412,500.17		251,433.34
TOTAL REVENUES AND OTHER ADDITIONS	294,454,929.19	33,480,772.16	28,739.07	4,281,775.90	2,951,593.08	30,637.08	21,860,538.99
EXPENDITURES AND OTHER DEDUCTIONS:							
EDUCATIONAL AND GENERAL EXPENDITURES	123,052,535.53						
HOSPITALS EXPENDITURES	151,454,860.60	30,118,499.84					
AUXILIARY ENTERPRISES EXPENDITURES	7,355,854.34						
INDIRECT COSTS RECOVERED		2,349,915.00					
REFUNDED TO GRANTORS		12,329.19					
RETIREMENT OF INDEBTEDNESS						5,025,000.00	
ADMINISTRATIVE AND COLLECTION COSTS			384.50				
EXPENDED FOR PLANT FACILITIES (INCLUDING \$502,732.34 FOR NON-CAPITALIZED EXPENDITURES)					16,121,412.36		12,475,643.18
INTEREST ON INDEBTEDNESS							
DEPRECIATION EXPENSES OF PLANT FACILITIES							
DISPOSAL OF PLANT							
LOSS ON DISPOSAL OF PLANT			12,309.22	196,824.82			
OTHER DEDUCTIONS			12,693.72	196,824.82	16,121,412.36	11,673,308.92	12,475,643.18
TOTAL EXPENDITURES AND OTHER DEDUCTIONS	281,863,250.47	32,480,744.03					
TRANSFERS AMONG FUNDS-ADDITIONS(DEDUCTIONS):							
MANDATORY:							
PRINCIPAL AND INTEREST	(8,926,042.56)						
FINANCIAL AID MATCHING	(60,204.00)	60,204.00			(1,250,523.59)	10,176,566.15	
NON-MANDATORY:							
FUNDED DEPRECIATION	(2,954,616.96)						
MOBILE RACING COMMISSION	(33,167.61)				2,954,616.96		
PLANT ADDITIONS AND REPLACEMENTS	(4,364,471.25)				33,167.61		
ENDOWMENT FUND	(1,818,412.83)				4,364,471.25		
OTHER TRANSFERS	13,719.38	75,795.40		1,775,785.04	(33,167.61)		
TOTAL TRANSFERS	(18,143,195.83)	(906,650.32)		851,926.30	710,138.64	183,498.50	(852,632.50)
NET INCREASE (DECREASE) FOR THE PERIOD	(5,551,517.11)	(770,650.92)	0.00	2,627,711.34	6,778,703.26	10,360,064.65	(852,632.50)
FUND BALANCES AT OCTOBER 1, 2009	10,265,106.17	229,377.21	16,045.35	6,712,662.42	(6,391,116.02)	(1,282,607.19)	8,532,263.31
FUND BALANCES AT MARCH 31, 2010	4,713,589.06	17,173,383.72	409,931.83	85,607,518.82	96,284,642.69	5,431,985.78	191,506,251.57
		17,402,760.93	425,977.18	92,320,161.24	89,893,526.67	4,149,378.59	200,038,514.88

*HOSPITALS REVENUES AND HOSPITAL FUNDED DEPRECIATION TRANSFERS INCLUDE \$1,144,914.96 IN MEDICAID DISPROPORTIONATE SHARE PAYMENTS.

UNIVERSITY OF SOUTH ALABAMA
STATEMENT OF CURRENT FUNDS REVENUES, EXPENDITURES AND OTHER CHANGES
FOR THE SIX MONTHS ENDED MARCH 31, 2010
WITH COMPARATIVE FIGURES FOR 2009

	MONTH ENDED MARCH 31, 2010		MARCH 31, 2009	
	UNRESTRICTED	RESTRICTED	TOTAL	
REVENUES:				
TUITION AND FEES	\$ 50,057,197.48	\$	\$ 50,057,197.48	\$
STATE APPROPRIATIONS	45,705,496.62		45,705,496.62	43,556,481.89
MOBILE RACING COMMISSION	33,167.61		33,167.61	50,528,176.18
FEDERAL GRANTS AND CONTRACTS	1,982,337.16	24,842,360.80	26,824,697.96	99,648.79
STATE GRANTS AND CONTRACTS (INCLUDING INDIRECT COST RECOVERED OF \$188,255.10)	282,581.01	2,540,806.93	2,823,387.94	18,122,579.83
PRIVATE GIFTS, GRANTS, AND CONTRACTS (INCLUDING INDIRECT COSTS RECOVERED OF \$169,322.74)	25,063,851.73	1,211,981.07	26,275,832.80	1,731,380.52
INVESTMENT INCOME	136,598.74		136,598.74	26,314,352.65
SALES AND SERVICES OF EDUCATIONAL ACTIVITIES	2,120,243.52		2,120,243.52	1,488,260.02
HOSPITALS - SALES AND SERVICES	148,226,244.74		148,226,244.74	1,955,176.89
- STATE APPROPRIATIONS	4,305,619.38		4,305,619.38	141,664,810.36
AUXILIARY ENTERPRISES - SALES AND SERVICES	8,059,765.52		8,059,765.52	4,915,834.00
OTHER SOURCES	8,481,825.68	1,523,351.04	10,005,176.72	8,030,342.74
TOTAL CURRENT REVENUES	294,454,929.19	30,118,499.84	324,573,429.03	7,770,327.54
				306,177,373.41
EXPENDITURES AND TRANSFERS:				
EDUCATIONAL AND GENERAL:				
INSTRUCTION	47,496,477.40	9,570,144.43	57,066,621.83	57,399,818.43
RESEARCH	4,020,988.81	6,061,633.66	10,102,622.47	11,171,162.49
PUBLIC SERVICE	24,705,397.52	732,581.96	25,437,979.48	22,838,551.06
ACADEMIC SUPPORT	8,499,832.67	61,452.48	8,561,285.15	8,133,399.04
STUDENT SERVICES	12,153,580.92	543,570.17	12,697,151.09	12,213,431.88
INSTITUTIONAL SUPPORT	12,341,688.82	372,685.87	12,714,374.69	15,053,586.94
OPERATION AND MAINTENANCE OF PLANT	10,750,173.98	4,120,072.31	14,870,246.29	11,775,100.62
SCHOLARSHIPS	3,084,395.41	8,636,368.96	11,720,764.37	9,026,902.30
EDUCATIONAL AND GENERAL	123,052,535.53	30,118,499.84	153,171,035.37	147,611,952.76
MANDATORY TRANSFERS FOR:				
PRINCIPAL AND INTEREST	5,423,386.62		5,423,386.62	5,964,967.62
FINANCIAL AID MATCHING	60,204.00		60,204.00	97,130.00
TOTAL EDUCATIONAL AND GENERAL	128,536,126.15	30,118,499.84	158,654,625.99	153,674,050.38
HOSPITALS (INCLUDING DEBT SERVICE OF \$2,512,140.78)	153,967,001.38		153,967,001.38	152,619,876.81
AUXILIARY ENTERPRISES:				
EXPENDITURES	7,355,854.34		7,355,854.34	7,510,492.12
MANDATORY TRANSFERS FOR:				
PRINCIPAL AND INTEREST	990,515.16		990,515.16	869,525.16
NON-MANDATORY TRANSFERS FOR:				
OTHER TRANSFERS	0.00		0.00	(7,785.30)
TOTAL AUXILIARIES	8,346,369.50	0.00	8,346,369.50	8,372,231.98
TOTAL EXPENDITURES AND TRANSFERS	290,849,497.03	30,118,499.84	320,967,996.87	314,666,155.17
OTHER TRANSFERS AND ADDITIONS/(DEDUCTIONS):				
EXCESS OF RESTRICTED RECEIPTS OVER TRANSFERS TO REVENUES		1,012,357.32	1,012,357.32	43,028.83
REFUNDED TO GRANTORS		(12,329.19)	(12,329.19)	(3,678.76)
FUNDED DEPRECIATION	(2,954,616.96)		(2,954,616.96) *	(3,512,085.00)
MOBILE RACING COMMISSION	(33,167.61)		(33,167.61)	(99,648.79)
PLANT ADDITIONS AND REPLACEMENTS	(4,364,471.25)		(4,364,471.25)	(4,586,289.07)
ENDOWMENT FUND	(1,818,412.83)	75,795.40	(1,742,617.43)	(1,509,783.89)
OTHER TRANSFERS	13,719.38	(845,446.32)	(831,726.94)	2,995,750.19
TOTAL TRANSFERS	(9,156,949.27)	228,377.21	(8,927,572.06)	(6,672,706.49)
NET INCREASE/(DECREASE) IN FUND BALANCES	\$ (5,551,517.11)	\$ 228,377.21	\$ (5,322,139.90)	\$ (15,161,491.25)

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS.

*HOSPITALS REVENUES AND HOSPITAL FUNDED DEPRECIATION TRANSFERS INCLUDE \$1,144,914.96 IN MEDICAID DISPROPORTIONATE SHARE PAYMENTS.

UNIVERSITY OF SOUTH ALABAMA
Notes to Financial Report

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTS

The accompanying financial reports are the responsibility of management of the University of South Alabama. Management is responsible for adopting sound accounting policies, for maintaining an adequate and effective system of accounts, for the safeguarding of assets and for devising a system of internal control that will, among other things, help assure the production of proper financial statements. The transactions which should be reflected in the accounts and in the financial reports are matters within the direct knowledge and control of management.

BASIS OF PRESENTATION

The financial reports of the University of South Alabama (the University) are prepared on the accrual basis. The statement of current funds revenues, expenditures and other changes is a statement of financial activities of current funds related to the current reporting period. It does not purport to present the results of operations as would a statement of income or a statement of revenues and expenses.

To the extent that current funds are used to finance plant assets, the amounts so provided are accounted for as (1) expenditures, in the case of normal replacement of movable equipment and library books; (2) mandatory transfers, in the case of required provisions for debt amortization and interest and equipment renewal and replacement; and, (3) transfers of a nonmandatory nature in all other cases.

FUND ACCOUNTING

In order to observe limitations and restrictions placed on the use of resources available to the University, the accounts of the University are maintained in accordance with the principles of fund accounting. Resources for various purposes are classified for accounting and reporting purposes into funds which may be used for specified activities or objectives. Separate accounts are maintained for each fund; however, in the accompanying financial statements funds that have similar characteristics have been combined into fund groups. Accordingly, all financial transactions have been recorded and reported by fund group.

Within each fund group, funds restricted by outside sources are so indicated and are distinguished from funds designated for specific purposes by authority of the Board of Trustees.

USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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.

UNIVERSITY OF SOUTH ALABAMA
Notes to Financial Report

CURRENT FUNDS

Current fund balances are separated into those which are unrestricted and those which are restricted by donors and grantors. Restricted funds may only be expended for the purpose indicated by the donor or grantor, whereas unrestricted funds are under the control of the University to use in achieving its educational purposes.

PLANT FUNDS

Plant funds include the transactions related to investment in institutional properties and related indebtedness.

Plant assets consisting of land, buildings, equipment and library books are stated at cost or, if contributed, at fair market value at the time of receipt. Investment in plant is reduced for disposals of plant assets.

Some equipment purchases are made from current funds and are presented under the appropriate functional classification of expenditures, while other additions are funded by transfers from unrestricted current funds to the plant funds. All such expenditures in excess of \$5,000 having a life of two years or more are capitalized as investment in plant.

INVESTMENT IN POOLED FUNDS

Investments are stated at cost, except those received by gift which are stated at fair market value at date of receipt. Endowment investments of the University are maintained and administered in a common pool. Separate accounts are maintained for each fund, as applicable. Depositories and other financial institutions that hold investments for the University have pledged securities of various governmental agencies to secure funds held on deposit.

UNRESTRICTED GIFTS

Except for pledged operating and capital gifts, unrestricted gifts are recognized as revenue when received. Certain operating and capital pledges are recorded as a receivable, along with the corresponding revenue, when such pledges are made.

GRANTS AND CONTRACTS

The University has been awarded grants and contracts for current funds operations for which the funds have not been received nor have expenditures been made for the purpose specified in the grant or contract. These awards have not been reflected in the financial reports, but represent commitments of sponsors to provide funds for specific research and training projects.

UNIVERSITY OF SOUTH ALABAMA
Notes to Financial Report

SCHOLARSHIPS AND FELLOWSHIPS

The University receives funds which are restricted by donors and grantors for assistance to qualified students. When these funds are granted to students, the University records the expenditure for scholarships and fellowships along with the corresponding revenue.

INCOME TAXES

The Internal Revenue Service has determined that the University is a tax-exempt organization; accordingly, no provision for income taxes has been made in the accompanying financial statements.

DEFERRED REVENUES AND EXPENDITURES

Dormitory rentals, student tuition and other fees, together with related expenditures, are deferred and amortized over the applicable academic semester.

EMPLOYEE BENEFITS

Employees of the University are covered by two pension plans, a defined contribution pension plan and a pension plan administered by the Teachers' Retirement System of the State of Alabama (the Retirement Plan).

The defined contribution pension plan covers certain academic and administrative employees and contributions under this plan are funded as accrued.

Permanent employees of the University participate in the Teachers' Retirement System of Alabama. The Retirement Plan is fully funded by the State and by contributions from participating employees. The University contributes 12.07% of each employee's gross earnings to the Retirement Plan and is reflected in current funds expenditures. All covered employees must contribute 5% of their gross earnings to the Retirement Plan. Benefits fully vest after 10 years of full-time, permanent employment.

LIABILITY INSURANCE

The University and certain of its affiliates participate in professional and general liability trust funds. These trust funds are irrevocable and use contributions by the University and its affiliates, together with earnings thereon, to pay liabilities arising from the performance of its employees. Contributions to the trusts are recorded as expenditures upon payment and are determined by independent actuaries. If the trust funds are ever terminated, appropriate provision for payment of reported claims will be made and any remaining balance will be distributed to the University and its affiliates in proportion to contributions made.

UNIVERSITY OF SOUTH ALABAMA
Notes to Financial Report

BONDS PAYABLE

Bonds payable consist of the following:

- University Tuition Revenue Refunding and Capital Improvements Bonds, Series 1996, 3.80% to 5.00%, payable through November 2015 (refunded in January 2007)
- University Tuition Revenue Bonds, Series 1999, 3.70% to 5.25%, payable through November 2018.
- University Tuition Revenue Refunding and Capital Improvement Bonds, Series 2004, 2.00% to 5.00%, payable through March 2024.
- University Tuition Revenue Refunding and Capital Improvement Bonds, Series 2006, 5.00% payable through June 2037.
- University Facilities Revenue Capital Improvement Bonds, Series 2008, 3.00% to 5.00%, payable through August 2038.

LITIGATION

Various other claims have been filed against the University alleging discriminatory employment practices and other matters. University administration and legal counsel are of the opinion that the resolution of these matters will not have a material effect on the financial position or results of operations of the University.

MEDICAID DISPROPORTIONATE SHARE PAYMENTS

Hospitals revenues include funds received from the Alabama Medicaid Agency for services provided to a disproportionately high number of low income patients.

SUPPLEMENTAL SCHEDULES

SUMMARY SCHEDULE OF AUXILIARY ENTERPRISES
REVENUES, EXPENDITURES AND OTHER CHANGES
FOR THE SIX MONTHS ENDED MARCH 31, 2010
WITH COMPARATIVE FIGURES FOR 2009

	REVENUES	EXPENDITURES	TRANSFERS	EXCESS REVENUES OVER EXPENDITURES AND OTHER CHANGES (DEFICIT)	
				03/31/10	03/31/09
BOOKSTORE	\$ 3,680,290.10	\$ 3,489,352.71	\$ 0.00	\$ 190,937.39	\$ 182,314.66
BROOKLEY CENTER	917,501.71	1,213,213.13	0.00	(295,711.42)	(317,936.58)
FOOD SERVICES-CAMPUS	191,824.18	80,209.98	0.00	111,614.20	70,328.68
HOUSING	3,270,149.53	2,573,078.52	(990,515.16)	(293,444.15)	(276,596.00)
TOTAL	\$ 8,059,765.52	\$ 7,355,854.34	\$ (990,515.16)	\$ (286,603.98)	\$ (341,889.24)

BOOKSTORE
STATEMENT OF REVENUES, EXPENDITURES AND OTHER CHANGES
FOR THE SIX MONTHS ENDED MARCH 31, 2010
WITH COMPARATIVE FIGURES FOR 2009

	<u>03/31/10</u>	<u>03/31/09</u>
REVENUES:		
SALES	\$ 3,602,654.36	\$ 3,716,019.80
LESS: DEPARTMENTAL DISCOUNTS	2,028.79	2,413.47
COST OF GOODS SOLD	<u>2,606,968.18</u>	<u>2,773,498.19</u>
GROSS PROFIT	993,657.39	940,108.14
CASH OVER/(SHORT)	116.70	(895.35)
GRADUATION (NET)	50,129.95	53,846.40
BAD DEBT RECOVERY	0.00	0.00
OTHER	27,389.09	22,005.39
NET REVENUES:	<u>1,071,293.13</u>	<u>1,015,064.58</u>
EXPENDITURES:		
SALARIES	374,606.73	338,477.10
EMPLOYEE BENEFITS	122,713.26	111,404.56
SUPPLIES	13,777.67	15,920.93
TRAVEL	2,009.68	2,383.55
EQUIPMENT	5,069.37	3,308.72
EQUIPMENT MAINTENANCE AND REPAIR	20,347.08	23,395.28
BUILDING & EQUIPMENT RENTAL	10,106.18	1,372.39
UTILITIES	37,500.00	37,500.00
TELEPHONE	6,555.77	3,124.03
INSURANCE AND BONDS	2,036.00	2,240.00
CONTRACT SERVICES	93,466.43	89,985.38
BAD DEBT EXPENSE	0.00	0.00
RENT	0.00	9,990.00
OBSOLETE INVENTORY	0.00	1,454.50
GENERAL EXPENSES	0.00	28,994.09
CHARGE CARD AND FACULTY	28,033.29	
STAFF DISCOUNTS	17,381.30	16,446.41
INSTITUTIONAL COST ALLOCATION	146,752.98	146,752.98
TOTAL EXPENDITURES	<u>880,355.74</u>	<u>832,749.92</u>
TRANSFERS AMONG FUNDS-		
ADDITIONS/(DEDUCTIONS):		
MANDATORY:		
PRINCIPAL AND INTEREST	0.00	0.00
NON-MANDATORY:		
OTHER TRANSFERS	0.00	0.00
RENEWAL AND REPLACEMENT	0.00	0.00
RETIREMENT REIMBURSEMENT	0.00	0.00
TOTAL TRANSFERS	<u>0.00</u>	<u>0.00</u>
EXCESS REVENUES OVER EXPENDITURES		
AND MANDATORY TRANSFERS	<u>\$ 190,937.39</u>	<u>\$ 182,314.66</u>

BROOKLEY CENTER
STATEMENT OF REVENUES, EXPENDITURES AND OTHER CHANGES
FOR THE SIX MONTHS ENDED MARCH 31, 2010
WITH COMPARATIVE FIGURES FOR 2009

	ADMINISTRATION	INVESTMENT HOUSING	GOLF SHOP	FOOD SERVICE	TOTAL AUXILIARY SERVICES
REVENUES:					
SALES-FOOD & MERCHANDISE	\$ 0.00	\$ 0.00	\$ 9,453.45	\$ 0.00	\$ 9,453.45
LESS: COST OF GOODS SOLD	0.00	0.00	3,732.36	0.00	3,732.36
DISCOUNTS	0.00	0.00	(313.68)	0.00	(313.68)
GROSS PROFIT	0.00	0.00	6,034.77	0.00	6,034.77
FEES	25.00	0.00	132,039.89	22,581.11	154,621.00
RENTALS	13,998.00	338,711.61	0.00	0.00	338,711.61
OTHER	3,212.18	100.00	7.25	0.00	107.25
FACILITY ASSESSMENT FEE	25,002.00	0.00	0.00	0.00	0.00
NET REVENUES	42,237.18	338,811.61	138,081.91	22,581.11	498,474.63
EXPENDITURES:					
OPERATING EXPENDITURES:					
SALARIES	296,607.68	32,019.13	88,535.70	0.00	120,554.83
EMPLOYEE BENEFITS	105,800.30	6,981.50	28,946.17	0.00	35,927.67
SUPPLIES	29,057.04	713.06	16,889.42	310.20	17,912.68
TRAVEL	1,177.41	0.00	0.00	0.00	0.00
CONTRACT SERVICE	32,487.63	46,531.50	37,669.23	1,492.00	85,692.73
BUILDING MAINTENANCE & REPAIR	4,173.87	28,649.41	1,645.41	139.92	30,434.74
GROUND MAINTENANCE	6,535.12	4,276.77	5,390.27	0.00	9,687.04
UTILITIES	103,493.62	71,785.89	16,204.40	26,148.23	114,138.52
EQUIPMENT MAINTENANCE & REPAIR	826.95	1,089.45	18,970.48	1,896.30	21,956.23
BUILDING & EQUIPMENT RENTAL	1,537.59	0.00	10,230.05	977.60	11,207.65
TELEPHONE	7,649.25	0.00	359.76	1.36	361.12
INSURANCE AND BONDS	41,690.00	0.00	0.00	1,988.00	1,988.00
RECEPTIONS	0.00	0.00	0.00	0.00	0.00
ADVERTISING	3,088.65	1,778.53	1,275.85	0.00	3,054.38
BAD DEBT EXPENSE	0.00	0.00	0.00	0.00	0.00
GENERAL EXPENSES	39,356.20	1,038.57	10,707.72	759.14	12,505.43
EXPENSE OFFSET	0.00	0.00	0.00	0.00	0.00
EDUCATIONAL SUPPORT ALLOCATIONS	0.00	0.00	0.00	0.00	0.00
OPERATING COST ALLOCATIONS	(631,754.13)	176,891.15	0.00	25,270.16	202,161.31
TOTAL OPERATING EXPENDITURES	41,727.18	371,754.96	238,824.46	58,982.91	667,562.33
EXCESS REVENUES OVER EXPENDITURES	510.00	(32,943.35)	(98,742.55)	(36,401.80)	(168,087.70)
OTHER EXPENDITURES:					
EQUIPMENT	510.00	3,596.40	0.00	0.00	3,596.40
OTHER COST ALLOCATIONS	0.00	0.00	0.00	0.00	0.00
TOTAL OTHER EXPENDITURES	510.00	3,596.40	0.00	0.00	3,596.40
TRANSFERS AMONG FUNDS -					
ADDITIONS/(DEDUCTIONS):					
MANDATORY:					
PRINCIPAL AND INTEREST	0.00	0.00	0.00	0.00	0.00
NON-MANDATORY:					
OTHER NON-MANDATORY TRANSFERS	0.00	0.00	0.00	0.00	0.00
TOTAL TRANSFERS	0.00	0.00	0.00	0.00	0.00
EXCESS REVENUES OVER	\$ 0.00	\$ (36,539.75)	\$ (98,742.55)	\$ (36,401.80)	\$ (171,684.10)
EXPENDITURES (DEFICIT)					

BROOKLEY CENTER
STATEMENT OF REVENUES, EXPENDITURES AND OTHER CHANGES
FOR THE SIX MONTHS ENDED MARCH 31, 2010
WITH COMPARATIVE FIGURES FOR 2009

	CONTINUING EDUCATION	EDUCATIONAL LEASING	UNIVERSITY SERVICE	TOTAL EDUCATIONAL SERVICES	BROOKLEY CENTER TOTAL 03/31/10	BROOKLEY CENTER TOTAL 03/31/09
REVENUES:						
SALES-FOOD & MERCHANDISE	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 9,453.45	\$ 14,005.99
LESS: COST OF GOODS SOLD	0.00	0.00	0.00	0.00	3,732.38	6,843.45
DISCOUNTS	258.33	0.00	0.00	258.33	(55.35)	2,345.97
GROSS PROFIT	(258.33)	0.00	0.00	(258.33)	5,776.44	4,816.57
FEES	83,471.28	235,423.42	0.00	318,894.68	473,540.68	574,446.21
RENTALS	0.00	0.00	0.00	0.00	352,709.61	376,239.69
OTHER	53,476.54	0.00	0.00	53,476.54	56,795.97	2,128.48
FACILITY ASSESSMENT FEE	0.00	0.00	0.00	0.00	25,002.00	25,002.00
NET REVENUES	136,689.47	235,423.42	0.00	372,112.89	913,824.70	982,632.95
EXPENDITURES:						
OPERATING EXPENDITURES:						
SALARIES	18,491.20	0.00	0.00	18,491.20	435,653.71	473,652.99
EMPLOYEE BENEFITS	5,630.57	0.00	0.00	5,630.57	147,358.54	163,042.54
SUPPLIES	10,438.92	4,189.32	0.00	14,627.84	61,597.56	51,782.76
TRAVEL	0.00	0.00	0.00	0.00	1,177.41	1,373.68
CONTRACT SERVICE	3,084.59	3,923.46	0.00	7,008.04	125,188.40	117,986.06
BUILDING MAINTENANCE & REPAIR	2,439.31	7,693.94	0.00	10,133.25	44,741.86	43,034.00
GROUND MAINTENANCE	10.78	0.00	0.00	10.78	16,212.94	21,767.88
UTILITIES	74,050.82	55,566.78	0.00	129,617.58	347,249.72	282,900.55
EQUIPMENT MAINTENANCE & REPAIR	432.57	294.75	0.00	727.32	23,510.50	33,409.50
BUILDING & EQUIPMENT RENTAL	0.00	0.00	0.00	0.00	12,745.24	13,132.64
TELEPHONE	0.00	0.00	0.00	0.00	8,010.37	12,522.61
INSURANCE AND BONDS	2,880.00	0.00	0.00	2,880.00	46,558.00	46,712.00
RECEPTIONS	0.00	0.00	0.00	0.00	0.00	876.50
ADVERTISING	15,034.18	0.00	0.00	15,034.18	21,177.21	12,724.24
BAD DEBT EXPENSE	0.00	0.00	0.00	0.00	0.00	0.00
GENERAL EXPENSES	2,510.21	22,031.17	0.00	24,541.38	76,403.01	105,254.40
EXPENSE OFFSET	0.00	0.00	0.00	0.00	0.00	(17,025.00)
EDUCATIONAL SUPPORT ALLOCATIONS	0.00	0.00	(165,709.98)	(165,709.98)	(165,709.98)	(109,933.02)
OPERATING COST ALLOCATIONS	132,668.38	107,398.20	189,528.24	429,592.82	0.00	0.00
TOTAL OPERATING EXPENDITURES	267,671.13	201,097.59	23,816.26	492,584.98	1,201,874.49	1,253,214.33
EXCESS REVENUES OVER EXPENDITURES	(130,981.66)	34,325.83	(23,816.26)	(120,472.09)	(288,049.79)	(270,581.38)
OTHER EXPENDITURES:						
EQUIPMENT	3,555.23	0.00	0.00	3,555.23	7,661.63	17,056.90
OTHER COST ALLOCATIONS	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL OTHER EXPENDITURES	3,555.23	0.00	0.00	3,555.23	7,661.63	17,056.90
TRANSFERS AMONG FUNDS -						
ADDITIONS/(DEDUCTIONS):						
MANDATORY:						
PRINCIPAL AND INTEREST	0.00	0.00	0.00	0.00	0.00	(35,616.00)
OTHER NON-MANDATORY TRANSFERS	0.00	0.00	0.00	0.00	0.00	5,317.70
TOTAL TRANSFERS	0.00	0.00	0.00	0.00	0.00	(30,298.30)
EXCESS REVENUES OVER						
EXPENDITURES (DEFICIT)	(134,536.89)	34,325.83	(23,816.26)	(124,027.32)	(295,711.42)	(317,936.58)

FOOD SERVICE
STATEMENT OF REVENUES, EXPENDITURES AND OTHER CHANGES
FOR THE SIX MONTHS ENDED MARCH 31, 2010
WITH COMPARATIVE FIGURES FOR 2009

	03/31/10	03/31/09
REVENUES:		
COMMISSION INCOME	\$ 191,824.18	\$ 151,580.07
TOTAL REVENUES	<u>191,824.18</u>	<u>151,580.07</u>
EXPENDITURES:		
SALARIES	0.00	0.00
EMPLOYEE BENEFITS	0.00	0.00
SUPPLIES	547.79	310.73
EQUIPMENT MAINTENANCE AND REPAIR	19,455.20	19,407.45
UTILITIES	32,500.02	32,500.02
TELEPHONE	98.80	32.72
MEMBERSHIPS AND DUES	0.00	0.00
CONTRACT SERVICES	5,588.02	5,455.85
INSURANCE AND BONDS	11,149.00	12,289.00
EQUIPMENT	0.00	0.00
BUILDING MAINTENANCE AND REPAIR	2,427.00	2,644.00
INDIRECT COST	8,091.00	8,091.00
GENERAL EXPENSE	<u>353.15</u>	<u>540.62</u>
TOTAL EXPENDITURES	<u>80,209.98</u>	<u>81,251.39</u>
TRANSFERS AMONG FUNDS-		
ADDITIONS/(DEDUCTIONS):		
NON-MANDATORY:		
OTHER TRANSFERS		
TOTAL TRANSFERS	<u>0.00</u>	<u>0.00</u>
EXCESS REVENUES OVER		
EXPENDITURES AND MANDATORY		
TRANSFERS (DEFICIT)	<u>\$ 111,614.20</u>	<u>\$ 70,328.68</u>

HOUSING
STATEMENT OF REVENUES, EXPENDITURES, AND OTHER CHANGES
FOR THE SIX MONTHS ENDED MARCH 31, 2010
WITH COMPARATIVE FIGURES FOR 2009

	CENTRAL HOUSING	HOUSING PROGRAMMING	WASHERS AND DRYERS	OLD SHELL ROAD HOUSING	HILLSDALE MARRIED STUDENT	SMALL GROUP HOUSING
REVENUES:						
RENTAL INCOME	\$ 0.00	\$ 0.00	\$ 108,020.00	\$ 0.00	\$ 41,774.32	\$ 200,000.42
BAD DEBT RECOVERY	1,241.00	0.00	0.00	0.00	386.69	0.00
OTHER	220.00	0.00	0.00	0.00	2,259.27	41,221.54
TOTAL REVENUES	1,461.00	0.00	108,020.00	0.00	44,420.28	241,221.96
EXPENDITURES:						
SALARIES	183,432.67	61,197.94	0.00	0.00	80,619.54	31,852.04
EMPLOYEE BENEFITS	56,682.38	0.00	0.00	0.00	31,827.36	6,787.06
CONTRACT LABOR	0.00	0.00	0.00	0.00	0.00	0.00
CONTRACT SERVICES	340.50	0.00	57,171.00	0.00	6,263.13	7,189.90
TRAVEL	4,430.76	385.00	0.00	0.00	0.00	0.00
RECEPTIONS	0.00	8,726.12	0.00	0.00	0.00	0.00
SUPPLIES	18,396.52	245.27	0.00	0.00	3,373.28	10,058.63
CABLE	76,728.23	0.00	0.00	0.00	36.56	0.00
TELEPHONE	188.68	0.00	0.00	0.00	752.58	534.39
UTILITIES	0.00	0.00	0.00	0.00	5,004.61	340.80
INSURANCE AND BONDS	0.00	0.00	0.00	0.00	2,231.00	7,629.00
BUILDING MAINTENANCE AND REPAIR	0.00	0.00	0.00	0.00	0.00	674.00
EQUIPMENT	374.44	0.00	0.00	0.00	0.00	3,447.42
EQUIPMENT RENTAL	1,006.22	0.00	0.00	0.00	0.00	0.00
EQUIPMENT MAINTENANCE AND REPAIR	0.00	0.00	0.00	0.00	172.14	396.03
GROUND MAINTENANCE	0.00	0.00	0.00	0.00	0.00	0.00
MAJOR RENOVATIONS	0.00	0.00	0.00	0.00	0.00	0.00
GENERAL EXPENSES	32,742.40	37.25	0.00	0.00	3,026.24	0.00
ADMINISTRATIVE OVERHEAD	229,528.50	0.00	0.00	0.00	0.00	40,849.50
ADMINISTRATIVE EXPENSES	(602,390.30)	(70,591.58)	24,900.33	0.00	2,691.95	62,587.31
TOTAL EXPENDITURES	1,461.00	0.00	82,071.33	0.00	135,998.39	172,346.08
TRANSFERS AMONG FUNDS -						
ADDITIONS/(DEDUCTIONS):						
MANDATORY:						
PRINCIPAL AND INTEREST	0.00	0.00	0.00	0.00	0.00	(455,274.00)
TOTAL MANDATORY TRANSFERS	0.00	0.00	0.00	0.00	0.00	(455,274.00)
NON-MANDATORY:						
OTHER NON-MANDATORY TRANSFERS	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL NON-MANDATORY TRANSFERS	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL TRANSFERS	0.00	0.00	0.00	0.00	0.00	(455,274.00)
EXCESS REVENUES OVER EXPENDITURES	\$ 0.00	\$ 0.00	\$ 25,948.67	\$ 0.00	\$ (91,578.11)	\$ (386,398.12)
AND TRANSFERS (DEFICIT)						

HOUSING
STATEMENT OF REVENUES, EXPENDITURES, AND OTHER CHANGES
FOR THE SIX MONTHS ENDED MARCH 31, 2010
WITH COMPARATIVE FIGURES FOR 2009

	GAMMA DORMS	BETA DORMS	DELTA DORMS	EPSILON DORMS	TOTAL HOUSING 03/31/10	TOTAL HOUSING 03/31/09
REVENUES:						
RENTAL INCOME	\$ 593,218.35	\$ 374,903.38	\$ 1,373,095.99	\$ 499,390.03	\$ 3,190,402.49	\$ 3,003,768.07
BAD DEBT RECOVERY	0.00	0.00	0.00	0.00	1,627.69	4,387.15
OTHER	2,493.40	3,130.00	15,311.64	13,483.50	78,119.35	87,808.84
TOTAL REVENUES	595,711.75	378,033.38	1,388,407.63	512,873.53	3,270,149.53	3,095,964.06
EXPENDITURES:						
SALARIES	93,912.61	30,041.12	94,504.94	61,054.79	636,615.65	650,495.94
EMPLOYEE BENEFITS	21,535.03	7,902.61	22,088.27	7,969.17	154,791.88	172,602.83
CONTRACT LABOR	0.00	0.00	0.00	0.00	0.00	10,548.73
CONTRACT SERVICES	7,570.63	6,083.75	10,492.39	7,034.20	102,145.50	104,206.36
TRAVEL	0.00	0.00	0.00	0.00	4,815.76	3,939.89
RECEPTIONS	0.00	0.00	0.00	0.00	8,726.12	12,046.16
SUPPLIES	3,367.99	9,899.04	35,201.50	19,089.76	99,631.99	75,273.41
CABLE	0.00	0.00	0.00	0.00	76,764.79	76,390.46
TELEPHONE	25,964.16	11,468.76	61,824.58	20,304.57	121,037.72	116,010.54
UTILITIES	0.00	0.00	0.00	0.00	5,345.41	10,862.62
INSURANCE AND BONDS	12,762.00	6,550.00	17,885.00	5,729.00	52,786.00	62,602.00
BUILDING MAINTENANCE AND REPAIR	1,178.11	0.00	950.70	0.00	2,802.81	1,645.25
EQUIPMENT	2,111.56	0.00	0.00	3,555.00	9,488.42	0.00
EQUIPMENT RENTAL	0.00	0.00	0.00	0.00	1,006.22	3,742.25
EQUIPMENT MAINTENANCE AND REPAIR	0.00	0.00	678.68	0.00	1,246.85	1,277.50
MAJOR RENOVATIONS	0.00	0.00	0.00	0.00	0.00	800.00
GENERAL EXPENSES	38,924.00	28,467.08	95,410.59	39,655.50	238,263.06	228,874.44
ADMINISTRATIVE OVERHEAD	232,155.78	109,599.00	334,013.28	111,464.28	1,057,610.34	1,009,800.12
ADMINISTRATIVE EXPENSES	129,212.53	73,355.01	285,344.31	94,890.44	0.00	0.00
TOTAL EXPENDITURES	568,694.40	283,366.37	958,394.24	370,746.71	2,573,078.52	2,541,118.50
TRANSFERS AMONG FUNDS -						
ADDITIONS/(DEDUCTIONS):						
MANDATORY:						
PRINCIPAL AND INTEREST	(114,857.16)	(34,320.00)	(199,620.00)	(186,444.00)	(990,515.16)	(833,909.16)
TOTAL MANDATORY TRANSFERS	(114,857.16)	(34,320.00)	(199,620.00)	(186,444.00)	(990,515.16)	(833,909.16)
NON-MANDATORY:						
OTHER NON-MANDATORY TRANSFERS	0.00	0.00	0.00	0.00	0.00	2,467.60
TOTAL NON-MANDATORY TRANSFERS	0.00	0.00	0.00	0.00	0.00	2,467.60
TOTAL TRANSFERS	(114,857.16)	(34,320.00)	(199,620.00)	(186,444.00)	(990,515.16)	(831,441.56)
EXCESS REVENUES OVER EXPENDITURES	\$ (87,839.81)	\$ 60,347.01	\$ 230,393.39	\$ (44,317.18)	\$ (293,444.15)	\$ (276,596.00)
AND TRANSFERS (DEFICIT)						

University of South Alabama
Quarterly Financial Statements
(A Component Unit of the State of Alabama)
Six Months Ended March 31, 2010 and 2009

Unaudited

University of South Alabama
Quarterly Financial Statements
(A Component Unit of the State of Alabama)
Six Months Ended March 31, 2010 and 2009

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University of South Alabama

Management's Discussion and Analysis

Introduction

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

Financial Highlights

At March 31, 2010, the University had total assets of \$806,026,000, total liabilities of \$396,428,000 and net assets of \$409,598,000. University net assets increased \$2,919,000 for the six months ended March 31, 2010 compared to a decrease of \$25,710,000 for the six months ended March 31, 2009. An overview of each statement is presented below along with a financial analysis of the transactions impacting the statement.

Condensed financial statements for the University at and for the six months ended March 31, 2010 and 2009 follow (in thousands):

Condensed Statements of Net Assets

	2010	2009
<i>Assets</i>		
Current	\$ 249,851	\$ 230,030
Capital and other noncurrent assets	556,175	551,824
	<u>806,026</u>	<u>781,854</u>
<i>Liabilities</i>		
Current	72,503	72,213
Noncurrent	323,925	327,024
	<u>396,428</u>	<u>399,237</u>
<i>Net Assets</i>		
Invested in capital assets, net of related debt	189,839	181,021
Restricted, nonexpendable	28,606	25,960
Restricted, expendable	31,259	19,912
Unrestricted	159,894	155,724
	<u>\$ 409,598</u>	<u>\$ 382,617</u>

University of South Alabama

Management's Discussion and Analysis (continued)

Condensed Statements of Revenues, Expenses and Changes in Net Assets

	2010	2009
<i>Operating revenues</i>		
Tuition and fees	\$ 40,022	\$ 35,660
Hospital revenues, net	106,637	97,743
Other	59,553	62,290
	<u>206,212</u>	<u>195,693</u>
<i>Operating expenses</i>		
Salaries and benefits	192,147	192,402
Supplies and other services	60,646	56,226
Other	23,166	22,594
	<u>275,959</u>	<u>271,222</u>
Operating loss	(69,747)	(75,529)
<i>Nonoperating revenues (expenses)</i>		
State appropriations	50,011	55,444
State appropriated ARRA funds	5,721	-
Other, net	8,444	(9,275)
Net nonoperating revenues	<u>64,176</u>	<u>46,169</u>
Other revenues, expenses, gains or losses	<u>8,490</u>	<u>3,650</u>
Increase (decrease) in net assets	2,919	(25,710)
Beginning net assets	406,679	408,327
Ending net assets	<u>\$ 409,598</u>	<u>\$ 382,617</u>

Analysis of Financial Position and Results of Operations

Statements of Net Assets

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

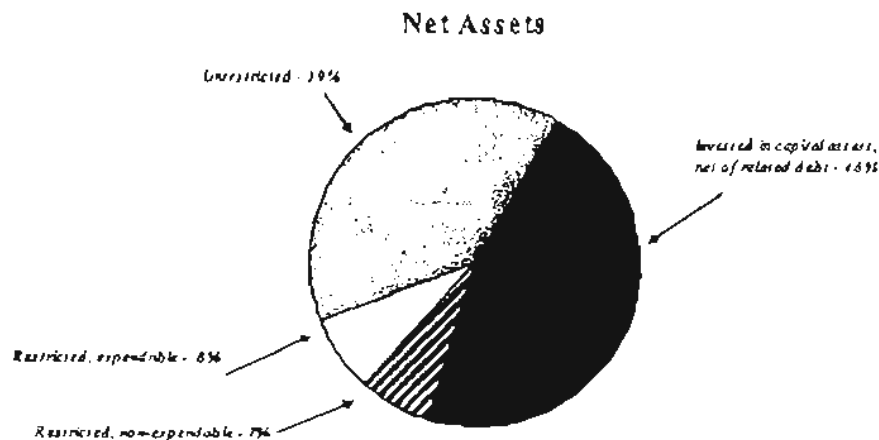
University of South Alabama

Management's Discussion and Analysis (continued)

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

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

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



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

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

University of South Alabama

Management's Discussion and Analysis (continued)

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

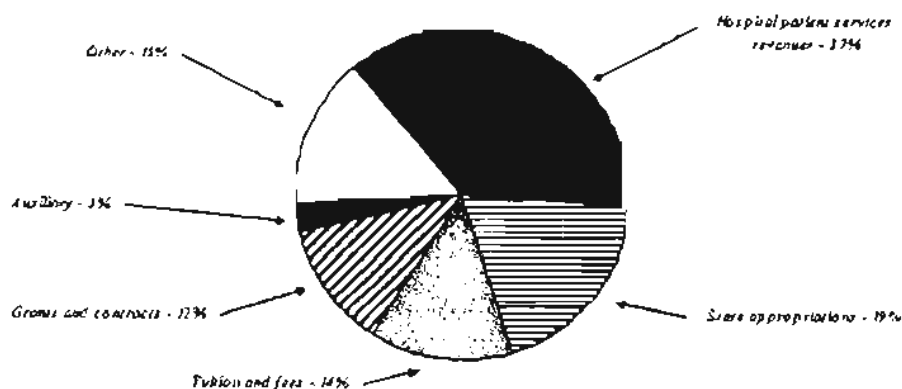
Statements of Revenues, Expenses and Changes in Net Assets

Changes in total University net assets as presented on the statements of net assets are based on the activity presented in the statement of revenues, expenses and changes in net assets. The purpose of the statements is to present the revenues received by the University, both operating and nonoperating, and the expenses paid by the University, operating and nonoperating, and any other revenues, expenses, gains and losses received or spent by the University.

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

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

Sources of Revenues

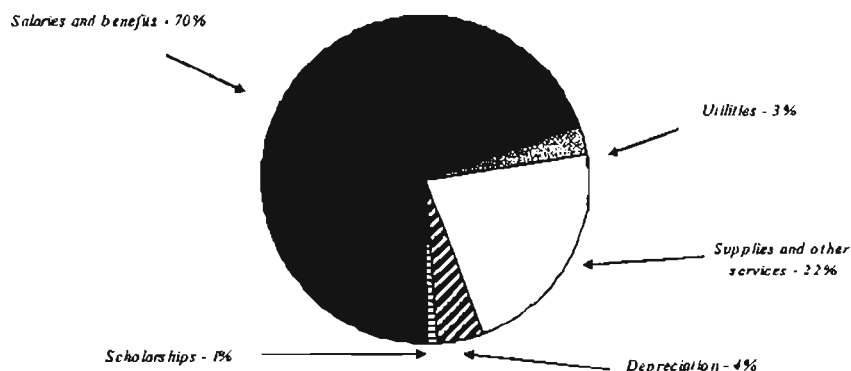


University of South Alabama

Management's Discussion and Analysis (continued)

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

Operating Expenses by Natural Classification



Capital Assets and Debt Administration

During the current period, construction continued on the Student Recreation Center, the Moulton Bell Tower and Alumni Plaza, and Shelby Hall. Preliminary work is underway on the new patient care tower at USA's Children's and Women's Hospital. Additionally, several construction and renovation projects at the University and Hospitals were ongoing during the current period. In fiscal 2009, the Mitchell Cancer Institute and the Health Sciences Building were completed and placed into service.

In September 2008, the University issued the University Facilities Revenue and Capital Improvement Bonds, Series 2008, with a face value of \$112,885,000. The net proceeds of these bonds, issued at a premium of approximately \$132,000, will be used to fund an expansion of the USA Children's and Women's Hospital as well as other construction and capital improvements at the University.

During the year ended September 30, 2008, the University's bond credit rating was upgraded by Moody's Investors Services from A2 to A1. This represents the first upgrade of the University's bond credit rating since 2004. The University also received a

University of South Alabama

Management's Discussion and Analysis (continued)

rating of A+ from Standard & Poor's Rating Services. The ratings remained unchanged in the current period

Economic Outlook

While enrollment and tuition have both increased in recent years, state appropriations have historically been relatively flat. However, in the 2008, 2007 and 2006 fiscal years, the University experienced increases of 16.1%, 19.0% and 17.2%, respectively, or approximately \$19,349,000, \$19,185,000 and \$14,581,000, respectively, in state appropriations. These increases are unusually high and are not expected to continue. For the 2009 fiscal year, the University's appropriation decreased 12.8% or approximately \$17,882,000. Additionally, in December 2008, the Governor of Alabama announced proration of the original appropriation of 9% or approximately \$10,967,000; and in July 2009, the Governor announced additional proration of 2%, or approximately \$2,437,000. Therefore, the total decrease in the 2009 state appropriation was approximately \$31,286,000 to \$108,451,000, or 22.4% lower than in 2008.

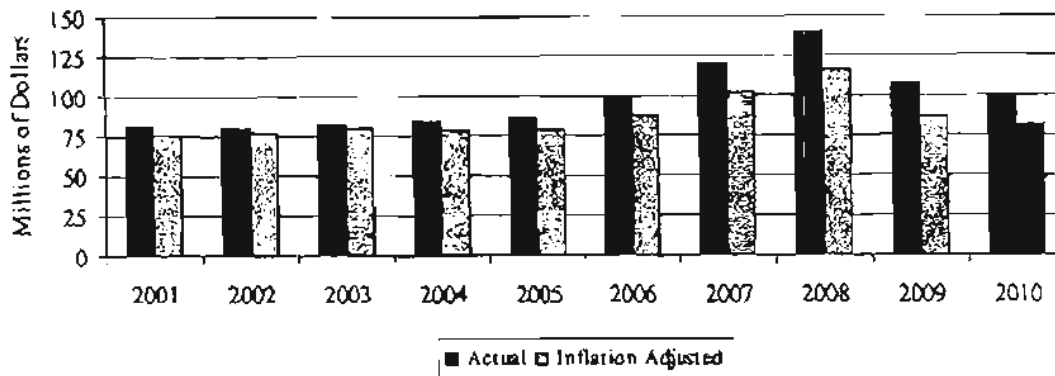
A state appropriation in the amount of approximately \$108,132,000 has been authorized for the year ending September 30, 2010; however, in September 2009, the Governor announced proration of 7.5% for the year ending September 30, 2010. Following the announcement of proration, the state appropriation for the year ending September 30, 2010 is currently \$100,022,000. Additionally, University management is aware additional decreases in the 2010 fiscal year are possible.

University of South Alabama

Management's Discussion and Analysis (continued)

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

State Appropriations - Ten Year History



In addition to state appropriations, the University is subject to declines in general economic conditions in the United States and, specifically, the State of Alabama. Declines in financial markets have had a significant impact on the value of the University's endowment. Further weakening of the economy could have a potential further negative impact on the University's enrollment, extramural funding, endowment performance, and health care operations.

In early 2009, the American Recovery and Reinvestment Act of 2009 (ARRA) was passed by Congress and signed into law by the President. As a result of this legislation, the University has been awarded approximately \$10,769,000 annually in 2010 and 2011 through the U. S. Department of Education's State Fiscal Stabilization Fund Program. As of the current date, the total award is 90% of \$21,538,000, or \$19,384,000. Currently, the State is awaiting notice from the federal government that its application for the remaining 10% has been approved. Additional funding is available through the competitive grant process from various federal agencies. As of the current date, the University has been awarded or appropriated ARRA funding totaling approximately \$22,583,000. Additional proposals remain currently outstanding.

Other than the issues presented above, University administration is not aware of any other currently known facts, decisions, or conditions that are expected to have a significant effect on the University's financial position or results of operations during fiscal year 2010 beyond those unknown variables having a global effect on virtually all types of business operations.

University of South Alabama

Statements of Net Assets

March 31, 2010 and 2009

(In thousands)

	2010	2009
Assets		
Current assets		
Cash and cash equivalents	102,690	56,514
Investments	67,107	100,812
Net patient service receivables	31,229	28,768
Accounts receivable, affiliates	20,980	17,751
Accounts receivable, other	21,096	19,599
Notes receivable, net	282	295
Prepaid expenses, inventories and other	6,467	6,291
Total current assets	249,851	230,030
Noncurrent assets		
Restricted cash and cash equivalents	21,439	88,852
Investments, at fair value	73,525	47,096
Investments	823	564
Accounts receivable	7,607	7,237
Notes receivable, net	4,586	5,206
Other noncurrent assets	29,676	23,954
Capital assets (net of accumulated depreciation)	418,519	378,915
Total noncurrent assets	556,175	551,824
Total assets	806,026	781,854
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	42,182	46,977
Deferred revenue	24,046	19,079
Deposits	1,040	938
Current portion of long-term debt	5,235	5,219
Total current liabilities	72,503	72,213
Noncurrent liabilities		
Long-term debt	304,263	306,647
Other long-term liabilities	19,662	20,377
Total noncurrent liabilities	323,925	327,024
Total liabilities	396,428	399,237
Net Assets		
Invested in capital assets, net of related debt	189,839	181,021
Restricted, nonexpendable		
Scholarships	12,607	11,835
Other	15,999	14,125
Restricted, expendable		
Scholarships	5,290	493
Other	25,969	19,419
Unrestricted	159,894	155,724
Total net assets	409,598	382,617

See accompanying notes.

University of South Alabama

Statements of Revenues, Expenses and Changes in Net Assets

Six Months Ended March 31, 2010 and 2009

(In thousands)

	2010	2009
Revenues		
Operating revenues		
Tuition and fees (net of scholarship allowances)	40,022	35,660
Patient services and other (net of contractual allowances and bad debt expense)	106,637	97,743
Federal grants and contracts	9,913	12,011
State grants and contracts	3,305	1,731
Private grants and contracts	22,463	24,096
Auxiliary enterprises (net of scholarship allowances)	7,747	7,785
Other operating revenues	16,125	16,667
Total operating revenues	206,212	195,693
Expenses		
Operating expenses		
Salaries and benefits	192,147	192,402
Supplies and other services	60,646	56,226
Scholarships and fellowships	3,053	2,396
Utilities	7,637	7,104
Depreciation	12,476	13,094
Total operating revenues	275,959	271,222
Operating loss	(69,747)	(75,529)
Nonoperating revenues (expenses)		
State appropriations	50,011	55,444
State appropriated ARRA funds	5,721	-
Investment income and gains (losses) on investments	2,988	(10,088)
Interest on indebtedness	(6,848)	(6,903)
Other nonoperating revenues	14,684	8,674
Other nonoperating expenses	(2,380)	(958)
Net nonoperating revenues	64,176	46,169
Income (loss) before other revenues, expenses, gains or losses	(5,571)	(29,360)
Capital appropriations	1,971	576
Capital gifts and grants	4,697	2,171
Additions to endowment	1,822	903
Increase (decrease) in net assets	2,919	(25,710)
Net assets		
Beginning of period	406,679	408,327
End of period	409,598	382,617

See accompanying notes.

University of South Alabama

Statement of Cash Flows

March 31, 2010 and 2009

(in thousands)

	2010	2009
Cash flows from operating activities:		
Receipts related to tuition and fees	\$ 29,942	\$ 25,745
Receipts from and on behalf of patients and third-party payers	105,642	94,550
Receipts from grants and contracts	34,313	35,950
Receipts related to auxiliary enterprises	6,772	7,339
Payments to suppliers and vendors	(77,337)	(67,993)
Payments to employees and related benefits	(193,520)	(188,906)
Payments for scholarships and fellowships	(3,053)	(2,396)
Other operating receipts	15,094	22,050
Net cash used in operating activities	(82,147)	(73,661)
Cash flows from noncapital financing activities:		
State appropriations	50,011	47,483
State appropriated ARRA Funds	4,555	-
Endowment gifts	1,822	903
Agency funds received	510	576
Agency funds disbursed	(343)	(579)
Stafford and PLUS loans received	38,968	33,799
Stafford and PLUS loans disbursed	(38,869)	(33,752)
New loans issued to students	(91)	(150)
Student loan repayments	200	255
Other nonoperating revenues	14,530	8,653
Other nonoperating expenses	(2,385)	(1,005)
Net cash provided by noncapital financing activities	68,908	56,183
Cash flows from capital and related financing activities:		
Capital gifts and grants	4,697	2,171
Purchases of capital assets	(16,332)	(39,763)
Principal payments on capital debt	(5,025)	(4,410)
Interest payments on capital debt	(6,406)	(5,768)
Net cash used in capital and related financing activities	(23,066)	(47,770)
Cash flows from investing activities:		
Interest and dividends on investments	722	3,268
Purchases of investments	(6,130)	(73,158)
Proceeds from sales of investments	31,897	150,492
Net cash provided by (used in) investing activities	26,489	80,602
Net decrease in cash and cash equivalents	(9,816)	15,354
Cash and cash equivalents (unrestricted and restricted):		
Beginning of year	133,945	130,012
End of year	\$ 124,129	\$ 145,366

See accompanying notes.

University of South Alabama

Statement of Cash Flows

March 31, 2010 and 2009

(in thousands)

	<u>2010</u>	<u>2009</u>
Reconciliation of operating loss to net cash used in operating activities:		
Operating loss	\$ (69,747)	\$ (75,529)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation and amortization expense	12,476	13,094
Changes in assets and liabilities, net:		
Student receivables	1,454	336
Net patient accounts receivable	(300)	(2,751)
Grants and contracts receivables	(481)	(1,407)
Other receivables	(9,008)	1,158
Prepaid expenses, inventories, and other	545	5,250
Accounts payable and accrued liabilities	(11,960)	(6,901)
Deferred revenue	(5,126)	(6,911)
Net cash used in operating activities	<u>\$ (82,147)</u>	<u>\$ (73,661)</u>

See accompanying notes.

University of South Alabama
Notes to Financial Statements
March 31, 2010

1. Summary of Significant Accounting Policies

Reporting Entity

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

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

The University has adopted GASB Statement No. 39 which 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. The statement also clarifies reporting requirements for those organizations. Based on these criteria, the University reports the University of South Alabama Foundation (USA Foundation), the University of South Alabama Health Services Foundation (USAHSF), and the USA Research and Technology Corporation (the Corporation) as discretely presented component units in its annual financial statements. For quarterly reporting purposes, component unit financial statements are not presented.

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

Professional Liability and General Liability Trust Funds

GASB Statement No. 14 requires the University, as the primary government, to include in its financial statements, as a component unit, organizations that, even though they are legally separate entities, meet certain requirements as defined by GASB Statement No. 14. The medical malpractice liability of the University is maintained and managed in a separate professional liability trust fund (the PLTF) in which the University and USAHSF are the only participants. In accordance with the bylaws of the trust fund, the president of the University is responsible for appointing members of the trust fund policy committee. Additionally, the general liability of the University is maintained and managed in a general liability trust fund (the GLTF) for which the University is responsible, as defined by GASB Statement No. 14. The PLTF and GLTF are separate legal entities which are governed by the University Board of Trustees through the University president. As such, PLTF and GLTF are reported as blended component units

University of South Alabama
Notes to Financial Statements
March 31, 2010

in its annual financial statements. For quarterly reporting purposes these entities are not blended into the University's statements.

University of South Alabama Foundation

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

University of South Alabama Health Services Foundation

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

USA Research and Technology Corporation

The Corporation is a not-for-profit corporation that exists for the purpose of furthering the educational and scientific mission of the University by developing, attracting, and retaining technology and research industries in Alabama that will provide professional and career opportunities to the University's students and faculty. Because of the relationship between the University and the Corporation, the Corporation is considered a component unit of the University. The Corporation presents its financial statements in accordance with the GASB.

Measurement Focus and Basis of Accounting

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

University of South Alabama
Notes to Financial Statements
March 31, 2010

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

Use of Estimates

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

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

Cash and Cash Equivalents

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

Investments and Investment Income

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

Accounts Receivable

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

Inventories

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

University of South Alabama
Notes to Financial Statements
March 31, 2010

Capital Assets

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

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

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

Certain buildings are componentized for depreciation purposes.

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

Deferred Revenue

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

Operating lease rental payments related to the University's lease of USA Knollwood Hospital to the Infirmary Health System, Inc. are deferred and recognized as revenue over the term of the lease using the straight-line method.

Classification of Net Assets

The University's net assets are classified as follows:

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

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

University of South Alabama
Notes to Financial Statements
March 31, 2010

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

Unrestricted net assets represent resources derived from student tuition and fees, state appropriations, net patient service revenue, sales and services of educational activities and auxiliary enterprises. Auxiliary enterprises are substantially self-supporting activities that provide services for students, faculty, and staff. While unrestricted net assets may be designated for specific purposes by action of management or the Board of Trustees, they are available for use at the discretion of the governing board, to meet current expenses for any purpose. Substantially all unrestricted net assets are designated for academic and research programs and initiatives, and capital programs.

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

Scholarship Allowances and Student Financial Aid

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

Donor Restricted Endowments

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

University of South Alabama
Notes to Financial Statements
March 31, 2010

Classification of Revenues

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

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

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

Gifts and Pledges

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

Grants and Contracts

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

Net Patient Service Revenue

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

University of South Alabama
Notes to Financial Statements
March 31, 2010

State Appropriated ARRA Funds

Pursuant to the American Recovery and Reinvestment Act of 2009 the University has been awarded approximately \$10,769,000 annually in 2010 and 2011 through the U. S. Department of Education's State Fiscal Stabilization Fund Program. These funds are billed and recorded as revenue as they are expended and reported in the Statement of Revenues, Expenses and Changes in Net Assets as State Appropriated ARRA Funds.

Costs of Borrowing

Debt financing costs and bond premium and discounts are deferred and amortized using the straight-line method, which approximates the effective interest rate method, over the term of the related bond issue.

Compensated Absences

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

Reclassifications

Certain amounts in the fiscal 2008 basic financial statements have been reclassified in order to conform to fiscal 2009 classification.

2. Income Taxes

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

3. Cash

Pursuant to the Security for Alabama Funds Enhancement Act, funds on deposit may be placed in an institution designated as a qualified public depository (QPD) by the State of Alabama. QPD institutions pledge securities to a statewide collateral pool administered by the State Treasurer's office. Such financial institutions contribute to this collateral pool in amounts proportionate to the total amount of public fund deposits at their respective institutions. The securities are held at the Federal Reserve Bank and are designated for the State of Alabama. Additional collateral was not required for University funds on deposit with QPD institutions. At September 30, 2009, the net public deposits subject to collateral requirements for all institutions participating in the pool totaled approximately \$6,396,247,000.

4. Investments

The investments of the University are invested pursuant to the University of South Alabama "Nonendowment Cash Pool Investment Policy," the "Endowment Fund Investment Policy," and the "Derivatives Policy" (collectively referred to as the

University of South Alabama
Notes to Financial Statements
March 31, 2010

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

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

Credit Risk and Concentration of Credit Risk

The University Investment Policies limit investment in corporate bonds to securities with a minimum "A" rating, at the time of purchase, by both Moody's and Standard and Poor's. Investments in corporate paper are limited to issuers with a minimum quality rating of P-1 by Moody's, A-1 by Standard and Poor's or F-1 by Fitch.

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

Interest Rate Risk

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

5. Derivative Transactions

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

Objective of the derivative transaction

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

Terms

University of South Alabama
Notes to Financial Statements
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A summary of the transactions is as follow:

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

If the counterparty exercises its options in 2014 and 2016, the University would, at the counterparty's option, be forced into an underlying swap. If the option is exercised, the University would begin to make payments on the notional amount, currently \$46,245,000 and \$100,000,000 for the 2004 bonds and 2006 bonds, respectively, of the underlying swap contract. Simultaneously, the University would call outstanding 2004 and 2006 bonds and issue variable rate demand notes (VRDNs) in their place. Under the swap contract, the University would pay a fixed rate of 4.9753% on the 2004 bonds and 5.0% on the 2006 bonds to the counterparty and would receive payments based on 68% of the one-month LIBOR index. Alternatively, although it is not anticipated that this option would be to the University advantage, the University could, at its option, cash settle the swap and retain its right to refund the 2004 and 2006 bonds.

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

Financial statement presentation

A swaption is considered a hybrid instrument and consists of two components, a time value and an intrinsic value. The intrinsic value of the swaption represents the value of the counterparty's option if it were exercised immediately. The time value of the swaption is the difference between the total value and the intrinsic value and represents the probability weighted, discounted values of a range of future possible outcomes. The time and intrinsic values at the date of execution of this transaction were as follows:

	2004 Bonds	2006 Bonds
Time value	\$ 520,000	1,741,000
Intrinsic value	1,468,000	5,599,000
	<u>\$ 1,988,000</u>	<u>7,340,000</u>

The time value of the payment to the University is considered an embedded derivative and is reported at its fair value in the statement of net assets as of the current date. Changes in the fair value of the derivative are reported as deferred cash inflows or outflows in the statement of net assets.

University of South Alabama
Notes to Financial Statements
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The intrinsic value of the payment to the University is considered a borrowing, and as such is included in long-term debt on the University's statement of net assets. Interest is being accrued on, and added to, the borrowing through the expiration date of the option.

Pursuant to the terms of the agreement, the University is required to maintain certain collateral with the counterparty. Such amounts are included as restricted investments on the statement of net assets.

Risks associated with this transaction

Certain risks are inherent to derivative transactions.

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

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

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

Credit risk. Although the underlying swap exposes the University to credit risk should the swap be executed, the swaption itself does not expose the University to credit risk. If the option is exercised on one or both issues, the University would begin to make payments on the appropriate notional amount of the underlying swap contract. In that situation, if the fair value of the swap is positive, the University would be exposed to credit risk on the swap in the amount of its fair value. As of the current date, the swap counterparty was rated Aa2 by Moody's Investors Services, AA by Standard and Poor's and AA- by Fitch Ratings.

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

University of South Alabama
Notes to Financial Statements
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6. Bonds Payable

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

University Tuition Revenue Bonds, Series 1999 Current Interest, 3.7% to 4.35% payable through November 2010

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

University Tuition Revenue Refunding and Capital Improvement Bonds, Series 2004, 2.00% to 5.00%, payable through March 2024

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

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

Borrowing arising from swaption, Series 2004 Bonds

Borrowing arising from swaption, Series 2006 Bonds

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

In January 2008, the University entered into a synthetic advance refunding of the outstanding Series 2004 and 2006 bonds. This transaction was effected through the sale of two swaptions by the University to a counterparty. The proceeds from each sale, totaling \$9,328,000, consist of two components, a time value and an intrinsic value. The intrinsic value of the payment is considered a borrowing and is included in long-term debt. As a result of this transaction, the counterparty has the option to force the University to redeem its Series 2004 and 2006 bonds at their respective redemption dates. See footnote five for a complete description of this transaction.

The University defeased certain indebtedness during 1978 and 1984 by depositing funds in escrow trust accounts sufficient to provide for the subsequent payment of principal and

University of South Alabama
Notes to Financial Statements
March 31, 2010

interest on the defeased indebtedness. Neither the assets of the escrow trust accounts nor the defeased indebtedness is included in the accompanying statements of net assets.

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

7. Net Patient Service Revenue

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

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

Medicare – Substantially all acute-care services rendered to Medicare program beneficiaries are paid at prospectively determined rates. These rates vary according to patient classification systems that are based on clinical, diagnostic, and other factors. Additionally, the Hospitals are reimbursed for both direct and indirect medical education costs (as defined), principally based on per-resident prospective payment amounts and certain adjustments to prospective rate-per-discharge operating reimbursement payments. The Hospitals generally are reimbursed for certain retroactively settled items at tentative rates, with final settlement determined after submission of annual cost reports by the Hospitals and audits by the Medicare fiscal intermediary. The cost report for the USA Medical Center has been audited through 2006 and settled through 2005. The cost report for USA Children's and Women's Hospital has been audited through 2007 and settled through 2006. The cost report for USA Knollwood Hospital has been audited and settled through March 2006 and settled through September 2004. Revenue from the Medicare program accounted for approximately 18% of the Hospitals' net patient service revenue for both years ended September 30, 2009 and 2008.

Blue Cross – Inpatient services rendered to Blue Cross subscribers are paid at a prospectively determined per diem rate. Outpatient services are reimbursed under a cost reimbursement methodology. For outpatient services, the Hospitals are reimbursed at a tentative rate with final settlement determined after submission of annual cost reports by the Hospitals and audits thereof by Blue Cross. The Hospitals' Blue Cross cost reports have been audited and settled for all fiscal years through 2006. Revenue from the Blue Cross program accounted for approximately 23% and 20% of the Hospitals' net patient service revenue for the years ended September 30, 2009 and 2008, respectively.

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

University of South Alabama
Notes to Financial Statements
March 31, 2010

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

Revenue from the Medicaid program accounted for approximately 37% and 30% of the Hospitals' net patient service revenue for the years ended September 30, 2009 and 2008, respectively.

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

8. Hospital Lease

The University and Infirmity Health System, Inc. (the Infirmity) have entered into a Lease Agreement (the Lease) in which the University agreed to lease certain land, buildings and equipment used in connection with the operation of its USA Knollwood Hospital campus to the Infirmity. The lease is effective through March 2056 with an automatic renewal, for an additional forty-nine years, through March 2105; and may be canceled by the Infirmity after the initial fifty-year term. Upon the expiration or termination of the lease, the assets, along with responsibility for the operation of such assets, will revert to the University and the University will pay the Infirmity, at fair market value, for any capital improvements to the assets. Additionally, the lease may be terminated at any time, at the option of the Infirmity, in the event that a change in any law, statute, rule, or a regulation of any governmental or other regulatory body or any third-party payment program is deemed by the Infirmity to be significant, as defined by the lease. University management does not anticipate that this option will be exercised by the Infirmity.

In January 2009, the Infirmity and the University entered into a "First Amendment to Lease Agreement" (the Amendment). The Amendment deferred the original payment terms of the lease for two years such that during the period from January 2009 to December 2010, annual lease payments are reduced to \$1 annually. Beginning in January 2011, the original payment schedule resumes. The payment schedule and narrative presented below reflect these revised terms.

The total amount of lease payments due the University was based on the fair market value of the appraised assets, \$32,418,000. The allocation of the appraised fair market value was \$29,370,000 for the land and buildings and \$3,048,000 for medical equipment, office furnishings and other equipment.

University of South Alabama
Notes to Financial Statements
March 31, 2010

Upon execution of the lease, a partial lease prepayment in the amount of \$7,418,000 was made by the Infirmary. In addition to the prepayment, required lease payments by the Infirmary to the University are as follows (payable monthly):

- Months one through thirty-three of the initial lease term - \$1,000,000 annually (\$83,333 monthly)
- Months thirty-four through fifty-seven of the initial lease term - \$1 annually
- Months fifty-eight through eighty-four of the initial lease term - \$1,000,000 annually (\$83,333 monthly)
- Years eight through twelve of the initial lease term - \$1,250,000 annually
- Years thirteen through seventeen of the initial lease term - \$1,500,000 annually
- Years eighteen through thirty-two of the initial lease term - The monthly payment will be the remaining unpaid balance of the lease payments amortized over years sixteen through thirty using an interest rate calculated from the immediately previous 15-year monthly average of the 20-year state and local tax exempt general obligation bond issues as determined by the United States Federal Reserve System. The remaining unpaid balance at the end of year fifteen, \$17,401,000, is derived by taking the initial unpaid balance of rent due after the partial lease prepayment, \$25,000,000, plus accrued interest at an annual rate of 3.75%, less monthly lease payments.
- Years thirty-three through fifty of the initial lease term - \$1 annually
- Year fifty-one through ninety-nine of the extended lease term - \$1 annually

For reporting purposes, management assumed that the interest rate utilized in years sixteen through thirty would remain at 3.75%. This assumption will be reviewed, and amortization schedules adjusted, if necessary, when the actual interest rate is determined.

In order to properly report this transaction, the University has bifurcated the lease into an equipment component and a real property component, as required by FASB Statement No. 13, based on the appraised fair value of each such component. The financial considerations of the lease are then applied to, and the accounting treatment is determined for, each component based on this bifurcation.

The equipment component of the lease is considered a capital lease (sales-type lease) and as such has been recorded as a capital lease receivable, both current and noncurrent, in the accompanying basic financial statements of the University. The capital equipment lease is being amortized through fiscal 2011 at a fixed rate of 3.75%.

The component of the lease attributable to land and buildings is considered an operating lease. As such, lease revenue will be recorded as it is earned over the ninety-nine year lease term (the fifty-year initial term and the forty-nine year automatic renewal term). The expected total lease payments to be received over the next twenty-eight years are approximately \$43,788,000. These total receipts will be recognized as revenue in the amount of approximately \$485,000 annually. Payments received in excess of this amount,

University of South Alabama
Notes to Financial Statements
March 31, 2010

along with cash and other consideration already received in the amount of \$6,327,000, will be deferred and amortized over the ninety-nine year lease term.

9. Employee Benefits

Retirement and Pension Plans

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

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

All employees covered by this retirement plan must contribute 5% of their eligible earnings to TRS. An actuary employed by the TRS Board of Control establishes the employer-matching amount annually.

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

Compensated Absences

Regular University employees accumulate vacation and sick leave, subject to maximum limitations, at varying rates depending upon their employee classification and length of service. Upon termination of employment, employees are paid all unused accrued vacation at their regular rate of pay up to a maximum of two times their annual accumulation rate. No accrual is recognized for sick leave benefits since no terminal cash benefit is available to employees for accumulated sick leave.

University of South Alabama
Notes to Financial Statements
March 31, 2010

Other Postretirement Employee Benefits

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

10. Risk Management

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

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

The University participates in a self-insured health plan, administered by an unaffiliated entity. 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.

11. Other Related Party

The South Alabama Medical Science Foundation (SAMSF) is a not-for-profit corporation that exists for the purpose of promoting education and research at the University. SAMSF reimburses the University for certain administrative expenses and other related support services.

12. Commitments and Contingencies

Grants and Contracts

The University had been awarded certain amounts in grants and contracts for which resources had not been received and for which reimbursable expenditures had not been made for the purposes specified. These awards, which represent commitments of sponsors to provide funds for research or training projects, have not been reflected in the accompanying basic financial statements as the eligibility requirements of the award have not been met. Advances include amounts received from grant and contract sponsors

University of South Alabama
Notes to Financial Statements
March 31, 2010

which have not been earned under the terms of the agreements and, therefore, have not yet been included in revenues in the accompanying basic financial statements. Federal awards are subject to audit by Federal agencies. The University's management believes any adjustment from such audits will not be material.

Letter of Credit

In connection with the Hospitals' participation in the State of Alabama Medicaid Program, the University has established a \$1,400,000 irrevocable standby letter of credit with Wachovia Bank. The Alabama Medicaid Agency is the beneficiary of this letter of credit. No funds are currently advanced under this letter.

Litigation

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

Rent Supplement Agreement

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

State Bond Issue

The State of Alabama has made allocations to the University from bonds issued in prior years. Pursuant to the allocations, funds are available to the University for certain future construction costs. The allocations have not been reflected in the accompanying financial statement.

13. Significant New Accounting Pronouncements

In February 2009, the GASB issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definition*. GASB Statement No. 54 revised classification requirements related to fund balance reporting and will be effective for the year ending September 30, 2011. In December 2009, the GASB issued Statement No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*. GASB Statement No. 57 addresses issue related to the use of the alternative measurement method and the frequency and timing of measurements by employers that participate in agent multi-employer other post-employment benefit plans and will be effective for the year ending September 30, 2011. GASB Statements No. 54 and 57 are not applicable to the University.

University of South Alabama
Summary Comparison of Fund Financial Reports to
GASB Statement 34 Financial Statements
March 31, 2010 and 2009

	Three Months Ended March 31,		Year Ended September 30,
	<u>2010</u>	<u>2009</u>	<u>2009</u>
Net increase (decrease) in current unrestricted operating funds (fund accounting format)	\$ (5,551,517)	\$ (15,970,854)	\$ (22,557,941)
Add:			
Debt service	2,273,043	3,810,002	3,160,915
Equipment*	-	-	7,259,482
Depreciation	(9,521,026)	(9,581,997)	(21,615,731)
Plant Fund revenues	8,760,416	5,888,706	18,127,139
Other, net	<u>6,958,084</u>	<u>(9,855,857)</u>	<u>13,978,136</u>
Net increase (decrease) in net assets - GASB Statement 34/35	<u>\$ 2,919,000</u>	<u>\$ (25,710,000)</u>	<u>\$ (1,648,000)</u>

* Netted for quarterly reporting purpose

**Detailed Reconciliation of Fund Financial Reports to
GASB Statement No. 34 Financial Statements**

Six Months Ended March 31, 2010

Net decrease from operating (current unrestricted) funds - fund accounting format		\$ (5,551,517)
Add back:		
Debt service:		
Principal payment on long term debt	5,025,000	
Actual payment of principal and interest in excess of amounts transferred (timing issue)	<u>(2,751,957)</u>	2,273,043
Equipment purchases*		-
Depreciation of buildings and equipment:		
Computed depreciation	(12,475,643)	
Non-capitalized plant fund expenditures*	-	
Transfers of funded depreciation	<u>2,954,617</u>	<u>(9,521,026)</u>
		(12,799,500)
Add:		
Plant fund income/transfers (net) not previously combined with operating:		8,760,416
Other fund income not previously combined with operating:		
Endowment fund gifts, investment gain and other, net	6,712,662	
Loan fund	16,045	
Restricted fund	<u>229,377</u>	<u>6,958,084</u>
Net increase in net assets - GASB Statement No. 34 Format		<u>\$ 2,919,000</u>

* Netted for quarterly reporting purpose

**Detailed Reconciliation of Fund Financial Reports to
GASB Statement No. 34 Financial Statements**

Six Months Ended March 31, 2009

Net decrease from operating (current unrestricted) funds - fund accounting format		\$ (15,970,854)
Add back:		
Debt service:		
Principal payment on long term debt	4,459,392	
Actual payment of principal and interest in in excess of amounts transferred (timing issue)	<u>(649,390)</u>	3,810,002
Equipment purchases*		-
Depreciation of buildings and equipment:		
Computed depreciation	(13,094,082)	
Non-capitalized plant fund expenditures*	-	
Transfers of funded depreciation	<u>3,512,085</u>	<u>(9,581,997)</u>
		(21,742,849)
Add:		
Plant fund income/transfers (net) not previously combined with operating:		5,888,706
Other fund income not previously combined with operating:		
Endowment fund gifts, investment gain and other, net	(10,681,257)	
Loan fund	27,506	
Restricted fund	809,362	
Other adjustments and rounding	<u>(11,468)</u>	<u>(9,855,857)</u>
Net decrease in net assets - GASB Statement No. 34 Format		<u>\$ (25,710,000)</u>

* Netted for quarterly reporting purpose

**Detailed Reconciliation of Fund Financial Reports to
GASB Statement No. 34 Financial Statements**

Year Ended September 30, 2009

Net decrease from operating (current unrestricted) funds - fund format		\$ (22,557,941)
Add back:		
Debt service:		
Principal payment on long term debt	\$ 4,868,073	
Actual payment of principal and interest in in excess of amounts transferred (timing issue)	<u>(1,707,158)</u>	3,160,915
Equipment purchases		7,259,482
Depreciation of buildings and equipment:		
Computed depreciation	(25,183,157)	
Non-capitalized plant fund expenditures	(3,415,010)	
Transfers of funded depreciation	<u>6,982,436</u>	<u>(21,615,731)</u>
		(33,753,275)
Add:		
Plant fund income/transfers (net) not previously combined with operating:		18,127,139
Other fund income not previously combined with operating:		
Endowment fund gifts, investment gain and other, net	12,719,833	
Loan fund	(752)	
Restricted fund	<u>1,259,055</u>	<u>13,978,136</u>
Net decrease in net assets - GASB Statement No. 34 Format		<u><u>\$ (1,648,000)</u></u>

RESOLUTION
ELECTION OF DIRECTORS
OF THE USA RESEARCH AND TECHNOLOGY CORPORATION BOARD

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

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

WHEREAS, the Board of Directors of the Corporation has nominated for consideration and confirmation by the Board of Trustees of the University Mr. Danny K. Patterson and Ms. Cheryl Williams for four (4)-year terms beginning June 2010, and these persons have agreed to serve in this capacity if elected,

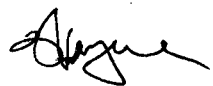
THEREFORE, BE IT RESOLVED, that the Board of Trustees of the University of South Alabama does hereby elect as Directors of the USA Research and Technology Corporation Mr. Danny K. Patterson and Ms. Cheryl Williams, both for four (4)-year terms beginning June 2010.



REC'D
OFFICE OF THE PRESIDENT

MAY 14 2010

CAMPUS MEMORANDUM
UNIVERSITY OF SOUTH ALABAMA

Date: May 13, 2010
To: President V. Gordon Moulton
From: M. Wayne Davis 
Subject: Agenda Item for June 10, 2010 Board of Trustees Meeting

Attached is a resolution for consideration by the Budget and Finance Committee concerning the election of directors of the USA Research and Technology Corporation. As you know, the bylaws of the Corporation authorized it to nominate directors and submit the list of names to the University of South Alabama Board of Trustees for approval and election. With your approval, this item will be presented to the Budget and Finance Committee and the Board of Trustees for final approval. Further, I recommend the adoption of the resolution by the Board of Trustees.

Attachment

RESOLUTION

**ROTH OPTION ADDITION TO THE UNIVERSITY OF SOUTH ALABAMA
TAX-DEFERRED ANNUITY PLAN**

WHEREAS, the University of South Alabama in 1964 authorized the participation of all employees in the Teachers' Insurance and Annuity Association/College Retirement Equity Fund (TIAA/CREF) pursuant to an elective salary reduction arrangement under which matching funds are not available, and

WHEREAS, on November 30, 1967, on October 24, 1980, on January 1, 1986, on January 1, 1987, on October 1, 1989, and on June 27, 1991, the plan was changed, and

WHEREAS, pursuant to final regulations under Section 403(b) of the Internal Revenue Code issued on July 26, 2007, that became effective January 1, 2009, the plan was restated in written form, and

WHEREAS, it is desirable to have available for all employees the option of making after-tax contributions to the plan under the Roth provisions of the Internal Revenue Code, and

WHEREAS, no changes to the Tax-Deferred Annuity Plan, other than the addition of the Roth option, are being made,

THEREFORE, BE IT RESOLVED, that the Board of Trustees approves the addition of the Roth option for the University of South Alabama Tax-Deferred Annuity Plan and authorizes the President to sign the amended plan adoption agreement.



MAY 14 2010

CAMPUS MEMORANDUM
UNIVERSITY OF SOUTH ALABAMA

Date: May 13, 2010
To: President V. Gordon Moulton
From: M. Wayne Davis *M. Wayne Davis*
Subject: Agenda Item for June 10, 2010 Board of Trustees Meeting

Attached is a resolution for consideration by the Budget and Finance Committee concerning the approval of adding a Roth option to the University of South Alabama Tax Deferred Annuity Plan. As you know, the addition of a Roth option will add flexibility in choice as the University's employees make retirement plan decisions. No changes are being made to eligibility, benefits, distribution rules, or other plan aspects. With your approval, this item will be presented to the Budget and Finance Committee and the Board of Trustees for final approval. Further, I recommend the adoption of the resolution by the Board of Trustees.

Attachment

RESOLUTION
UNIVERSITY BUDGET FOR 2010-2011

BE IT RESOLVED, that the University of South Alabama Board of Trustees approves the 2010–2011 University of South Alabama Budget, and

BE IT FURTHER RESOLVED, that the University of South Alabama Board of Trustees approves the 2010–2011 Budget as a continuation budget for 2011–2012 in order to be in compliance with bond trust indenture requirements if the budget process cannot be completed prior to beginning the 2011–2012 fiscal year.

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UNIVERSITY OF SOUTH ALABAMA
2010-2011 PROPOSED BUDGET SUMMARY
CURRENT FUNDS

	2010-2011 PROPOSED BUDGET			2009-2010 ORIGINAL BUDGET
	UNRESTRICTED	RESTRICTED	TOTAL	
REVENUES:				
TUITION AND FEES	\$ 99,284,520	\$	\$ 99,284,520	\$ 87,622,306
STATE APPROPRIATION	89,347,976		89,347,976	96,808,451
FEDERAL STIMULUS FUNDS	10,768,819		10,768,819	10,768,819
FEDERAL GRANTS AND CONTRACTS	5,018,278	56,500,000	61,518,278	37,518,278
STATE AND LOCAL GRANTS AND CONTRACTS	484,143	8,250,000	8,734,143	10,500,143
PRIVATE GIFTS, GRANTS AND CONTRACTS	50,853,100	3,500,000	54,353,100	56,533,100
MOBILE RACING COMMISSION	75,000		75,000	225,000
ENDOWMENT INCOME	150,000		150,000	150,000
SALES AND SERVICES OF EDUCATIONAL ACTIVITIES	3,629,650		3,629,650	3,629,650
HOSPITALS - SALES AND SERVICES	311,965,596		311,965,596	319,828,934
- STATE APPROPRIATION	8,599,258		8,599,258	9,323,694
MITCHELL CANCER INSTITUTE - SALES AND SERVICES	20,450,720		20,450,720	12,484,876
- STATE APPROPRIATION	2,000,000		2,000,000	2,000,000
AUXILIARY ENTERPRISES -				
- SALES AND SERVICES	18,940,975		18,940,975	17,976,922
OTHER SOURCES	7,641,929	4,250,000	11,891,929	12,051,929
TOTAL REVENUES	<u>629,209,964</u>	<u>72,500,000</u>	<u>701,709,964</u>	<u>677,422,102</u>
EXPENDITURES AND MANDATORY TRANSFERS:				
EDUCATIONAL AND GENERAL:				
INSTRUCTION	106,596,803	12,000,000	118,596,803	120,975,214
RESEARCH	3,586,945	16,500,000	20,086,945	19,727,231
PUBLIC SERVICE	38,566,099	2,500,000	41,066,099	47,082,924
ACADEMIC SUPPORT	20,674,107		20,674,107	20,161,330
STUDENT SERVICES	24,320,621	1,000,000	25,320,621	24,106,511
INSTITUTIONAL SUPPORT	26,013,053		26,013,053	24,503,919
OPERATION AND MAINTENANCE OF PLANT	25,952,041	20,000,000	45,952,041	25,030,146
SCHOLARSHIPS	6,650,973	20,500,000	27,150,973	21,985,973
EDUCATIONAL AND GENERAL EXPENDITURES	<u>252,360,642</u>	<u>72,500,000</u>	<u>324,860,642</u>	<u>303,573,248</u>
MANDATORY TRANSFERS FOR:				
PRINCIPAL AND INTEREST	14,799,440		14,799,440	13,426,282
LOAN FUND MATCHING GRANTS	171,239		171,239	171,239
TOTAL EDUCATIONAL AND GENERAL	<u>267,331,321</u>	<u>72,500,000</u>	<u>339,831,321</u>	<u>317,170,769</u>
HOSPITALS (INCLUDING DEBT SERVICE OF \$4,339,799)	<u>315,225,735</u>		<u>315,225,735</u>	<u>326,075,010</u>
MITCHELL CANCER INSTITUTE (INCLUDING DEBT SERVICE OF \$190,065)	<u>23,308,433</u>		<u>23,308,433</u>	<u>16,195,147</u>
AUXILIARY ENTERPRISES:				
EXPENDITURES	17,269,387		17,269,387	16,951,981
MANDATORY TRANSFERS FOR:				
PRINCIPAL AND INTEREST	1,852,399		1,852,399	1,320,685
TOTAL AUXILIARY ENTERPRISES	<u>19,121,786</u>		<u>19,121,786</u>	<u>18,272,666</u>
TOTAL EXPENDITURES AND MANDATORY TRANSFERS	<u>624,987,275</u>	<u>72,500,000</u>	<u>697,487,275</u>	<u>677,713,592</u>
OTHER TRANSFERS AND ADDITIONS/(DEDUCTIONS):				
DEPRECIATION - RENEWALS AND REPLACEMENTS	(10,623,509)		(10,623,509)	(11,411,667)
OTHER TRANSFERS	857,713		857,713	1,710,271
MOBILE RACING COMMISSION	(75,000)		(75,000)	(225,000)
NET DECREASE IN FUND BALANCES	<u>\$ (5,618,107)</u>	<u>\$</u>	<u>\$ (5,618,107)</u>	<u>\$ (10,217,886)</u>

UNIVERSITY OF SOUTH ALABAMA
2010-2011 PROPOSED BUDGET SUMMARY
UNRESTRICTED CURRENT FUNDS

	OPERATIONS AND MAINTENANCE	COLLEGE OF MEDICINE	HOSPITALS	MITCHELL CANCER INSTITUTE	AUXILIARY ENTERPRISES	2010-2011 PROPOSED BUDGET	2009-2010 PROPOSED BUDGET
REVENUES:							
TUITION AND FEES	\$ 91,203,800	\$ 8,080,720	\$ 8,599,258	\$	\$	\$ 99,284,520	\$ 87,622,306
STATE APPROPRIATION	62,554,388			2,000,000		99,947,234	108,132,145
FEDERAL STIMULUS FUNDS	7,799,042	2,969,777				10,768,819	10,768,819
FEDERAL GRANTS AND CONTRACTS	1,162,832	3,855,446				5,018,278	5,018,278
STATE AND LOCAL GRANTS AND CONTRACTS	291,349	192,794				484,143	500,143
PRIVATE GIFTS, GRANTS AND CONTRACTS	1,683,100	49,170,000				50,853,100	51,033,100
MOBILE RACING COMMISSION		75,000				75,000	225,000
ENDOWMENT INCOME		150,000				150,000	150,000
SALES AND SERVICES OF EDUCATIONAL ACTIVITIES	3,629,650					3,629,650	3,629,650
HOSPITALS - SALES AND SERVICES			311,965,596			311,965,596	319,828,934
MITCHELL CANCER INSTITUTE - SALES AND SERVICES				20,450,720		20,450,720	12,484,876
AUXILIARY ENTERPRISES -							
- SALES AND SERVICES					18,940,975	18,940,975	17,976,922
OTHER SOURCES	6,888,895	753,034				7,641,929	7,551,929
TOTAL REVENUES	<u>175,213,056</u>	<u>92,040,359</u>	<u>320,564,854</u>	<u>22,450,720</u>	<u>18,940,975</u>	<u>629,209,964</u>	<u>624,922,102</u>
EDUCATIONAL AND GENERAL:							
INSTRUCTION	68,677,318	37,919,485				106,596,803	108,975,214
RESEARCH	1,751,945	1,835,000				3,586,945	3,227,231
PUBLIC SERVICE	3,756,119	34,809,980				38,566,099	39,582,924
ACADEMIC SUPPORT	15,287,349	5,386,758				20,674,107	20,161,330
STUDENT SERVICES	22,461,204	1,859,417				24,320,621	23,106,511
INSTITUTIONAL SUPPORT	21,113,750	4,899,303				26,013,053	24,503,919
OPERATION AND MAINTENANCE OF PLANT	20,834,068	5,117,973				25,952,041	25,030,146
SCHOLARSHIPS	5,507,373	1,143,600				6,650,973	6,485,973
EDUCATIONAL AND GENERAL EXPENDITURES	<u>159,389,126</u>	<u>92,971,516</u>				<u>252,360,642</u>	<u>251,073,248</u>
MANDATORY TRANSFERS FOR:							
PRINCIPAL AND INTEREST	14,398,997	400,443				14,799,440	13,426,282
LOAN FUND MATCHING GRANTS	171,239					171,239	171,239
TOTAL EDUCATIONAL AND GENERAL	<u>173,959,362</u>	<u>93,371,959</u>				<u>267,331,321</u>	<u>264,670,769</u>
HOSPITALS:							
EXPENDITURES AND MANDATORY TRANSFERS			315,225,735			315,225,735	326,075,010
MITCHELL CANCER INSTITUTE:							
EXPENDITURES AND MANDATORY TRANSFERS				23,308,433		23,308,433	16,195,147
AUXILIARY ENTERPRISES:							
EXPENDITURES					17,269,387	17,269,387	16,951,981
MANDATORY TRANSFERS FOR PRINCIPAL AND INTEREST					1,852,399	1,852,399	1,320,685
TOTAL AUXILIARY ENTERPRISES					<u>19,121,786</u>	<u>19,121,786</u>	<u>18,272,666</u>
TOTAL EXPENDITURES AND MANDATORY TRANSFERS	<u>173,959,362</u>	<u>93,371,959</u>	<u>315,225,735</u>	<u>23,308,433</u>	<u>19,121,786</u>	<u>624,987,275</u>	<u>625,213,592</u>
OTHER TRANSFERS AND ADDITIONS/(DEDUCTIONS):							
DEPRECIATION - RENEWALS AND REPLACEMENTS	(4,414,539)		(6,420,820)	857,713	211,850	(10,623,509)	(11,411,667)
OTHER TRANSFERS		(75,000)				857,713	1,710,271
MOBILE RACING COMMISSION						(75,000)	(225,000)
NET INCREASE (DECREASE) IN FUND BALANCES	<u>\$ (3,160,845)</u>	<u>\$ (1,406,600)</u>	<u>\$ (1,081,701)</u>	<u>\$</u>	<u>\$ (392,661)</u>	<u>\$ (5,618,107)</u>	<u>\$ (10,217,886)</u>

**UNIVERSITY OF SOUTH ALABAMA
2010-2011 PROPOSED BUDGET SUMMARY
RESTRICTED CURRENT FUNDS**

	OPERATIONS AND MAINTENANCE	COLLEGE OF MEDICINE	MITCHELL CANCER INSTITUTE	2010-2011 PROPOSED BUDGET	2009-2010 PROPOSED BUDGET
REVENUES:					
FEDERAL GRANTS AND CONTRACTS	\$ 47,500,000	\$ 8,500,000	\$ 500,000	\$ 56,500,000	\$ 32,500,000
STATE AND LOCAL GRANTS AND CONTRACTS	6,500,000	1,500,000	250,000	8,250,000	10,000,000
PRIVATE GIFTS, GRANTS AND CONTRACTS	1,500,000	2,000,000		3,500,000	5,500,000
OTHER	2,500,000	1,500,000	250,000	4,250,000	4,500,000
TOTAL REVENUE	58,000,000	13,500,000	1,000,000	72,500,000	52,500,000
EXPENDITURES:					
EDUCATIONAL AND GENERAL:					
INSTRUCTION	10,250,000	1,500,000	250,000	12,000,000	12,000,000
RESEARCH	6,000,000	9,750,000	750,000	16,500,000	16,500,000
PUBLIC SERVICE	750,000	1,750,000		2,500,000	7,500,000
STUDENT SERVICES	1,000,000			1,000,000	1,000,000
OPERATIONS AND MAINTENANCE OF PLANT	20,000,000			20,000,000	
SCHOLARSHIPS	20,000,000	500,000		20,500,000	15,500,000
TOTAL EXPENDITURES	58,000,000	13,500,000	1,000,000	72,500,000	52,500,000
NET INCREASE (DECREASE) IN FUND BALANCES	\$	\$	\$	\$	\$

UNIVERSITY OF SOUTH ALABAMA
OPERATIONS AND MAINTENANCE
2010-2011 PROPOSED BUDGET
UNRESTRICTED CURRENT FUNDS

	2010-2011 PROPOSED BUDGET	2009-2010 PROPOSED BUDGET
REVENUES:		
TUITION AND FEES	\$ 91,203,800	\$ 80,752,806
ALLOCATION OF STATE APPROPRIATION	62,554,388	67,757,665
FEDERAL STIMULUS FUNDS	7,799,475	7,799,475
FEDERAL GRANTS AND CONTRACTS	1,162,832	1,162,832
STATE GRANTS AND CONTRACTS	291,349	291,349
PRIVATE GIFTS, GRANTS AND CONTRACTS	1,683,100	1,683,100
ENDOWMENT INCOME		
SALES AND SERVICES OF EDUCATIONAL ACTIVITIES	3,629,650	3,629,650
OTHER SOURCES	6,888,462	6,788,462
TOTAL REVENUES	175,213,056	169,865,339
EXPENDITURES AND MANDATORY TRANSFERS:		
EDUCATIONAL AND GENERAL:		
INSTRUCTION	68,677,318	69,958,323
RESEARCH	1,751,945	1,705,796
PUBLIC SERVICE	3,756,119	3,756,119
ACADEMIC SUPPORT	15,287,349	14,933,511
STUDENT SERVICES	22,461,204	21,395,076
INSTITUTIONAL SUPPORT	21,113,750	20,392,730
OPERATION AND MAINTENANCE OF PLANT	20,834,068	19,902,426
SCHOLARSHIPS	5,507,373	5,342,373
EDUCATIONAL AND GENERAL EXPENDITURES	159,389,126	157,386,354
MANDATORY TRANSFERS:		
PRINCIPAL AND INTEREST	14,398,997	13,025,839
LOAN FUND MATCHING GRANTS	171,239	171,239
TOTAL EXPENDITURES AND MANDATORY TRANSFERS	173,959,362	170,583,432
OTHER TRANSFERS AND ADDITIONS/(DEDUCTIONS):		
DEPRECIATION - RENEWALS AND REPLACEMENTS	(4,414,539)	(4,414,539)
NET INCREASE (DECREASE) IN FUND BALANCES	\$ (3,160,845)	\$ (5,132,632)

UNIVERSITY OF SOUTH ALABAMA
COLLEGE OF MEDICINE
2010-2011 PROPOSED BUDGET
UNRESTRICTED CURRENT FUNDS

	2010-2011 PROPOSED BUDGET	2009-2010 PROPOSED BUDGET
REVENUES:		
TUITION AND FEES	\$ 8,080,720	\$ 6,869,500
ALLOCATION OF STATE APPROPRIATION	26,793,588	29,050,786
FEDERAL STIMULUS FUNDS	2,969,777	2,969,777
FEDERAL GRANTS AND CONTRACTS	3,855,446	3,855,446
STATE GRANTS AND CONTRACTS	192,794	208,794
PRIVATE GIFTS, GRANTS AND CONTRACTS	49,170,000	49,350,000
MOBILE RACING COMMISSION	75,000	225,000
ENDOWMENT INCOME	150,000	150,000
OTHER SOURCES	753,034	763,034
TOTAL REVENUES	<u>92,040,359</u>	<u>93,442,337</u>
EXPENDITURES AND MANDATORY TRANSFERS:		
EDUCATIONAL AND GENERAL:		
INSTRUCTION	37,919,485	39,016,891
RESEARCH	1,835,000	1,521,435
PUBLIC SERVICE	34,809,980	35,826,805
ACADEMIC SUPPORT	5,386,758	5,227,819
STUDENT SERVICES	1,859,417	1,711,435
INSTITUTIONAL SUPPORT	4,899,303	4,111,189
OPERATION AND MAINTENANCE OF PLANT	5,117,973	5,127,720
SCHOLARSHIPS	1,143,600	1,143,600
EDUCATIONAL AND GENERAL EXPENDITURES	<u>92,971,516</u>	<u>93,686,894</u>
MANDATORY TRANSFERS:		
PRINCIPAL AND INTEREST	400,443	400,443
TOTAL EXPENDITURES AND MANDATORY TRANSFERS	<u>93,371,959</u>	<u>94,087,337</u>
OTHER TRANSFERS AND ADDITIONS/(DEDUCTIONS):		
MOBILE RACING COMMISSION	(75,000)	(225,000)
NET INCREASE (DECREASE) IN FUND BALANCES	<u>\$ (1,406,600)</u>	<u>\$ (870,000)</u>

**UNIVERSITY OF SOUTH ALABAMA
HOSPITALS
2010-2011 PROPOSED BUDGET
UNRESTRICTED CURRENT FUNDS**

	2010-2011 PROPOSED BUDGET	2009-2010 PROPOSED BUDGET
REVENUES:		
GROSS PATIENT REVENUE	\$ 415,178,226	\$ 423,836,803
CONTRACTUAL ADJUSTMENTS	138,754,294	131,115,183
OTHER ADJUSTMENTS	<u>1,399,670</u>	<u>2,922,155</u>
TOTAL DEDUCTIONS FROM REVENUE	<u>140,153,964</u>	<u>134,037,338</u>
NET PATIENT REVENUE	<u>275,024,262</u>	<u>289,799,465</u>
ALLOCATION OF STATE APPROPRIATION	8,599,258	9,323,694
MOBILE COUNTY HOSPITAL BOARD	14,825,996	14,188,000
MOBILE COUNTY INDIGENT CARE BOARD	2,277,624	3,081,995
MEDICAID DISPROPORTIONATE SHARE.	5,801,416	3,377,729
OTHER REVENUE	<u>14,036,298</u>	<u>9,381,745</u>
TOTAL REVENUE	<u>320,564,854</u>	<u>329,152,628</u>
EXPENDITURES AND MANDATORY TRANSFERS:		
EXPENDITURES:		
NURSING SERVICES	84,224,874	84,432,700
PROFESSIONAL SERVICES	81,103,101	79,756,438
GENERAL DIVISION	17,496,617	17,036,015
ADMINISTRATIVE DIVISION	38,994,362	41,883,144
MEDICAL EDUCATION	14,677,240	15,680,450
PROVISION FOR UNCOLLECTIBLE ACCOUNTS (NET OF RECOVERIES)	<u>74,389,742</u>	<u>82,550,967</u>
TOTAL EXPENDITURES	<u>310,885,936</u>	<u>321,339,714</u>
MANDATORY TRANSFERS FOR:		
PRINCIPAL AND INTEREST	<u>4,339,799</u>	<u>4,735,296</u>
TOTAL EXPENDITURES AND MANDATORY TRANSFERS	<u>315,225,735</u>	<u>326,075,010</u>
OTHER TRANSFERS AND ADDITIONS/(DEDUCTIONS):		
DEPRECIATION - DISPROPORTIONATE SHARE	(3,801,416)	(3,377,729)
DEPRECIATION - RENEWALS AND REPLACEMENTS	<u>(2,619,404)</u>	<u>(3,619,399)</u>
NET INCREASE (DECREASE) IN FUND BALANCES	<u>\$ (1,081,701)</u>	<u>\$ (3,919,510)</u>

UNIVERSITY OF SOUTH ALABAMA
MITCHELL CANCER INSTITUTE
2010-2011 PROPOSED BUDGET
UNRESTRICTED CURRENT FUNDS

	2010-2011 PROPOSED BUDGET	2009-2010 PROPOSED BUDGET
REVENUES:		
GROSS PATIENT REVENUE	\$ 24,684,266	\$ 14,746,834
CONTRACTUAL ADJUSTMENTS	8,615,529	6,196,006
TOTAL DEDUCTIONS FROM REVENUE	<u>8,615,529</u>	<u>6,196,006</u>
NET PATIENT REVENUE	16,068,737	8,550,828
ALLOCATION OF STATE APPROPRIATION	2,000,000	2,000,000
OTHER REVENUE	<u>4,381,983</u>	<u>3,934,048</u>
TOTAL REVENUE	<u>22,450,720</u>	<u>14,484,876</u>
EXPENDITURES AND MANDATORY TRANSFERS:		
EXPENDITURES:		
PROFESSIONAL SERVICES	16,277,408	6,069,954
ADMINISTRATIVE DIVISION	5,080,594	8,341,723
PROVISION FOR UNCOLLECTIBLE ACCOUNTS (NET OF RECOVERIES)	<u>1,760,366</u>	<u>1,783,470</u>
TOTAL EXPENDITURES	<u>23,118,368</u>	<u>16,195,147</u>
MANDATORY TRANSFERS:		
PRINCIPAL AND INTEREST	190,065	
TOTAL EXPENDITURES AND MANDATORY TRANSFERS	<u>23,308,433</u>	<u>16,195,147</u>
OTHER TRANSFERS AND ADDITIONS/(DEDUCTIONS):		
OTHER TRANSFERS	857,713	1,710,271
NET INCREASE (DECREASE) IN FUND BALANCES	<u>\$</u>	<u>\$</u>

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UNIVERSITY OF SOUTH ALABAMA
AUXILIARY ENTERPRISES
2010-2011 PROPOSED BUDGET
UNRESTRICTED CURRENT FUNDS

	HOUSING	FOOD SERVICES	BOOKSTORE	BROOKLEY CENTER	2010-2011 PROPOSED BUDGET	2009-2010 ORIGINAL BUDGET
REVENUES:						
RENTAL INCOME	\$ 5,851,750	\$	\$	1,372,516	\$ 7,224,266	\$ 7,015,392
SALES			9,871,000	30,000	9,901,000	9,729,524
COMMISSION INCOME		750,000			750,000	285,000
FEES	342,474		52,000	467,651	467,651	475,651
OTHER INCOME				203,584	598,058	471,355
TOTAL REVENUES	6,194,224	750,000	9,923,000	2,073,751	18,940,975	17,976,922
LESS: COST OF GOODS SOLD			7,342,020	29,128	7,371,148	7,269,628
GROSS INCOME	6,194,224	750,000	2,580,980	2,044,623	11,569,827	10,707,294
EXPENDITURES:						
SALARIES AND WAGES	1,266,836		844,460	871,305	2,982,601	2,971,467
EMPLOYEE BENEFITS	321,609		296,600	294,716	912,925	928,729
OTHER EXPENDITURES	2,974,030	317,500	1,439,920	1,271,263	6,002,713	5,782,157
TOTAL EXPENDITURES	4,562,475	317,500	2,580,980	2,437,284	9,898,239	9,682,353
NET OPERATING INCOME	1,631,749	432,500		(392,661)	1,671,588	1,024,941
TRANSFERS AMONG FUNDS - ADDITIONS/(DEDUCTIONS):						
MANDATORY TRANSFERS:						
PRINCIPAL AND INTEREST	(1,419,899)	(432,500)			(1,852,399)	(1,320,685)
NON-MANDATORY TRANSFERS:						
RENEWALS AND REPLACEMENTS	(211,850)				(211,850)	
TOTAL TRANSFERS	(1,631,749)	(432,500)			(2,064,249)	(1,320,685)
NET INCREASE (DECREASE) IN FUND BALANCES	\$	\$	\$	(392,661)	\$ (392,661)	\$ (295,744)

**UNIVERSITY OF SOUTH ALABAMA
STATE APPROPRIATIONS
2010-2011**

	2010-2011 APPROPRIATIONS	2009-2010 APPROPRIATIONS
REGULAR APPROPRIATIONS:		
OPERATIONS AND MAINTENANCE	\$ 99,947,234	\$ 108,132,145

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RESOLUTION

GENERAL CONTRACTOR FOR RESIDENTIAL BUILDING

WHEREAS, the University of South Alabama has a growing enrollment, and

WHEREAS, the quality of student life is strongly enhanced by excellent residential facilities, and

WHEREAS, the recruitment of students is strongly enhanced by high quality residential facilities, and

WHEREAS, the number of students seeking residence on campus has grown significantly over the past three years, and

WHEREAS, providing additional residential buildings is most beneficial at the beginning of a fall semester, and

WHEREAS, due to the increasing demand for on campus living-learning facilities, the fall of 2011 is the target date for a new residential building, and

WHEREAS, request for bids for the General Contractor for this residential building project will be first advertised June 8, 2010, with bids to be received on July 7, 2010, and

WHEREAS, in order to meet the above construction scheduling requirements, the contract awarded to the General Contractor with the lowest responsible and responsive bid must be executed no later than July 12, 2010,

THEREFORE, BE IT RESOLVED, that the Board of Trustees of the University of South Alabama hereby authorizes the President of the University to approve the General Contractor selected through the bid process prescribed by Alabama law.

Report on the

University of South Alabama

Mobile, Alabama

October 1, 2007 through September 30, 2008

Filed: May 7, 2010



Department of Examiners of Public Accounts

50 North Ripley Street, Room 3201

P.O. Box 302251

Montgomery, Alabama 36130-2251

Website: www.examiners.alabama.gov

Ronald L. Jones, Chief Examiner

10-261



Ronald L. Jones
Chief Examiner

State of Alabama
Department of
Examiners of Public Accounts

P.O. Box 302251, Montgomery, AL 36130-2251
50 North Ripley Street, Room 3201
Montgomery, Alabama 36104-3833
Telephone (334) 242-9200
FAX (334) 242-1775

Honorable Ronald L. Jones
Chief Examiner of Public Accounts
Montgomery, Alabama 36130

Dear Sir:

Under the authority of the *Code of Alabama 1975*, Section 41-5-21, I submit this report on the results of the examination of the University of South Alabama, Mobile, Alabama, for the period October 1, 2007 through September 30, 2008.

Sworn to and subscribed before me this
the 1st day of April, 20 10.

Marcella Jones
Notary Public

Respectfully submitted,

Hilario O. Lim

Hilario O. Lim
Examiner of Public Accounts

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Contains items pertaining to state compliance, University operations, and other matters.	
Comments	C
Contains information pertaining to the history of the University.	
<u>Additional Information</u>	1
Exhibit #1 Board Members and Officials – a listing of the University Board members and officials.	2



Department of Examiners of Public Accounts

SUMMARY

**University of South Alabama
October 1, 2007 through September 30, 2008**

The University of South Alabama (the "University") is a public institution of higher learning and awards baccalaureate, masters, doctor of philosophy and doctor of medicine degrees. The University offers studies in nine colleges: Allied Health Professions, Arts and Sciences, Business, Education, Engineering, Medicine, Nursing, Computer and Information Sciences, and Continuing Education and Special Programs. A joint pharmacy program between the University and Auburn University has also been established. The University owns and operates the University of South Alabama Medical Center, University of South Alabama Children's and Women's Hospital, and University of South Alabama Mitchell Cancer Institute. Additional information on the history of the University is included in the Comments section of this report.

The firm of KPMG, LLP conducted the financial audit for the fiscal year ended September 30, 2008.

This report presents the results of an examination of the University and a review of compliance by the University with applicable laws and regulations of the State of Alabama in accordance with the requirements of the Department of Examiners of Public Accounts under the authority of the *Code of Alabama 1975*, Section 41-5-14.

Tests performed during the examination did not disclose any significant instances of noncompliance with applicable state and local laws and regulations.

In a University Internal Audit Report issued September 22, 2009, the University demanded payment of \$30,622.97 from an employee of the Student Health Center. According to the report, this amount included \$22,796.28 in University funds and \$7,826.69 intended for a student group that was deposited into a non-university bank account from April 2005 to June 2009 and not accounted for. The employee was terminated on July 31, 2009 and repaid the \$30,622.97 on November 13, 2009.

Our examination included a review of five public works contracts relating to the construction of the University of South Alabama Cancer Research Institute. Change order increases on these contracts ranged from 63% to 144%. The change orders increased the contracts by an average of 79% from \$14,647,409.60 to \$26,273,505.49. The change orders included moving the construction site from the location where construction started to a new location.

The following officials/employees were invited to an exit conference to discuss the findings and recommendations appearing in the report: V. Gordon Moulton, President; M. Wayne Davis, Vice-President for Financial Affairs; G. Scott Weldon, Controller. The following individuals attended the exit conference: Ken Davis, Associate VP of Financial Affairs; Stephen Simmons, Senior Associate VP for Financial Affairs; Kelly Peters, Associate Controller; and Ben Tipton, Associate Controller. Representing the Department of Examiners of Public Accounts was Hal Bradsher, Audit Manager; and Hilario Lim, Examiner-in-Charge.



Department of **Examiners of Public Accounts**

COMMENTS

University of South Alabama October 1, 2007 through September 30, 2008

The University of South Alabama (the "University") was created in May 1963 by act of the Alabama Legislature. The Board of Trustees held their first meeting in October 1963. In April 1964, the University moved from 154 St. Louis Street to its present location at 307 University Boulevard. The first classes began June 1964. In 1968, the University was admitted membership in the Southern Association of Colleges and Schools. In 1969, The University acquired 327 acres of the former Brookley Air force base on Mobile bay. The University established a medical school in 1969, which was supported by the Alabama Legislature. Mobile General Hospital was transferred to the University in 1970 and was later renamed University of South Alabama Medical Center. The University's first doctoral program was established in 1978. The University of South Alabama Children's and Women's Hospital was established in 1983. The University established a branch in Baldwin County in 1984. Relocation of the Providence Hospital in 1987 led to the acquisition of the former Providence Hospital, now known as the University of South Alabama Springhill Avenue Campus. The University acquired Doctors Hospital and Knollwood Park Hospital in 1990. The former Doctors Hospital currently houses the University of South Alabama Children's and Women's Hospital. In 2002, the University of South Alabama Cancer Research Institute was established. In 2005, the University and Infirmary Health System announced a strategic health care alliance to enhance health care in the region and provide innovative cancer treatment and research through the University of South Alabama Cancer Research Institute. As part of this alliance the University agreed to acquire 6.7 acres from Infirmary Health System as a site for a new Cancer Research facility. In 2006, the University of South Alabama Cancer Research Institute became the University of South Alabama Mitchell Cancer Institute and in late fiscal year 2008, the Institute moved into a new facility on the property formerly owned by the Infirmary Health System and contiguous with the Mobile Infirmary and University of South Alabama Children's and Women's Hospital. In 2006, the Infirmary Health System leased the former Knollwood Park Hospital from the University.

Additional Information

Board Members and Officials
October 1, 2007 through September 30, 2008

Board Members			Term Expires
Hon. Bob Riley	President, Ex-Officio	Governor, State of Alabama 600 Dexter Avenue Montgomery, AL 36104	
Dr. Joseph B. Morton	Ex-Officio	State Superintendent of Education 50 North Ripley Street, Room 5114 Montgomery, AL 36104-3833	
Hon. Steven H. Stokes, M.D.	Chairman	P. O. Box 5609 Dothan, AL 36302	2017
Hon. James A. Yance	Vice-Chairman	29100 Yance Lane Loxley, AL 36551	2009
Hon. Bettye R. Maye	Secretary	1600 East 4th Avenue York, AL 36925	2017
Hon. Scott A. Charlton	Member	107 Lakewood Drive Enterprise, AL 36330	2009
Hon. Donald L. Langham	Member	2901 Blue Ridge Drive, E Mobile, AL 36693	2009
Hon. Arlene Mitchell	Member	Two Holland Park Mobile, AL 36608	2009
Hon. James P. Nix	Member	415 Myrtle Street Fairhope, AL 36532	2009
Hon. J. Cecil Gardner	Member	P. O. Box 31013 Mobile, AL 36652-3103	2013
Hon. Samuel L. Jones	Member	P. O. Box 1827 Mobile, AL 36633	2013

Board Members and Officials
October 1, 2007 through September 30, 2008

Board Members			Term Expires
Hon. Christie D. Miree	Member	3831 Rockhaven Court Marietta, GA 30066	2013
Hon. Bryant Mixon	Member	2767 Campground Road Ozark, AL 36360	2013
Hon. J. L. Chestnut, Jr.	Member	Deceased	
Hon. Steven P. Furr	Member	214 Plantation Trace Jackson, AL 36545	2017
Hon. John M. Peek	Member	416 South Three Notch Street Andalusia, AL 36420	2017
Hon. Larry D. Striplin, Jr.	Member	4132 2nd Avenue, S Birmingham, AL 35222	2017

Officials

Mr. V. Gordon Moulton	President	University of South Alabama President's Office AD 122 Mobile, AL 36688-0002
Mr. M. Wayne Davis	Vice-President for Finance	University of South Alabama AD 170 Mobile, AL 36688-0002
Mr. William Bush	Assistant Vice-President for Hospital Financial Affairs	USA Medical Center 2451 Fillingim Street Mobile, AL 36617

RESOLUTION

NAMING OF *JACK BRUNSON DRIVE*

WHEREAS, the University of South Alabama seeks to recognize persons who have rendered exemplary service in its growth and development, and

WHEREAS, the naming of facilities and campus streets offers opportunities to honor and memorialize such individuals for their significant roles in the history of the University, and

WHEREAS, Mr. Jack Brunson, a member of the Board of Trustees from 1989 - 2006 and Chair *Pro Tempore* from June 1998 through May 2001, made generous contributions of time, dedicated service, wise counsel, and financial resources and exemplified the highest qualities of leadership and stewardship,

THEREFORE, BE IT RESOLVED, in recognition of Mr. Jack Brunson's outstanding service and commitment to the University of South Alabama, the Board of Trustees authorizes the President to change the name of Hillsdale Drive to *Jack Brunson Drive*.

RESOLUTION

**NAMING OF THE PAT CAPPS COVEY
COLLEGE OF ALLIED HEALTH PROFESSIONS**

WHEREAS, Dr. Pat Capps Covey, prior to her retirement in 2008, served the University of South Alabama with highest distinction during a career spanning 33 years as a Professor of Biomedical Sciences, founding Chair of the Department of Clinical Laboratory Sciences, Director of Allied Health Professions, founding Dean of the College of Allied Health Professions, and Senior Vice President for Academic Affairs, and

WHEREAS, during her distinguished tenure, Dr. Covey worked diligently to advance many University initiatives, including development of graduate and undergraduate programs in the College of Allied Health Professions, a succession of institutional self-study processes for accreditation renewal by the Southern Association of Colleges and Schools; creation of the USA Honors Program; development of guidelines for increased student recruitment and retention; development of the *University of South Alabama Strategic Plan for Racial and Ethnic Diversity*; and creation of a partnership with Auburn University to offer a pharmacy doctoral program on the USA campus, and

WHEREAS, Leeman H. Covey has been a staunch supporter of the University of South Alabama and the programs and initiatives led by Dr. Covey, as well as a highly respected leader in higher education, government, and business endeavors in the region, having served as Vice President for Financial Affairs at Spring Hill College, Director of Fiscal Affairs for the City of Mobile, and President and Chair of the Board of Collegiate Housing Foundation, and

WHEREAS, Dr. Pat Capps Covey and Leeman H. Covey, in addition to numerous other significant gifts and donations, recently have pledged to the University the sum of \$2,000,000, the assets from which an endowment will be established to fund scholarship programs in the College of Allied Health Professions to be named the *Leeman Harper Covey Scholars Program*,

THEREFORE, BE IT RESOLVED, the Board of Trustees expresses its gratitude and appreciation for the generosity and legacy of service and leadership of Dr. Pat Capps Covey and Leeman H. Covey and hereby names the *Pat Capps Covey College of Allied Health Professions* in recognition thereof.