

UNIVERSITY OF SOUTH ALABAMA  
BOARD OF TRUSTEES MEETINGS

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

JUNE 6, 2024  
1:30 P.M.

**AUDIT COMMITTEE – ALEXIS ATKINS, VICE CHAIR**

- 1 Roll Call
- 2 Approve: [Minutes](#)
- 3 Report: Office of Internal Audit

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

- 4 Roll Call
- 5 Approve: [Minutes](#)
- 6 Report: [Endowment and Investment Performance](#)
- 7 Recommendation to Approve: [Commendation of Mr. Abraham A. Mitchell](#)
- 8 Report: Development and Alumni Relations

**HEALTH AFFAIRS COMMITTEE – JIMMY SHUMOCK, CHAIR**

- 9 Roll Call
- 10 Approve: [Minutes](#)
- 11 Recommendation to Approve: [USA Health Hospitals Medical Staff Appointments & Reappointments for February, March and April 2024](#)
- 12 Report: USA Health and Whiddon College of Medicine

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

- 13 Roll Call
- 14 Approve: [Minutes](#)
- 15 Recommendation to Approve: Tenure and Promotion
- 16 Recommendation to Approve: Academic Infrastructure and Technology Fee and Housing and Dining Rates for 2024-2025
- 17 Report: Academic Affairs
- 18 Report: [Speech, Expressive Activities and Use of University Space, Facilities and Grounds Report](#)
- 19 Report: Student Affairs
- 20 Report: Research and Economic Development

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

- 21 Roll Call
- 22 Approve: [Minutes](#)
- 23 Report: [Quarterly Financial Statements for the Six Months Ended March 31, 2024](#)
- 24 Recommendation to Approve: Parameters Resolution for the Termination of the 2016 Swap and Refunding of Series 2016-B, -C and -D Bonds
- 25 Report: University Facilities

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

- 26 Roll Call
- 27 Approve: [Minutes](#)
- 28 Report: Institutional Planning and Assessment

**COMMITTEE OF THE WHOLE – ARLENE MITCHELL, CHAIR**

- 29 Roll Call
- 30 Approve: [Minutes](#)
- 31 Recommendation to Approve: [Board of Trustees Meeting Schedule for 2024-2025](#)
- 32 Recommendation to Approve: Commendation of Mrs. Lynne U. Chronister
- 33 Approve: Executive Session

JUNE 7, 2024  
10:30 A.M.

**BOARD OF TRUSTEES MEETING – ARLENE MITCHELL, CHAIR PRO TEMPORE**

- 1 Roll Call
- 2 Approve: [Minutes](#)
- 3 Approve: [Board of Trustees Meeting Schedule for 2024-2025](#)
- 4 Report: University President
- 5 Report: Faculty Senate President
- 6 Report: Student Government Association President
- 7 Report: Audit Committee
- 8 Report: Development, Endowment and Investments Committee
- 9 Report: Health Affairs Committee
- 10 Approve: [USA Health Hospitals Medical Staff Appointments and Reappointments for February, March and April 2024](#)
- 11 Report: Academic Excellence and Student Success Committee
- 12 Approve: Tenure and Promotion
- 13 Approve: Academic Infrastructure and Technology Fee and Housing and Dining Rates for 2024-2025
- 14 Report: Budget and Finance Committee
- 15 Approve: Parameters Resolution for the Termination of the 2016 Swap and Refunding of Series 2016-B, -C and -D Bonds
- 16 Report: Long-Range Planning Committee
- 17 Approve: Commendation of Mrs. Lynne U. Chronister
- 18 Approve: [Commendation of Mr. Abraham A. Mitchell](#)

# UNIVERSITY OF SOUTH ALABAMA BOARD OF TRUSTEES



## MEETING SCHEDULE

### **THURSDAY, JUNE 6, 2024:**

**1:30 p.m.      Committee Meetings (consecutive)**

**Whiddon Administration Bldg.  
President's Office (Ste. 130), Board Room**

### **FRIDAY, JUNE 7, 2024:**

**10:30 a.m.      Board of Trustees Meeting**

**Whiddon Administration Bldg.  
President's Office (Ste. 130), Board Room**



# UNIVERSITY OF SOUTH ALABAMA

## BOARD OF TRUSTEES

### STANDING COMMITTEES

2022-2025

#### EXECUTIVE COMMITTEE:

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

#### DEVELOPMENT, ENDOWMENT AND INVESTMENTS COMMITTEE:

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

#### ACADEMIC EXCELLENCE AND STUDENT SUCCESS CTE.:

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

#### EVALUATION AND COMPENSATION COMMITTEE:

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

#### AUDIT COMMITTEE:

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

#### HEALTH AFFAIRS COMMITTEE:

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

#### BUDGET AND FINANCE COMMITTEE:

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

#### LONG-RANGE PLANNING COMMITTEE:

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

**UNIVERSITY OF SOUTH ALABAMA  
BOARD OF TRUSTEES**



**MEETING AGENDA  
AND MINUTES**





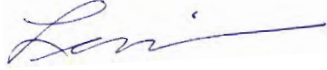
UNIVERSITY OF SOUTH ALABAMA

**MEMORANDUM**

Board of Trustees

**DATE:** May 28, 2024

**TO:** USA Board of Trustees

**FROM:** Lenus M. Perkins   
Secretary, Board of Trustees

**SUBJECT:** Meeting Minutes

Included herein are the unapproved minutes for the Board of Trustees and standing committee meetings held on March 14 and 15, 2024. Please review these documents for approval or amendment at the meetings on June 6 and 7, 2024.

LMP:mge

**UNIVERSITY OF SOUTH ALABAMA  
BOARD OF TRUSTEES**

**March 15, 2024  
10:30 a.m.**

A meeting of the University of South Alabama (USA) Board of Trustees was duly convened by Ms. Arlene Mitchell, Chair *pro tempore*, on Friday, March 15, 2024, at 10:39 a.m. in the Board Room of the Frederick P. Whiddon Administration Building. Meeting attendance was open to the public.

Members: Alexis Atkins, Chandra Brown Stewart, Tom Corcoran, Steve Furr, Luis Gonzalez, Ron Graham, Ron Jenkins, Bill Lewis, Arlene Mitchell, Lenus Perkins, Jimmy Shumock, Steve Stokes, Mike Windom and Jim Yance were present.

Members Absent: Scott Charlton and Kay Ivey.

Administration & Guests: Rob Abend, Major Applewhite, Owen Bailey, Angela Barlow, Jim Berscheidt, Joél Billingsley, Janée and Jo Bonner, Bennett Booth (Southerner), Michael Capella, Karin Caswell, Lynne Chronister, Mande Conkle, Amya Douglas (SGA), Kristin Dukes, Joel Erdmann, Monica Ezell, Daniel Greer, Charlie Guest, Elizabeth Hall, Rita Harper, Chris Hennessey, Buck Kelley, Andi Kent, Shannon Kille, Kim and Nick Lawkis, Luke Love, Mike Mitchell, Will Peterson, Kristen Roberts, Donna Streeter (Faculty Senate), Margaret Sullivan, Peter Susman, Anna-Marie Viyuoh (Southerner), Christina Wassensaar (Faculty Senate) and ShaKyeria Young (BSU President).

Upon calling the meeting to order and welcoming everyone, Chair Mitchell congratulated Ms. Atkins and Ms. Brown Stewart for being honored by the USA National Alumni Association (NAA) at the Distinguished Alumni and Service Awards Gala; Ms. Brown Stewart for being recognized in a recent *Mobile Bay Magazine* article on USA *Movers & Shakers*; Judge Lewis for his appointment by Governor Ivey to the Alabama Court of Civil Appeals; Mr. Shumock for being named *2024 Trustee of the Year* by the Alabama Hospital Association; and Provost Kent for being named as one of the *2024 Women Who Shape the State by This Is Alabama*.

Following the attendance roll call, **Item 1**, Chair Mitchell called for consideration of the minutes for a Board of Trustees meeting held on December 8, 2023, **Item 2**. On motion by Mr. Shumock, seconded by Mr. Corcoran, the Board voted unanimously to adopt the minutes.

Chair Mitchell called on President Bonner to deliver the President's Report, **Item 3**. President Bonner recognized Ms. Kim Lawkis, USA NAA President; Ms. SkaKyeria Young, Black Student Union (BSU) President; and Ms. Anna-Marie Viyuoh and Mr. Bennett Booth, Southerner ambassadors. He also extended congratulations to Trustees Atkins, Brown Stewart, Lewis and Shumock, as well as to Provost Kent, for their recent honors.

President Bonner shared details on recent and upcoming happenings and initiatives, including the annual Soul Food Luncheon; the Providence Foundation's Festival of Flowers; the opening of the Pediatric Emergency Center at USA Health Children's & Women's Hospital; the new *USA By the Bay* speaker series in Fairhope; the Jaguar Marching Band's (JMB) participation in Mardi Gras parades; and new facilities planned for the JMB. He recognized Mr. Luke Love and Miss Shannon Kille, JMB drum majors, along with Dr. Will Peterson and Dr. Rob Abend, JMB Marching Band Director and Associate Director – respectively. Also introduced were Mr. Susman for his being named by *Mobile Bay Magazine* in its annual *40 under 40* list; Mr. Lawkis for his promotion as Vice President for Governmental Relations; and Ms. Mande Conkle, a new staff member in the President's Office. For their coordination on the interior updates in the President's Office, President Bonner recognized Mr. Kelley along with Mr. Daniel Greer, Associate Director for Renovations; Ms. Karin Caswell, Manager of Interior Design; Ms. Elizabeth Hall, Interior Designer; and Ms. Rita Harper, Executive Assistant to the Executive Vice President and Provost.

President Bonner introduced Provost Kent for a report. Provost Kent welcomed and provided professional background on Dr. Angela Barlow and Dr. Michael Capella, who recently joined the University as Dean of the College of Education and Professional Studies and Dean of the Mitchell College of Business (MCOB), respectively. She also noted that Dr. Charlotte Pence, Director of the Stokes Center for Creative Writing/Director of Creative Writing in the Department of English, was named as Mobile's first Poet Laureate.

Provost Kent gave an update on student recruitment, noting that visits to high schools across the state and region were ongoing and often resulted in prospective students and their parents scheduling follow-up meetings with her and President Bonner. She advised that, on February 17, a record number of Honors College applicants came to campus for interviews, while Mr. Mathew Cox, Associate Vice President for Enrollment Management, and his team also carried out interviews with applicants for leadership scholarships. She said that *USA Day* was scheduled on April 6 and that 750 prospective students were expected to attend. She discussed plans for expanding benefits and improving programs and processes for adult learners and military-affiliated students. She noted that the Board meeting was occurring simultaneously with *Match Day*, during which 71 Whiddon College of Medicine students were learning where they would continue their medical educations. In closing, Provost Kent shared details on *Youth Leadership South*, a new program for high school juniors and seniors.

Provost Kent turned to Dr. Erdmann, who introduced and gave career background on Mr. Chris Hennessey, Women's Soccer Head Coach, as well as Mr. Major Applewhite, Football Head Coach. Coaches Hennessey and Applewhite made brief remarks about their programs and the seasons ahead. Dr. Erdmann also shared details on sports competitions for the upcoming weekend.

Chair Mitchell called for a report from the President of the Faculty Senate (Senate), **Item 4**. Dr. Donna Streeter, 2023-2024 Senate President, discussed the activities of the Senate over the academic year, which she noted included collaborations with campus partners focused on expand-

ing faculty engagement – a strategic initiative of the Senate; improving handicapped parking; establishing a process improvement council; and continuing the town hall meetings with the Leadership. Another goal discussed was the formation of a Senate Past President’s Council as a consultative body. Dr. Streeter credited President Bonner and Provost Kent with sparking new energy at the University. She added that the Senate welcomed opportunities to work with the Board and Leadership on key issues.

Chair Mitchell called for a report from the Student Government Association (SGA) President, **Item 5**. Ms. Amya Douglas, 2023-2024 SGA President, provided a recap on the SGA’s accomplishments thus far in the semester, advising of 43 bills passed to fund projects benefiting students at a cost of approximately \$47,000. She noted that these projects ranged from the reinstatement of the MCOB professional clothing closet to creation of active learning classrooms in the Humanities Building. As to appropriations, she stated that more than 100 requests for roughly \$160,000 in funding had been considered with approximately \$70,000 allocated. She detailed several initiatives related to her platform goals of enhancing academics, advocacy and accessibility, and closed her remarks by recognizing a number of individuals who had made a positive impact upon her over her undergraduate career.

On behalf of the Board of Trustees, President Bonner and Provost Kent presented certificates of appreciation to Dr. Streeter, Ms. Douglas and Ms. Young in recognition of their service as organization presidents, **Item 6**.

Chair Mitchell called for consideration of consent agenda items as follows and which included a revised *Academic Excellence and Student Success Committee Charge*, **Item 7**, all having been unanimously recommended for Board approval by the respective committees that met on March 14, 2024. (To view additional documents authorized, refer to Appendix A.) On motion by Mr. Corcoran, seconded by Mr. Shumock, the Board voted unanimously to approve the consent agenda items:

**RESOLUTION**  
**USA HEALTH HOSPITALS MEDICAL STAFF APPOINTMENTS AND REAPPOINTMENTS FOR**  
**NOVEMBER AND DECEMBER 2023 AND JANUARY 2024**

**WHEREAS**, the Medical Staff appointments and reappointments for November and December 2023 and January 2024 for the USA Health Hospitals are recommended for Board approval by the Medical Executive Committees and the USA Health Credentialing Board,

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

**RESOLUTION**  
**USA HEALTH HOSPITALS MEDICAL STAFF BYLAWS AND ASSOCIATED DOCUMENTS REVISIONS**

**WHEREAS**, revisions to the USA Health Hospitals Medical Staff Bylaws and to associated documents, as attached hereto, are recommended for approval by the Medical Executive Committees and the Executive Committee of the USA Health Hospitals,

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

Chair Mitchell called for a report from the Audit Committee, **Item 8**. Mr. Graham, Committee Chair, advised of a Committee meeting held on March 14, 2024, and he provided a summary of the business that took place.

Chair Mitchell called for a report from the Development, Endowment and Investments Committee, **Item 9**. Mr. Yance, Committee Chair, stated that a Committee meeting took place on March 14, 2024, and he gave a recap of the work accomplished.

Chair Mitchell called for a report from the Health Affairs Committee, **Item 10**. Mr. Shumock, Committee Chair, said that the Committee met on March 14, 2024, and he provided an overview on the matters addressed.

Chair Mitchell called for a report from the Academic Excellence and Student Success Committee, **Item 11**. Judge Windom, Committee Chair, indicated that the Committee held a meeting on March 14, 2024, with Capt. Jenkins presiding on his behalf, and he presented a summation on the actions and reports that occurred. He added that the Committee voted unanimously to recommend Board approval of **Item 12** as follows. On motion by Judge Lewis, seconded by Mr. Shumock, the Board voted unanimously to approve the resolution:

**RESOLUTION  
TENURE**

**WHEREAS**, in accordance with University policy, an application for tenure from Michael R. Elliott, Ph.D., a Whiddon College of Medicine faculty member, has been reviewed by faculty peers, the Dean of the Whiddon College of Medicine/Vice President for Medical Affairs, and the University President, and is hereby recommended for approval effective on March 15, 2024,

**THEREFORE, BE IT RESOLVED**, the Board of Trustees of the University of South Alabama hereby grants tenure to Michael R. Elliott, Ph.D., as recommended.

Chair Mitchell called for a report from the Budget and Finance Committee, **Item 13**. Mr. Corcoran, Committee Chair, advised of a Committee meeting held on March 14, 2024, and he provided a synopsis of the proceedings. He further noted that the Committee voted unanimously to recommend Board approval of **Item 14** as follows, and he moved for its approval. Ms. Atkins seconded and the Board voted unanimously to approve the resolution:

**A RESOLUTION AUTHORIZING THE ISSUANCE OF UNIVERSITY FACILITIES REVENUE BONDS AND  
TAXABLE UNIVERSITY FACILITIES REVENUE BONDS**

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

**Section 1. (a) Findings.** The Board has determined and hereby finds and declares as follows:

(1) the University heretofore issued its not to exceed \$80,000,000 University Facilities Revenue Bond, Series 2023-A, as heretofore or hereafter modified, amended and/or restated (the "Series 2023-A Bond") to DNT Asset Trust, and its not to exceed \$20,000,000 Taxable University Facilities Revenue Bond, Series 2023-B, as heretofore or hereafter modified, amended and/or restated (the "Series 2023-B Bond" and, together with the Series 2023-A Bond, the "Series 2023 Bonds") to JPMorgan Chase Bank, N.A.; and

(2) the Series 2023 Bonds were structured as short-term, "draw down" obligations to give the University funding to purchase a 349 bed medical facility and related assets located primarily in the City of Mobile, Alabama ("USA Providence Hospital"), which the University planned to refinance with long-term parity bonds issued through the public bond market; and

(3) in furtherance of the said financing plan for USA Providence Hospital, it is necessary, advisable, and in the interest of the University to refinance the Series 2023 Bonds on a long-term basis through the issuance by the University of its University Facilities Revenue Bonds, Series 2024-A, or, if issued on or after January 1, 2025, University Facilities Revenue Bonds, Series 2025-A (the "Tax-Exempt Bonds") and its Taxable University Facilities Revenue Bonds, Series 2024-B, or, if issued on or after January 1, 2025, Taxable University Facilities Revenue Bonds, Series 2025-B (the "Taxable Bonds" and, together with the Tax-Exempt Bonds, the "Refunding Bonds"), all as more particularly described and set forth herein and provided that upon such sale and issuance the Refunding Bonds satisfy the criteria set forth in Section 2 of this resolution; and

(4) the Refunding Bonds shall be issued under and pursuant to that certain University Facilities Revenue Trust Indenture dated as of February 15, 1996, as supplemented and amended (the "Indenture"), between the University and The Bank of New Mellon Trust Company, N.A, as successor Trustee (herein called the "Trustee"), and in addition to paying the costs of refinancing the Series 2023 Bonds, proceeds of the Refunding Bonds shall be used to pay (i) the costs and expenses of issuing the Refunding Bonds, (ii) the premium for a municipal bond insurance policy (a "Bond Insurance Policy"), if obtained, respecting some or all of the maturities of the Refunding Bonds, and (iii) such other costs as shall be necessary and advised by the Financial Advisor (hereinafter defined) to the University in connection with the issuance and sale of the Refunding Bonds; and

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

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

(2) the Tax-Exempt Bonds shall be designated "Series 2024-A" or, if issued after January 1, 2025, "Series 2025-A", and the Taxable Bonds shall be designated "Series 2024-B" or, if issued after January 1, 2025, "Series 2025-B";

(3) the persons to whom the Refunding Bonds are to be delivered are set forth in Section 6 hereof;

(4) the Refunding Bonds are to be issued by sale in accordance with, and at the sale price set forth in, Section 6 hereof;

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

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

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

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

(iv) \$41,245,000 original principal amount University Facilities Revenue Refunding Bond, Series 2014-A, dated March 14, 2014 (the "Series 2014-A Bond"),

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

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

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

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

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

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

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

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

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

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

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

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

(xvii) the Series 2023 Bonds;

(6) The only bonds outstanding under the Indenture at the time of adoption of this resolution and expected to be outstanding at the time of issuance of the Refunding Bonds (which shall result in the termination of the Series 2023 Bonds) are the Series 2013-A Bond, the Series 2013-B Bond, the Series 2013-C Bond, the Series 2015 Bond, Series 2016-A Bonds, the Series 2017 Bonds, Series 2019-A Bonds, Series 2019-B Bonds, the Series 2019-C Bond, Series 2020 Bonds, Series 2021-A Bonds, the Series 2021-B Bond, the Amended and Restated Series 2016-B Bond, the Amended and Restated Series 2016-C Bond, and the Amended and Restated Series 2016-D Bond; and

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

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

**Section 2. Authorization of the Refunding Bonds.** (a) For the purposes specified in Section 1(a) of this resolution, the Board does hereby authorize the refinancing of the Series 2023 Bonds and, to enable such refinancing, the Board does hereby authorize and approve the issuance by the University its University Facilities Revenue Bonds, designated Series 2024-A if issued prior to January 1, 2025, and designated Series 2025-A if issued after January 1, 2025), dated their date of initial issuance (herein called the "Tax-Exempt Bonds"), and its Taxable University Facilities Revenue Bonds, designated Series 2024-B if issued prior to January 1, 2025, and designated Series 2025-B if issued after to January 1, 2025, dated their date of initial issuance (herein called the "Taxable Bonds" and, together with the Tax-Exempt Bonds, the "Refunding Bonds"), under such terms, conditions and provisions to be set out in the Supplemental Indenture hereinafter defined, which terms, conditions and provisions shall be determined in accordance with the following plan of finance (herein called the "Plan of Finance"):

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



(ii) The initial aggregate principal amount of the Refunding Bonds, plus premium, if any, shall not exceed \$105,000,000.

(iii) No maturity of the Tax-Exempt Bonds may bear interest at a rate exceeding 5.75%, and no maturity of the Taxable Bonds may bear interest at a rate exceeding 7.00%.

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

(v) The Refunding Bonds shall have a final maturity not later than 30 years from their date of issuance, and shall have a weighted average maturity of not longer than 22 years.

(vi) The Refunding Bonds shall be issued and delivered by not later than April 18, 2025.

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

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

**Section 5. Authorization of Supplemental Indenture.** In connection with the issuance of the Refunding Bonds, the Board does hereby authorize and direct the President of the University (herein called the "President") and the Chief Financial Officer of the University (herein called the "Chief Financial Officer"), or either of them, to execute and deliver, for and in the name and behalf of the University, to The Bank of New York Mellon Trust Company, N.A., as trustee (herein called the "Trustee"), a Supplemental University Facilities Trust Indenture dated the date of the Refunding Bonds in substantially the form presented to the

meeting at which this resolution is adopted and attached as Exhibit I to the minutes of said meeting (which form is hereby adopted in all respects as if set out in full in this resolution), updated to reflect the final pricing terms of, and the final number of series of, the Refunding Bonds as reflected in the Certificate of Compliance (hereinafter defined) and as also herein permitted and, further, to contain provisions required by the provider of any Bond Insurance Policy if bond insurance is to be procured by the University for some or all of the Refunding Bonds, and does hereby authorize and direct the Secretary of the Board, the Vice Chair of the Board and the Chair Pro Tempore of the Board to affix to the Supplemental Indenture the corporate seal of the University and to attest the same. The Supplemental Indenture is supplemental to that certain University Facilities Revenue Trust Indenture between the University and the Trustee dated as of February 15, 1996, as heretofore supplemented and amended (together with the Supplemental Indenture, "Indenture").

**Section 6. Sale of the Refunding Bonds.** (a) The Refunding Bonds shall be sold to JPMorgan Securities LLC, Raymond James & Associates, Inc., Truist Securities, Inc., and Piper Sandler & Co., or as otherwise determined by the President or Chief Financial Officer (collectively, herein called the "Underwriters"), as underwriters for the Refunding Bonds. In connection with the sale of the Refunding Bonds to the Underwriters, the Board does hereby authorize and direct the President and the Chief Financial Officer, or either of them, to execute and deliver, for and in the name and behalf of the University, a Bond Purchase Agreement with the Underwriters, either in the form required by the Underwriters and approved by the President and the Chief Financial Officer, or either of them, or in the form presented to the meeting at which this resolution is adopted and attached as Exhibit II to the minutes of said meeting (which such form of Bond Purchase Agreement is hereby adopted in all respects as if set out in full in this resolution), containing or updated to contain the final pricing terms of the Refunding Bonds as reflected in the Certificate of Compliance and as also herein permitted. The Refunding Bonds shall bear such dates, shall mature at such times and in such manner, shall bear such rates of interest, shall be payable at such place or places, shall be in such denominations, shall be in such number of series, shall bear such numbers, and shall be in such form and contain such provisions as shall be set out in the Bond Purchase Agreement and the Supplemental Indenture authorized in Section 5 above.

(b) The President and the Chief Financial Officer, or either of them, are hereby authorized to cause the University to obtain a Bond Insurance Policy for some or all of the maturities of the Refunding Bonds if such officer or PFM Financial Advisors LLC, the financial advisor to the University (the "Financial Advisor") determines, at or around the sale of the Refunding Bonds, that the estimated present value of the premium of such policy will be less than the present value of the estimated or expected interest savings on the Refunding Bonds insured by, and as a result of, such policy.

**Section 7. Preliminary Official Statement; Official Statement.** (a) The Board does hereby authorize and direct the President and the Chief Financial Officer, or either of them, to cause to be finalized and circulated by the Underwriters a Preliminary Official Statement respecting the Refunding Bonds, the form of which is attached hereto as Exhibit III, with such modifications to reflect (i) material information concerning the University and its operations as of the time the said document is to be circulated for consideration by prospective investors in the Refunding Bonds, (ii) preliminary principal amounts and relevant preliminary pricing information for the Refunding Bonds, (iii) information respecting a Bond Insurance Policy and the provider thereof if bond insurance is procured by the University for some or all of the maturities of the Refunding Bonds, and (iv) such other material information concerning the Refunding Bonds, all as such officers, either independently or upon consultation with the Underwriters, bond counsel to the University and/or the Financial

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

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

**Section 8. Authorization of Continuing Disclosure Agreement.** The President and the Chief Financial Officer, or either of them, are hereby authorized and directed to execute and deliver, on behalf of the University, a Continuing Disclosure Agreement for the benefit of the beneficial owners of the Refunding Bonds, in substantially the form presented to the meeting at which this resolution is adopted (which form shall be attached as Exhibit IV to the minutes of said meeting and which is hereby adopted in all respects as if set out in full in this resolution) and with such changes thereto as shall be approved by the President and the Chief Financial Officer, or either of them. The said Continuing Disclosure Agreement is to be entered into contemporaneously with the issuance of the Refunding Bonds in order to assist the Underwriters of the Refunding Bonds in complying with the Rule. The rights of enforcement of the said Continuing Disclosure Agreement shall be as provided therein, and in no event shall a default by the University thereunder constitute a default hereunder or under the Indenture.

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

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

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

**Section 11. Application of Proceeds; Call of Series 2023 Bonds for Redemption.** (a) The entire proceeds derived by the University from the sale of the Refunding Bonds, less and except the underwriter's discount to be retained by the Underwriters and the premium for any Bond Insurance Policy, if any, obtained for the Refunding Bonds to be wired directly by the Underwriters to the provider thereof, shall be paid to the Trustee under the Indenture, which is thereupon authorized and directed to apply and disburse such moneys for the purposes herein described and as shall be specified in Section 1.6 of the Supplemental Indenture once updated to reflect the terms of the Certificate of Compliance, or as otherwise directed pursuant to a written order from the President or the Chief Financial Officer.

(b) The Board does hereby elect to redeem and pay, and does hereby call for redemption and payment, on such date as shall be designated by a Designated Officer that is at least ten (10) days following issuance of the Refunding Bonds (herein called the "2023 Bonds Redemption Date"), all of the Series 2023 Bonds at and for a redemption price equal to 100% of the principal amount of the Series 2023 Bonds outstanding plus accrued interest thereon to the 2023 Bonds Redemption Date. The President and the Chief Financial Officer, or either of them, are hereby authorized and directed to deliver such notices, directives or other instruments as shall be necessary or desirable in connection with the redemption and defeasance of the Series 2023 Bonds. Proceeds to redeem and retire the Series 2023 Bonds may be deposited into such fund or account under the Indenture as shall be identified by the University, remitted directly to the holders of the Series 2023 Bonds, or deposited into a special account established under an escrow trust agreement between the University and the Trustee (containing terms approved by the President or the Chief Financial Officer, on behalf of the University) for the defeasance and retirement of the Series 2023 Bonds, all as shall be determined by the President or the Chief Financial Officer acting on the advice of the Financial Advisor and Bond Counsel to the University.

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

**Section 13. General Authorization.** The President, the Chief Financial Officer, the Secretary of the Board, the Vice Chair of the Board and the Chair Pro Tempore of the Board, or any of them, are hereby authorized to execute such further agreements, certifications, instruments or other documents, containing such terms as such officer shall approve (subject to the limitations described in this resolution and the Certificate of Compliance executed and

filed as provided in Section 10 hereof), and to take such other actions as any of them may deem appropriate or necessary, for the consummation of the transactions covered by this resolution and to the end that the Refunding Bonds may be executed, issued and delivered and the Series 2023 Bonds redeemed and retired. The Secretary of the Board, the Vice Chair of the Board and the Chair Pro Tempore of the Board, or any of them, are hereby authorized and directed to affix the official seal of the Board to such instruments and to attest the same.

Chair Mitchell called for a report from the Long-Range Planning Committee, **Item 15**. Ms. Brown Stewart, Committee Chair, advised that a Committee meeting took place on March 14, 2024, and she briefed the Board on the proceedings.

There being no further business, the meeting was adjourned at 11:57 a.m.

Attest to:

Respectfully submitted:

Lenus M. Perkins, Secretary

Arlene Mitchell, Chair pro tempore

# **APPENDIX A**



UNIVERSITY OF SOUTH ALABAMA

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

**PROPERTY ADDRESS:**

601 Providence Park Drive  
Mobile, AL 36608

Parcel Number: 02-28-04-20-3-000-010.004

**APPRAISAL INFORMATION:**

No Appraisal Issued  
Mobile County Tax Assessor's Market Value: \$1,335,700

**CONTRACTS RELATED TO THE PURCHASE:**

Attached hereto

**PURCHASE TERMS:**

Cash Purchase

**SOURCES OF FUNDS USED IN THE PURCHASE:**

Unrestricted Funds



#17 180709-P23  
**This instrument prepared by:**  
JONES WALKER LLP  
Clay A. Lanham  
11 North Water Street, Suite 1200  
Mobile, Alabama 36602

**After Recording Return To:**  
Surety Land Title, Inc.  
5905 Airport Boulevard, Suite E  
Mobile, Alabama 36608

**Send Tax Notices To:**  
University of South Alabama  
c/o USA Properties  
775 N. University Blvd., Suite 150  
Mobile, AL 36608

Surety Land Title, Inc.  
**E-RECORDED**  
ID: \_\_\_\_\_  
County: \_\_\_\_\_  
Date: \_\_\_\_\_ Time: \_\_\_\_\_

**STATUTORY WARRANTY DEED**

STATE OF ALABAMA        )  
MOBILE COUNTY            )

**KNOW ALL MEN BY THESE PRESENTS**, That in consideration of the sum of TEN AND 00/100 DOLLARS (\$10.00) and other good and valuable consideration paid to **PROVIDENCE HOSPITAL**, an Alabama non-profit corporation (hereinafter, "**GRANTOR**"), in hand paid by the grantee herein, the receipt and sufficiency of which is hereby acknowledged, **GRANTOR** does hereby **GRANT, BARGAIN, SELL AND CONVEY** unto the **UNIVERSITY OF SOUTH ALABAMA**, a public body corporate created by act of the Alabama Legislature, Ala. Code §§ 16-55-1, *et seq.* ("**GRANTEE**"), the following described real estate situated in Mobile County, Alabama, to-wit:

**SEE EXHIBIT A  
ATTACHED HERETO AND MADE A PART HEREOF (the "Property")**



180709-P23

#17

**This instrument prepared by:**  
JONES WALKER LLP  
Clay A. Lanham  
11 North Water Street, Suite 1200  
Mobile, Alabama 36602

**After Recording Return To:**  
Surety Land Title, Inc.  
5905 Airport Boulevard, Suite E  
Mobile, Alabama 36608

**Send Tax Notices To:**  
University of South Alabama  
c/o USA Properties  
775 N. University Blvd., Suite 150  
Mobile, AL 36608

Surety Land Title, Inc.  
**E-RECORDED**  
ID: 2023 058 943  
County: Mobile  
Date: 10-2-23 Time: 10:48 AM

**STATUTORY WARRANTY DEED**

STATE OF ALABAMA        )

MOBILE COUNTY         )

**KNOW ALL MEN BY THESE PRESENTS,** That in consideration of the sum of TEN AND 00/100 DOLLARS (\$10.00) and other good and valuable consideration paid to **PROVIDENCE HOSPITAL**, an Alabama non-profit corporation (hereinafter, "**GRANTOR**"), in hand paid by the grantee herein, the receipt and sufficiency of which is hereby acknowledged, **GRANTOR** does hereby **GRANT, BARGAIN, SELL AND CONVEY** unto the **UNIVERSITY OF SOUTH ALABAMA**, a public body corporate created by act of the Alabama Legislature, Ala. Code §§ 16-55-1, *et seq.* ("**GRANTEE**"), the following described real estate situated in Mobile County, Alabama, to-wit:

***SEE EXHIBIT A  
ATTACHED HERETO AND MADE A PART HEREOF (the "Property")***

TOGETHER WITH all and singular the rights, tenements, hereditaments, privileges and appurtenances thereunto belonging or in anywise appertaining.

TO HAVE AND TO HOLD the Property to said GRANTEE, its successors and assigns, forever.

THIS CONVEYANCE is made subject to the matters set forth on **Exhibit B** attached hereto and made a part hereof.

And, except as to the matters, exceptions and easements herein set forth, GRANTOR hereby covenants with GRANTEE, and its successors and assigns, that GRANTOR is lawfully seised of an indefeasible estate in fee simple in the Property, that the Property is free and clear of all encumbrances except as noted above, that GRANTOR has good right to sell and convey the Property, and GRANTOR does hereby WARRANT and will forever DEFEND the title to the Property unto GRANTEE, and its successors and assigns, against the lawful claims of all persons claiming by, through or under GRANTOR, but not otherwise.

*[Signature on following page.]*

IN WITNESS WHEREOF, GRANTOR has caused its duly authorized officer to hereunto set his/her signature as the act of GRANTOR, this the 1st day of October, 2023.

**PROVIDENCE HOSPITAL,**  
an Alabama non-profit corporation

By: [Signature]  
Name: Todd S. Kennedy  
Title: President

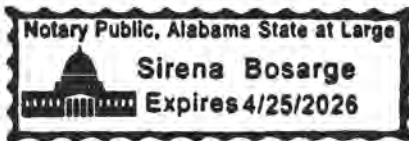
STATE OF ALABAMA  
COUNTY OF MOBILE

I, the undersigned, a Notary Public in and for said County, in said State, hereby certify that TODD S. KENNEDY, whose name as PRESIDENT of **PROVIDENCE HOSPITAL**, an Alabama non-profit corporation, is signed to the foregoing instrument, and who is known to me, acknowledged before me on this day, that being informed of the contents thereof, (s)he, as such PRESIDENT and with full authority, executed the same voluntarily for and as the act of said company.

Given under my hand and official seal, this the 28<sup>TH</sup> day of September, 2023.

[Signature]  
Notary Public  
My Commission Expires: 4/25/26

[NOTARIAL SEAL]



Pursuant to the provisions of Ala. Code § 40-22-1 (1975), the following information is offered in lieu of submitting Form RT-1:

Grantor's Name and Mailing Address:	Grantee's Name and Mailing Address:
Providence Hospital	University of South Alabama
6801 Airport Blvd.	c/o USA Properties
Mobile, AL 36685	775 N. University Blvd., Suite 150
	Mobile AL 36608

Property Address:	601 Providence Park Drive Mobile, AL 36608
Tax Parcel ID:	02-28-04-20-3-000-010.004
Date of Sale: October 1, 2023	Date of this Deed: October 1, 2023
Assessor's Market Value:	\$1,335,700
The Actual Value can be verified in:	Assessor's Market Value

EXHIBIT A

Legal Description

That real property situated in the County of Mobile, State of Alabama, described as follows, to-wit:

Lot 1, Providence Park, Unit Five, according to plat thereof recorded in Map Book 89, Page 55, of the records in the office of the Judge of Probate, Mobile County, Alabama, TOGETHER WITH a right of access over and across that certain private roadway known as Providence Park Drive.

## EXHIBIT B

### Title Exceptions

1. Ad valorem taxes for the year 2024 which are not yet due and payable.
2. Rights of parties in possession under unrecorded written leases.
3. All interests in and to all oil, gas and other minerals in, on and/or under the Property and all rights in connection therewith, as have previously been reserved or conveyed.
4. Encroachments, overlaps, overhangs, unrecorded easements, deficiency in quantity of ground, or any matter not of record, which would be disclosed by an accurate survey and inspection of the Property.
5. Access is by private road and not to be County or State maintained.
6. Easement condemned by the Board of Water and Sewer Commissioners of the City of Mobile, a public corporation, by proceedings in the Probate Court of Mobile County, Alabama, Case No. 48,552.
7. Permit granted to Alabama Power Company by D. R. Coley, Jr. and wife, Helen E. Coley, dated May 28, 1953 and recorded in Deed Book 582, Page 569, as affected by Agreement dated December 4, 1995 and recorded in Real Property Book 4416, Page 1855; and by Disclaimer dated May 17, 1994 and recorded in Real Property Book 5896, Page 1055.
8. Easement granted Alabama Power Company by Providence Hospital, dated September 2, 1997 and recorded in Real Property Book 4532, Page 1226.
9. Permit granted to Alabama Power Company by J. A. Rushton, et al, dated November 6, 1949 and recorded in Deed Book 496, Page 191, as affected by Disclaimer dated May 17, 1994 and recorded in Real Property Book 5896, Page 1074.
10. Easement granted to Alabama Power Company, dated April 28, 1986 and recorded in Real Property Book 2937, Page 803.
11. Permit granted to Alabama Power Company by James E. Taylor and Lillie Mae Taylor, dated March 22, 1956 and recorded in Deed Book 685, Page 58, as affected by Disclaimer dated May 17, 1994 and recorded in Real Property Book 5896, Page 1076.
12. Fifty (50) foot minimum building setback line, ten (10) foot landscape easement, and notes regarding sewage backflow, as shown on plat of Providence Park, Unit Five, recorded in Map Book 89, Page 55, of the records in the office of the Judge of Probate, Mobile County, Alabama.
13. Easement granted to Alabama Power Company by Providence Hospital, dated March 15, 2001 and recorded in Real Property Book 5043, Page 158.

14. Easements granted to the Board of Water and Sewer Commissioners of the City of Mobile by Providence Building Corporation, dated April 4, 1989 and recorded in Real Property Book 3467, Page 89.
15. Easement granted to the Board of Water and Sewer Commissioners of the City of Mobile by Providence Hospital, dated May 13, 1994 and recorded in Real Property Book 4174, Page 198.



UNIVERSITY OF SOUTH ALABAMA

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

**PROPERTY ADDRESS:**

5100 Rangeline Service Road N.  
Mobile, AL 36619-9504

Parcel Number: 02-33-05-38-0-004-002.001

**APPRAISAL INFORMATION:**

No Appraisal Issued  
Mobile County Tax Assessor's Market Value: \$1,675,000

**CONTRACTS RELATED TO THE PURCHASE:**

Attached hereto

**PURCHASE TERMS:**

Cash Purchase

**SOURCES OF FUNDS USED IN THE PURCHASE:**

Unrestricted Funds



COPY

4 180709-P2

**This instrument prepared by:**  
JONES WALKER LLP  
Clay A. Lanham  
11 North Water Street, Suite 1200  
Mobile, Alabama 36602

**After Recording Return To:**  
Surety Land Title, Inc.  
5905 Airport Boulevard, Suite E  
Mobile, Alabama 36608

**Send Tax Notices To:**  
University of South Alabama  
c/o USA Properties  
775 N. University Blvd., Suite 150  
Mobile, AL 36608

Surety Land Title, Inc.  
**E-RECORDED**  
ID: \_\_\_\_\_  
County: \_\_\_\_\_  
Date: \_\_\_\_\_ Title: \_\_\_\_\_

**STATUTORY WARRANTY DEED**

STATE OF ALABAMA )

MOBILE COUNTY )

**KNOW ALL MEN BY THESE PRESENTS**, That in consideration of the sum of TEN AND 00/100 DOLLARS (\$10.00) and other good and valuable consideration paid to **PROVIDENCE BUILDING CORPORATION, INC.**, an Alabama non-profit corporation (hereinafter, "**GRANTOR**"), in hand paid by the grantee herein, the receipt and sufficiency of which is hereby acknowledged, **GRANTOR** does hereby **GRANT, BARGAIN, SELL AND CONVEY** unto the **UNIVERSITY OF SOUTH ALABAMA**, a public body corporate created by act of the Alabama Legislature, Ala. Code §§ 16-55-1, *et seq.* ("**GRANTEE**"), the following described real estate situated in Mobile County, Alabama, to-wit:

**SEE EXHIBIT A  
ATTACHED HERETO AND MADE A PART HEREOF (the "Property")**

4 180709-P2

**This instrument prepared by:**  
JONES WALKER LLP  
Clay A. Lanham  
11 North Water Street, Suite 1200  
Mobile, Alabama 36602

**After Recording Return To:**  
Surety Land Title, Inc.  
5905 Airport Boulevard, Suite E  
Mobile, Alabama 36608

**Send Tax Notices To:**  
University of South Alabama  
c/o USA Properties  
775 N. University Blvd., Suite 150  
Mobile, AL 36608

Surety Land Title, Inc.

**E-RECORDED**

ID: 2023 058 931  
County: MOBILE  
Date: 10/23/23 TIME: 10:42 AM

**STATUTORY WARRANTY DEED**

STATE OF ALABAMA )

MOBILE COUNTY )

**KNOW ALL MEN BY THESE PRESENTS**, That in consideration of the sum of TEN AND 00/100 DOLLARS (\$10.00) and other good and valuable consideration paid to **PROVIDENCE BUILDING CORPORATION, INC.**, an Alabama non-profit corporation (hereinafter, "**GRANTOR**"), in hand paid by the grantee herein, the receipt and sufficiency of which is hereby acknowledged, **GRANTOR** does hereby **GRANT, BARGAIN, SELL AND CONVEY** unto the **UNIVERSITY OF SOUTH ALABAMA**, a public body corporate created by act of the Alabama Legislature, Ala. Code §§ 16-55-1, *et seq.* ("**GRANTEE**"), the following described real estate situated in Mobile County, Alabama, to-wit:

**SEE EXHIBIT A  
ATTACHED HERETO AND MADE A PART HEREOF (the "Property")**

TOGETHER WITH all and singular the rights, tenements, hereditaments, privileges and appurtenances thereunto belonging or in anywise appertaining.

TO HAVE AND TO HOLD the Property to said GRANTEE, its successors and assigns, forever.

THIS CONVEYANCE is made subject to the matters set forth on **Exhibit B** attached hereto and made a part hereof.

And, except as to the matters, exceptions and easements herein set forth, GRANTOR hereby covenants with GRANTEE, and its successors and assigns, that GRANTOR is lawfully seised of an indefeasible estate in fee simple in the Property, that the Property is free and clear of all encumbrances except as noted above, that GRANTOR has good right to sell and convey the Property, and GRANTOR does hereby WARRANT and will forever DEFEND the title to the Property unto GRANTEE, and its successors and assigns, against the lawful claims of all persons claiming by, through or under GRANTOR, but not otherwise.

*[Signature on following page.]*

IN WITNESS WHEREOF, GRANTOR has caused its duly authorized officer to hereunto set his/her signature as the act of GRANTOR, this the 1st day of October, 2023.

**PROVIDENCE BUILDING CORPORATION, INC.,**  
an Alabama non-profit corporation

By: *Todd S. Kennedy*  
Name: Todd S. Kennedy  
Title: President

STATE OF ALABAMA  
COUNTY OF MOBILE

I, the undersigned, a Notary Public in and for said County, in said State, hereby certify that TODD S. KENNEDY, whose name as PRESIDENT of **PROVIDENCE BUILDING CORPORATION, INC.**, an Alabama non-profit corporation, is signed to the foregoing instrument, and who is known to me, acknowledged before me on this day, that being informed of the contents thereof, (s)he, as such PRESIDENT and with full authority, executed the same voluntarily for and as the act of said company.

Given under my hand and official seal, this the 28<sup>TH</sup> day of September, 2023.

*Sirena Bosarge*  
Notary Public  
My Commission Expires: 4/25/26

[NOTARIAL SEAL]



Pursuant to the provisions of Ala. Code § 40-22-1 (1975), the following information is offered in lieu of submitting Form RT-1:

<b>Grantor's Name and Mailing Address:</b>	<b>Grantee's Name and Mailing Address:</b>
Providence Building Corporation, Inc.	University of South Alabama
6801 Airport Blvd.	c/o USA Properties
Mobile, AL 36685	775 N. University Blvd., Suite 150
	Mobile AL 36608

<b>Property Address:</b>	5100 Rangeline Service Road N. Mobile, AL 36619-9504
<b>Tax Parcel ID:</b>	02-33-05-38-0-004-002.001
<b>Date of Sale: October 1, 2023</b>	<b>Date of this Deed: October 1, 2023</b>
<b>Assessor's Market Value:</b>	\$1,675,000
<b>The Actual Value can be verified in:</b>	Assessor's Market Value

EXHIBIT A

Legal Description

Lot 1, Avanti West, Unit One, according to plat thereof recorded in Map Book 70, Page 122, of the records in the office of the Judge of Probate, Mobile County, Alabama.

LESS AND EXCEPT any portion of the subject property lying within the rights of way of Rangeline Road and Halls Mill Road, as acquired by the State of Alabama through condemnation proceedings in case styled State of Alabama vs. Cloverleaf Baptist Church, et al, Mobile County Probate Court Case No. 33,267 N.S., as evidenced by Order recorded in Real Property Book 5262, Page 262.



## EXHIBIT B

### Title Exceptions

1. Ad valorem taxes for the year 2024 which are not yet due and payable.
2. Rights of parties in possession under unrecorded written leases.
3. All interests in and to all oil, gas and other minerals in, on and/or under the Property and all rights in connection therewith, as have previously been reserved or conveyed.
4. Encroachments, overlaps, overhangs, unrecorded easements, deficiency in quantity of ground, or any matter not of record, which would be disclosed by an accurate survey and inspection of the Property.
5. Building setback line and notes, as shown on plat of Avanti West, Unit One recorded in Map Book 70, Page 122.
6. Easement granted Alabama Power Company by Providence Building Corporation, dated October 7, 1996, and recorded in Real Property Book 4439 at Page 1445.
7. Easement granted BellSouth Telecommunications, Inc. by Providence Building Corporation, dated August 26, 2003, and recorded in Real Property Book 5531 at Page 1767.
8. Terms, conditions, and provisions as contained in that certain Closing Agreement by and between Halls Mill Road (Mobile) Associates Limited Partnership, an Alabama limited partnership, and Providence Building Corporation, an Alabama non-profit corporation, dated July 19, 1996 and recorded in Real Property Book 4379, Page 701; as affected by that certain Agreement for Allowable Use by and among Providence Building Corporation, RL Regi Alabama, LLC, and Three Fingers, Inc., dated May 2, 2018 and recorded in Land Records Book 7631, Page 1897, and by Consent to Proposed Use of Property by and among Aldi Inc., 24/7 Development Partners of Alabama LLC, and Providence Building Corporation, Inc., dated April 5, 2021 and recorded in Instrument No. 2021025446.
9. Permit granted Alabama Power Company by J. Lloyd Abbot and Helen T. Abbot, dated April 6, 1955 and recorded in Deed Book 632, Page 552, as affected by Disclaimer dated June 16, 1989 and recorded in Real Property Book 3438, Page 852 and Containment of Easement dated April 16, 2018 and recorded in Land Records Book 7657, Page 1798.
10. Terms, conditions, and provisions of that certain unrecorded Sign Lease Agreement by and between Halls Mill Road (Mobile) Associates Limited Partnership and Lamar Advertising Company, dated October 1, 1989, as amended by Addendum to Lease dated June 4, 1996, if still applicable, as evidenced by Statutory Warranty Deed dated July 19, 1996 and recorded in Real Property Book 4379, Page 711.



UNIVERSITY OF SOUTH ALABAMA

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

**PROPERTY ADDRESS:**

5621 Cottage Hill Road  
Mobile, AL 36609

Parcel Number: 02-33-02-03-2-002-024.001

**APPRAISAL INFORMATION:**

No Appraisal Issued  
Mobile County Tax Assessor's Market Value: \$847,200

**CONTRACTS RELATED TO THE PURCHASE:**

Attached hereto

**PURCHASE TERMS:**

Cash Purchase

**SOURCES OF FUNDS USED IN THE PURCHASE:**

Unrestricted Funds



**COPY**

5 180709-P3

**This instrument prepared by:**  
JONES WALKER LLP  
Clay A. Lanham  
11 North Water Street, Suite 1200  
Mobile, Alabama 36602

**After Recording Return To:**  
Surety Land Title, Inc.  
5905 Airport Boulevard, Suite E  
Mobile, Alabama 36608

**Send Tax Notices To:**  
University of South Alabama  
c/o USA Properties  
775 N. University Blvd., Suite 150  
Mobile, AL 36608

Surety Land Title, Inc.  
**E-RECORDED**  
ID: \_\_\_\_\_  
County: \_\_\_\_\_  
Date: \_\_\_\_\_ Time: \_\_\_\_\_

**STATUTORY WARRANTY DEED**

STATE OF ALABAMA )

MOBILE COUNTY )

**KNOW ALL MEN BY THESE PRESENTS**, That in consideration of the sum of TEN AND 00/100 DOLLARS (\$10.00) and other good and valuable consideration paid to **PROVIDENCE BUILDING CORPORATION, INC.**, an Alabama non-profit corporation (hereinafter, "**GRANTOR**"), in hand paid by the grantee herein, the receipt and sufficiency of which is hereby acknowledged, **GRANTOR** does hereby **GRANT, BARGAIN, SELL AND CONVEY** unto the **UNIVERSITY OF SOUTH ALABAMA**, a public body corporate created by act of the Alabama Legislature, Ala. Code §§ 16-55-1, *et seq.* ("**GRANTEE**"), the following described real estate situated in Mobile County, Alabama, to-wit:

**SEE EXHIBIT A  
ATTACHED HERETO AND MADE A PART HEREOF (the "Property")**

5 180709-P3

**This instrument prepared by:**  
JONES WALKER LLP  
Clay A. Lanham  
11 North Water Street, Suite 1200  
Mobile, Alabama 36602

**After Recording Return To:**  
Surety Land Title, Inc.  
5905 Airport Boulevard, Suite E  
Mobile, Alabama 36608

**Send Tax Notices To:**  
University of South Alabama  
c/o USA Properties  
775 N. University Blvd., Suite 150  
Mobile, AL 36608

Surety Land Title, Inc.  
**E-RECORDED**  
ID: 2023 058 932  
County: Mobile  
Date: 10-2-23 Time: 10:42 AM

**STATUTORY WARRANTY DEED**

STATE OF ALABAMA )

MOBILE COUNTY )

**KNOW ALL MEN BY THESE PRESENTS,** That in consideration of the sum of TEN AND 00/100 DOLLARS (\$10.00) and other good and valuable consideration paid to **PROVIDENCE BUILDING CORPORATION, INC.**, an Alabama non-profit corporation (hereinafter, "**GRANTOR**"), in hand paid by the grantee herein, the receipt and sufficiency of which is hereby acknowledged, **GRANTOR** does hereby **GRANT, BARGAIN, SELL AND CONVEY** unto the **UNIVERSITY OF SOUTH ALABAMA**, a public body corporate created by act of the Alabama Legislature, Ala. Code §§ 16-55-1, *et seq.* ("**GRANTEE**"), the following described real estate situated in Mobile County, Alabama, to-wit:

**SEE EXHIBIT A  
ATTACHED HERETO AND MADE A PART HEREOF (the "Property")**

TOGETHER WITH all and singular the rights, tenements, hereditaments, privileges and appurtenances thereunto belonging or in anywise appertaining.

TO HAVE AND TO HOLD the Property to said GRANTEE, its successors and assigns, forever.

THIS CONVEYANCE is made subject to the matters set forth on **Exhibit B** attached hereto and made a part hereof.

And, except as to the matters, exceptions and easements herein set forth, GRANTOR hereby covenants with GRANTEE, and its successors and assigns, that GRANTOR is lawfully seised of an indefeasible estate in fee simple in the Property, that the Property is free and clear of all encumbrances except as noted above, that GRANTOR has good right to sell and convey the Property, and GRANTOR does hereby WARRANT and will forever DEFEND the title to the Property unto GRANTEE, and its successors and assigns, against the lawful claims of all persons claiming by, through or under GRANTOR, but not otherwise.

*[Signature on following page.]*

IN WITNESS WHEREOF, GRANTOR has caused its duly authorized officer to hereunto set his/her signature as the act of GRANTOR, this the 1st day of October, 2023.

**PROVIDENCE BUILDING CORPORATION, INC.,**  
an Alabama non-profit corporation

By: Todd S. Kennedy  
Name: Todd S. Kennedy  
Title: President

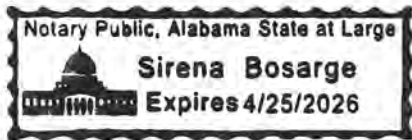
STATE OF ALABAMA  
COUNTY OF MOBILE

I, the undersigned, a Notary Public in and for said County, in said State, hereby certify that TODD S. KENNEDY, whose name as PRESIDENT of **PROVIDENCE BUILDING CORPORATION, INC.**, an Alabama non-profit corporation, is signed to the foregoing instrument, and who is known to me, acknowledged before me on this day, that being informed of the contents thereof, (s)he, as such PRESIDENT and with full authority, executed the same voluntarily for and as the act of said company.

Given under my hand and official seal, this the 28<sup>th</sup> day of September, 2023.

Sirena Bosarge  
Notary Public  
My Commission Expires: 4/25/26

[NOTARIAL SEAL]



Pursuant to the provisions of Ala. Code § 40-22-1 (1975), the following information is offered in lieu of submitting Form RT-1:

<b>Grantor's Name and Mailing Address:</b>	<b>Grantee's Name and Mailing Address:</b>
Providence Building Corporation, Inc.	University of South Alabama
6801 Airport Blvd.	c/o USA Properties
Mobile, AL 36685	775 N. University Blvd., Suite 150
	Mobile AL 36608

<b>Property Address:</b>	5621 Cottage Hill Road, Mobile, AL
<b>Tax Parcel ID:</b>	02-33-02-03-2-002-024.001
<b>Date of Sale: October 1, 2023</b>	<b>Date of this Deed: October 1, 2023</b>
<b>Assessor's Market Value:</b>	\$847,200
<b>The Actual Value can be verified in:</b>	Assessor's Market Value

EXHIBIT A

Legal Description

Lot 1B, Resubdivision of CHGR Subdivision, according to plat thereof recorded in Map Book 85, Page 75, of the records in the office of the Judge of Probate, Mobile County, Alabama.

LESS AND EXCEPT any portion of said property lying within the right of way of Cottage Hill Road, as acquired by the City of Mobile through condemnation proceedings in case styled City of Mobile vs. C. R. Carroll, et al, Mobile County Probate Court Case No. 38,155 N.S.

**EXHIBIT B**

**Title Exceptions**

1. Ad valorem taxes for the year 2024 which are not yet due and payable.
2. Rights of parties in possession under unrecorded written leases.
3. All interests in and to all oil, gas and other minerals in, on and/or under the Property and all rights in connection therewith, as have previously been reserved or conveyed.
4. Encroachments, overlaps, overhangs, unrecorded easements, deficiency in quantity of ground, or any matter not of record, which would be disclosed by an accurate survey and inspection of the Property.
5. Any and all easements, rights-of-way, restrictive covenants or building restrictions of record pertaining to the subject property.





UNIVERSITY OF SOUTH ALABAMA

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

**PROPERTY ADDRESS:**

6701 Airport Blvd  
Mobile, AL 36608

Parcel Number: 02-28-04-20-4-000-107.003  
02-28-04-20-4-000-107.004  
02-28-04-20-4-000-107.005  
02-28-04-20-4-000-107.006  
02-28-04-20-4-000-107.007  
02-28-04-20-4-000-107.002

**APPRAISAL INFORMATION:**

No Appraisal Issued  
Mobile County Tax Assessor's Market Value: \$31,631,900

**CONTRACTS RELATED TO THE PURCHASE:**

Attached hereto

**PURCHASE TERMS:**

Cash Purchase

**SOURCES OF FUNDS USED IN THE PURCHASE:**

Unrestricted Funds



180709-P28

COPY

***This instrument prepared by:***

JONES WALKER LLP  
Clay A. Lanham  
11 North Water Street, Suite 1200  
Mobile, Alabama 36602

***After Recording Return To:***

Surety Land Title, Inc.  
5905 Airport Boulevard, Suite E  
Mobile, Alabama 36608

***Send Tax Notices To:***

University of South Alabama  
c/o USA Properties  
775 N. University Blvd., Suite 150  
Mobile, AL 36608

Surety Land Title, Inc.

**E-RECORDED**

ID: 2023 058 946

County: Mobile

Date: 10-2-23 Title: 10/2/23

**STATUTORY WARRANTY DEED**

STATE OF ALABAMA )

MOBILE COUNTY )

**KNOW ALL MEN BY THESE PRESENTS**, That in consideration of the sum of TEN AND 00/100 DOLLARS (\$10.00) and other good and valuable consideration paid to **PROVIDENCE HOSPITAL**, an Alabama non-profit corporation (hereinafter, "**GRANTOR**"), in hand paid by the grantee herein, the receipt and sufficiency of which is hereby acknowledged, **GRANTOR** does hereby **GRANT, BARGAIN, SELL AND CONVEY** unto the **UNIVERSITY OF SOUTH ALABAMA**, a public body corporate created by act of the Alabama Legislature, Ala. Code §§ 16-55-1, *et seq.* ("**GRANTEE**"), the following described real estate situated in Mobile County, Alabama, to-wit:

**SEE EXHIBIT A**

**ATTACHED HERETO AND MADE A PART HEREOF (the "Property")**

TOGETHER WITH all and singular the rights, tenements, hereditaments, privileges and appurtenances thereunto belonging or in anywise appertaining.

TO HAVE AND TO HOLD the Property to said GRANTEE, its successors and assigns, forever.

THIS CONVEYANCE is made subject to the matters set forth on **Exhibit B** attached hereto and made a part hereof.

And, except as to the matters, exceptions and easements herein set forth, GRANTOR hereby covenants with GRANTEE, and its successors and assigns, that GRANTOR is lawfully seised of an indefeasible estate in fee simple in the Property, that the Property is free and clear of all encumbrances except as noted above, that GRANTOR has good right to sell and convey the Property, and GRANTOR does hereby WARRANT and will forever DEFEND the title to the Property unto GRANTEE, and its successors and assigns, against the lawful claims of all persons claiming by, through or under GRANTOR, but not otherwise.

*[Signature on following page.]*

IN WITNESS WHEREOF, GRANTOR has caused its duly authorized officer to hereunto set his/her signature as the act of GRANTOR, this the 1st day of October, 2023.

PROVIDENCE HOSPITAL,  
an Alabama non-profit corporation

By: [Signature]  
Name: Todd S. Kennedy  
Title: President

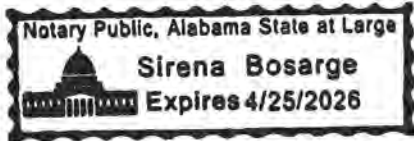
STATE OF ALABAMA  
COUNTY OF MOBILE

I, the undersigned, a Notary Public in and for said County, in said State, hereby certify that TODD S. KENNEDY, whose name as PRESIDENT of **PROVIDENCE HOSPITAL**, an Alabama non-profit corporation, is signed to the foregoing instrument, and who is known to me, acknowledged before me on this day, that being informed of the contents thereof, (s)he, as such PRESIDENT and with full authority, executed the same voluntarily for and as the act of said company.

Given under my hand and official seal, this the 28th day of September, 2023.

[Signature]  
Notary Public  
My Commission Expires: 4/25/26

[NOTARIAL SEAL]



Pursuant to the provisions of Ala. Code § 40-22-1 (1975), the following information is offered in lieu of submitting Form RT-1:

Grantor's Name and Mailing Address:	Grantee's Name and Mailing Address:
Providence Hospital	University of South Alabama
6801 Airport Blvd.	c/o USA Properties
Mobile, AL 36685	775 N. University Blvd., Suite 150
	Mobile AL 36608

Property Address:	6701 Airport Boulevard, Mobile, AL 36608
Tax Parcel ID:	1) 02-28-04-20-4-000-107.003 2) 02-28-04-20-4-000-107.004 3) 02-28-04-20-4-000-107.005 4) 02-28-04-20-4-000-107.006 5) 02-28-04-20-4-000-107.007 6) 02-28-04-20-4-000-107.002
Date of Sale: October 1, 2023	Date of this Deed: October 1, 2023
Assessor's Market Value:	1) \$5,247,500 2) \$2,691,300 3) \$12,307,400 4) \$1,248,500 5) \$8,146,700 6) \$1,990,500
The Actual Value can be verified in:	Assessor's Market Value 31,631,900

31,631,900

EXHIBIT A

Legal Description

That real property situated in the County of Mobile, State of Alabama, described as follows, to-wit:

Lots 1, 2, 3, 4, 5, & 6, PBC Subdivision, according to plat thereof recorded in Map Book 119, Page 100, of the records in the office of the Judge of Probate, Mobile County, Alabama.

## EXHIBIT B

### Title Exceptions

1. Ad valorem taxes for the year 2024 which are not yet due and payable.
2. Rights of parties in possession under unrecorded written leases.
3. All interests in and to all oil, gas and other minerals in, on and/or under the Property and all rights in connection therewith, as have previously been reserved or conveyed.
4. Encroachments, overlaps, overhangs, unrecorded easements, deficiency in quantity of ground, or any matter not of record, which would be disclosed by an accurate survey and inspection of the Property.
5. Any and all easements and rights-of-way of record pertaining to the Property.
6. Rights, if any, of the United States, the State of Alabama, or the property owners abutting the lakes depicted on the plat of PBC Subdivision, as recorded in Map Book 119, Page 100, in and to the waters of said lakes and in and to the beds thereof; along with boating and fishing rights, if any, of the property owners abutting the stream of water leading thereto or therefrom. (Affects Lot 1 Only)
7. Building setback line, easements, and notes, as shown on plat of Airport 42 recorded in Map Book 31, Page 98. (Affects Lots 1 & 2 Only)
8. Terms, conditions, and provisions of that certain Declaration of Easement and Agreement by and between Providence Hospital, a non-profit corporation, and Providence Plaza, L.L.C., an Alabama limited liability company, dated November 16, 2006 and recorded in Real Property Book 6086, Page 252, along with the rights of other parties in and to the use of said easement. (Affects Lot 1 Only)



UNIVERSITY OF SOUTH ALABAMA

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

**PROPERTY ADDRESS:**

6801 Airport Blvd  
Mobile, AL 36608

Parcel Number: 02-28-04-20-3-000-010.000  
02-28-04-20-4-000-107.000

**APPRAISAL INFORMATION:**

No Appraisal Issued  
Mobile County Tax Assessor's Market Value: \$98,735,500

**CONTRACTS RELATED TO THE PURCHASE:**

Attached hereto

**PURCHASE TERMS:**

Cash Purchase

**SOURCES OF FUNDS USED IN THE PURCHASE:**

Unrestricted Funds



180709 - P26

#19

**This instrument prepared by:**  
JONES WALKER LLP  
Clay A. Lanham  
11 North Water Street, Suite 1200  
Mobile, Alabama 36602

**After Recording Return To:**  
Surety Land Title, Inc.  
5905 Airport Boulevard, Suite E  
Mobile, Alabama 36608

**Send Tax Notices To:**  
University of South Alabama  
c/o USA Properties  
775 N. University Blvd., Suite 150  
Mobile, AL 36608

Surety Land Title, Inc.  
**E-RECORDED**  
ID: \_\_\_\_\_  
County: \_\_\_\_\_  
Date: \_\_\_\_\_ Time: \_\_\_\_\_

**STATUTORY WARRANTY DEED**

STATE OF ALABAMA        )  
  
MOBILE COUNTY            )

**KNOW ALL MEN BY THESE PRESENTS**, That in consideration of the sum of TEN AND 00/100 DOLLARS (\$10.00) and other good and valuable consideration paid to **PROVIDENCE HOSPITAL**, an Alabama non-profit corporation ("**GRANTOR**"), in hand paid by the grantee herein, the receipt and sufficiency of which is hereby acknowledged, **GRANTOR** does hereby **GRANT, BARGAIN, SELL AND CONVEY** unto the **UNIVERSITY OF SOUTH ALABAMA**, a public body corporate created by act of the Alabama Legislature, Ala. Code §§ 16-55-1, *et seq.* ("**GRANTEE**"), the following described real estate situated in Mobile County, Alabama, to-wit:

**SEE EXHIBIT A  
ATTACHED HERETO AND MADE A PART HEREOF (the "Property")**



180709 - P26

#19

**This instrument prepared by:**  
JONES WALKER LLP  
Clay A. Lanham  
11 North Water Street, Suite 1200  
Mobile, Alabama 36602

**After Recording Return To:**  
Surety Land Title, Inc.  
5905 Airport Boulevard, Suite E  
Mobile, Alabama 36608

**Send Tax Notices To:**  
University of South Alabama  
c/o USA Properties  
775 N. University Blvd., Suite 150  
Mobile, AL 36608

Surety Land Title, Inc.  
**E-RECORDED**  
ID: 2023 058 945  
County: Mobile  
Date: 11-23 Time: 10:49 AM

**STATUTORY WARRANTY DEED**

STATE OF ALABAMA )

MOBILE COUNTY )

**KNOW ALL MEN BY THESE PRESENTS**, That in consideration of the sum of TEN AND 00/100 DOLLARS (\$10.00) and other good and valuable consideration paid to **PROVIDENCE HOSPITAL**, an Alabama non-profit corporation ("**GRANTOR**"), in hand paid by the grantee herein, the receipt and sufficiency of which is hereby acknowledged, **GRANTOR** does hereby **GRANT, BARGAIN, SELL AND CONVEY** unto the **UNIVERSITY OF SOUTH ALABAMA**, a public body corporate created by act of the Alabama Legislature, Ala. Code §§ 16-55-1, *et seq.* ("**GRANTEE**"), the following described real estate situated in Mobile County, Alabama, to-wit:

**SEE EXHIBIT A  
ATTACHED HERETO AND MADE A PART HEREOF (the "Property")**

TOGETHER WITH all and singular the rights, tenements, hereditaments, privileges and appurtenances thereunto belonging or in anywise appertaining.

TO HAVE AND TO HOLD the Property to said GRANTEE, its successors and assigns, forever.

THIS CONVEYANCE is made subject to the matters set forth on **Exhibit B** attached hereto and made a part hereof.

And, except as to the matters, exceptions and easements herein set forth, GRANTOR hereby covenants with GRANTEE, and its successors and assigns, that GRANTOR is lawfully seised of an indefeasible estate in fee simple in the Property, that the Property is free and clear of all encumbrances except as noted above, that GRANTOR has good right to sell and convey the Property, and GRANTOR does hereby WARRANT and will forever DEFEND the title to the Property unto GRANTEE, and its successors and assigns, against the lawful claims of all persons claiming by, through or under GRANTOR, but not otherwise.

*[Signature on following page.]*

IN WITNESS WHEREOF, GRANTOR has caused its duly authorized officer to hereunto set his/her signature as the act of GRANTOR, this the 1st day of October, 2023.

PROVIDENCE HOSPITAL,  
an Alabama non-profit corporation

By: [Signature]  
Name: Todd S. Kennedy  
Title: President

STATE OF ALABAMA  
COUNTY OF MOBILE

I, the undersigned, a Notary Public in and for said County, in said State, hereby certify that TODD S. KENNEDY, whose name as PRESIDENT of **PROVIDENCE HOSPITAL**, an Alabama non-profit corporation, is signed to the foregoing instrument, and who is known to me, acknowledged before me on this day, that being informed of the contents thereof, (s)he, as such PRESIDENT and with full authority, executed the same voluntarily for and as the act of said company.

Given under my hand and official seal, this the 28TH day of September, 2023.

[Signature]  
Notary Public  
My Commission Expires: 4/25/24

[NOTARIAL SEAL]



Pursuant to the provisions of Ala. Code § 40-22-1 (1975), the following information is offered in lieu of submitting Form RT-1:

Grantor's Name and Mailing Address:	Grantee's Name and Mailing Address:
Providence Hospital	University of South Alabama
6801 Airport Blvd.	c/o USA Properties
Mobile, AL 36685	775 N. University Blvd., Suite 150
	Mobile AL 36608

Property Address:	6801 Airport Blvd., Mobile, AL 36608
Tax Parcel ID:	1) 02-28-04-20-3-000-010.000 2) 02-28-04-20-4-000-107.000
Date of Sale: October 1, 2023	Date of this Deed: October 1, 2023
Assessor's Market Value:	1) \$9,405,600 2) \$89,329,900 > 98,735,500
The Actual Value can be verified in:	Assessor's Market Value 98,735,500

EXHIBIT A

Legal Description

That real property situated in the County of Mobile, State of Alabama, described as follows, to-wit:

**WESTERN TRACT # 1**

Commencing at the Northwest corner of the Southwest Quarter of Section 20, Township 4 South, Range 2 West, Mobile County, Alabama; run South 89 degrees, 47 minutes, 59 seconds East along the North line of said Southwest Quarter of Section 20, Township 4 South, Range 2 West, a distance of 780.17 feet to a point; thence run North 00 degrees, 26 minutes, 19 seconds East 555.87 feet to a point on the South right of way line of Airport Boulevard; thence along said South right of way line of Airport Boulevard run South 61 degrees, 40 minutes, 41 seconds East 730 feet to the point of beginning of the property herein described; thence continuing South 61 degrees, 40 minutes, 41 seconds East along said South right of way line of Airport Boulevard run 1372.70 feet to a point; thence continuing along said South right of way line of Airport Boulevard run South 55 degrees, 21 minutes, 42 seconds East 42.96 feet to a point on the old centerline of Old Government Street Road (vacated); thence along said old centerline of Old Government Street Road (vacated) run as follows: North 79 degrees, 06 minutes, 34 seconds West 10.24 feet; North 83 degrees, 02 minutes, 08 seconds West 305.69 feet; South 79 degrees, 53 minutes, 37 seconds West 279.66 feet; South 71 degrees, 55 minutes, 49 seconds West 194.12 feet; South 64 degrees, 01 minutes, 19 seconds West 178.77 feet; South 64 degrees, 06 minutes, 36 seconds West 464.20 feet to a point; thence run North 14 degrees, 10 minutes, 25 seconds West 382.28 feet to a point; thence run North 05 degrees, 49 minutes, 19 seconds East 350 feet to a point; thence run North 28 degrees, 19 minutes, 19 seconds East 350 feet to the point of beginning.

LESS AND EXCEPT a parcel of land designated as Providence Park Drive (Private Street), as per plat of Providence Park, Unit Four, Map Book 81, Page 3, of the records in the office of the Judge of Probate, Mobile County, Alabama.

LESS AND EXCEPT the following described property: Beginning at the Northwest corner of the Southwest Quarter of Section 20, T4S, R2W thence run East 775 feet, thence South 215 feet, thence Southeasterly 92.91 feet, thence Southwesterly 87.34 feet, thence Southeasterly 207.30 feet, thence East 191.28 feet, thence run Northeasterly along a curve 435 feet, thence East 110 feet, thence Southeasterly along a curve 515 feet, thence Southwesterly 200 feet, thence Westerly along the South line of unnamed right of way 1,300 feet to East right of way line of Cody Road; thence run North 540 feet to the point of beginning.

LESS AND EXCEPT Lot 1, Providence Park, Unit Three, according to plat thereof recorded in Map Book 76, Page 104, of the records in the office of the Judge of Probate, Mobile County, Alabama.

LESS AND EXCEPT Lot 1, Providence Park, Unit Five, according to plat thereof recorded in Map Book 89, Page 55, of the records in the office of the Judge of Probate, Mobile County, Alabama.



LESS AND EXCEPT Lot 1, Providence Park, Unit Six, according to plat thereof recorded in Map Book 108, Page 86, of the records in the office of the Judge of Probate, Mobile County, Alabama.

**WESTERN TRACT # 2**

BEGINNING at a point on the South right of way line of Old Government Street Road where it is intersected by the East line of the Southwest Quarter of Section 20, Township 4 South, Range 2 West, Mobile County, Alabama; run South 00 degrees 42 minutes 38 seconds West along said East line of the Southwest Quarter of Section 20, Township 4 South, Range 2 West, a distance of 1977.69 feet to a point; thence run South 89 degrees 03 minutes 55 seconds West 1170.38 feet to a point on the East line of the West Half of the West Half of the West Half of the Southeast Quarter of the Southwest Quarter of Section 20, Township 4 South, Range 3 West; said point also being the East line of the property now or formerly of Edward Few, Jr., et al; thence along said East line of the West Half of the West Half of the West Half of the Southeast Quarter of the Southwest Quarter of Section 20 and along the East line of said Few property run North 00 degrees 43 minutes 46 seconds East 1151.77 feet to a point on the North line of said Southeast Quarter of the Southwest Quarter of Section 20; thence continuing along said East line of Few property run South 89 degrees 39 minutes 11 seconds West along said North line of the Southeast Quarter of the Southwest Quarter, a distance of 167.10 feet to the Northwest corner of the Southeast Quarter of the Southwest Quarter of Section 20; thence continuing along said East line of Few property run North 00 degrees 43 minutes 55 seconds East along the West line of the Northeast Quarter of said Southwest Quarter of Section 20, a distance of 489.98 feet to a point on the aforementioned South right of way line of Old Government Street Road; thence along said South right of way line of Old Government Street Road, run as follows: North 64 degrees 06 minutes 36 seconds East 473.77 feet, North 64 degrees 01 minute 19 seconds East 177.46 feet, North 71 degrees 55 minutes 49 seconds East 191.47 feet; North 79 degrees, 53 minutes, 37 seconds East, 275.45 feet; South 83 degrees, 02 minutes, 08 seconds East 302.18 feet; South 79 degrees, 06 minutes, 34 seconds East 2.02 feet to the point of beginning.

LESS AND EXCEPT Lot 1, Providence Park, Unit Five, according to plat thereof recorded in Map Book 89, Page 55, of the records in the office of the Judge of Probate, Mobile County, Alabama.

LESS AND EXCEPT the right of way of Providence Park Circle (private road) and that certain property identified as Providence Park, POB West, North Addition, Resubdivision of Lot 3A, according to plat thereof recorded in Instrument No. 2021063287, of the records in the office of the Judge of Probate, Mobile County, Alabama.

LESS AND EXCEPT the Resubdivision of Lots A and B, Providence Park Resubdivision, according to plat thereof recorded in Instrument No. 2022054610, of the records in the office of the Judge of Probate, Mobile County, Alabama.

LESS AND EXCEPT Providence Estates, Unit One, according to plat thereof recorded in Map Book 53, Page 77, of the records in the office of the Judge of Probate, Mobile County, Alabama.

LESS AND EXCEPT Lot 1, Providence Children Palace Subdivision, according to plat thereof recorded in Map Book 44, Page 73, of the records in the office of the Judge of Probate, Mobile County, Alabama.

LESS AND EXCEPT the following described property conveyed to Alabama Power Company by deed dated February 17, 1986 and recorded in Real Property Book 2885, Page 672: Commencing at the Southwest corner of the Southeast Quarter of the Southwest Quarter of Section 20, Township 4 South, Range 2 West, Mobile County, Alabama; run North 00 degrees, 43 minutes, 55 seconds East along the West line of said Southeast Quarter of the Southwest Quarter 1325.79 feet to the Northwest corner of said Southeast Quarter of the Southwest Quarter of Section 20, Township 4 South, Range 2 West; thence run North 89 degrees, 37 minutes, 55 seconds East 724.05 feet to a point; thence run South 160 feet to a point; thence run West 32.5 feet to the point of beginning of the property herein described; thence continue West 132.5 feet to a point; thence run South 165 feet to a point; thence run East 132.5 feet to a point; thence run North 165 feet to the point of beginning.

### **WESTERN TRACT # 3**

Commencing at the Southeast corner of Section 20, Township 4 South, Range 2 West, Mobile County, Alabama; run South 89 degrees, 03 minutes, 55 seconds West along the South line of said Section 20, a distance of 1705.0 feet to a point; thence run North 00 degrees, 25 minutes, 33 seconds East 1016.94 feet to a point; thence run North 89 degrees, 34 minutes, 27 seconds West 353.52 feet to a point; thence run North 00 degrees, 25 minutes, 33 seconds East 817.72 feet to a point on the South right of way line of Airport Boulevard; thence along said South line of Airport Boulevard run North 61 degrees, 40 minutes, 41 seconds West 105.86 feet to a point; thence continuing along the South line of Airport Boulevard run South 28 degrees, 19 minutes, 19 seconds West 10 feet to a point; thence continuing along said South line of Airport Boulevard run North 61 degrees, 40 minutes, 41 seconds West 517.66 feet to it's intersection with the existing South right of way line of Old Government Street Road; said point being the point of beginning of the property herein described; thence along said existing South right of way line of Old Government Street Road run North 79 degrees, 06 minutes, 34 seconds West 53.02 feet to a point; thence continuing along said existing South right of way line of Old Government Street Road run North 83 degrees, 02 minutes, 08 seconds West 302.18 feet to a point; thence continuing along said existing South right of way line of Old Government Street Road run South 79 degrees, 53 minutes, 37 seconds West 275.45 feet to a point; thence continuing along said existing South right of way line of Old Government Street Road run South 71 degrees, 55 minutes, 49 seconds West 191.47 feet to a point; thence continuing along said existing South right of way line of Old Government Street Road run South 64 degrees, 01 minutes, 19 seconds West 177.46 feet to a point; thence continuing along said existing South right of way line of Old Government Street Road run South 64 degrees, 06 minutes, 36 seconds West 1942.99 feet to a point on the East right of way line of Cody Road; thence along said East right of way line of Cody Road run North 00 degrees, 53 minutes, 15 seconds East 42.86 feet to it's intersection with the existing North right of way line of Old Government Street Road; thence along said existing North right of way line of Government Street Road run North 64 degrees, 06 minutes, 36 seconds East 1923.70 feet to a point; thence continuing along said existing North right of way line of Old Government Street Road run North 64 degrees, 01 minutes, 19 seconds East 180.07

feet to a point; thence continuing along said existing North right of way line of Old Government Street Road run North 71 degrees, 55 minutes, 49 seconds East 196.77 feet to a point; thence continuing along said existing North right of way line of Old Government Street Road run North 79 degrees, 53 minutes, 37 seconds East 283.86 feet to a point; thence continuing along said existing North right of way line of Old Government Street Road run South 83 degrees, 02 minutes, 08 seconds East 280.92 feet to a point on the aforementioned South right of way of Airport Boulevard; thence along said South right of way line of Airport Boulevard run South 55 degrees, 21 minutes, 42 seconds East 90.22 feet to the point of beginning.

LESS AND EXCEPT that portion of said property lying West of the Western right of way line of Providence Park Drive.

### EASTERN TRACT

Commencing at the Southeast corner of Section 20, Township 4 South, Range 2 West, Mobile County, Alabama; run South 89 degrees, 03 minutes, 55 seconds West 1705 feet to the point of beginning of the property herein described; thence continuing South 89 degrees, 03 minutes, 55 seconds West 970.30 feet to a point; thence run North 00 degrees, 42 minutes, 38 seconds East 2150.0 feet to a point on the South right of way line of Old Government Street Road; thence run South 79 degrees, 06 minutes, 34 seconds East along said South line of Old Government Street Road 51 feet to the intersection with the South right of way line of Airport Boulevard; thence along said South line of Airport Boulevard run South 61 degrees, 40 minutes, 41 seconds East 517.66 feet to a point; thence continuing along said South line of Airport Boulevard run North 28 degrees, 19 minutes, 19 seconds East 10 feet to a point; thence continuing along said South line of Airport Boulevard run South 61 degrees, 40 minutes, 41 seconds East 105.86 feet to the Northwest corner of Airport-42 as recorded in Map Book 31, page 98 of the Probate Court Records, Mobile County, Alabama; thence along the West boundary of said Airport-42 run South 00 degrees, 25 minutes, 33 seconds West 817.72 feet to the Southwest corner of said Airport-42; thence run along the South boundary of said Airport-42 run South 89 degrees, 34 minutes, 27 seconds East 353.52 feet to the Southeast corner of said Airport-42; thence run South 00 degrees, 25 minutes, 33 seconds West 1016.94 feet to the point of beginning.

LESS AND EXCEPT the property identified as PBC Subdivision, according to plat thereof recorded in Map Book 119, Page 100, of the records in the office of the Judge of Probate, Mobile County, Alabama.

LESS AND EXCEPT the following described property conveyed to the Daughters of Charity of St. Vincent de Paul of Indiana, Inc., an Indiana nonprofit corporation, by Warranty Deed dated November 17, 1986 and recorded in Real Property Book 3020, Page 252: Commencing at the Southeast corner of Section 20, Township 4 South, Range 2 West, Mobile County, Alabama; run South 89 degrees, 03 minutes, 55 seconds West along the South line of said Section 20, a distance of 1705.0 feet to the point of beginning of the property herein described; thence continuing South 89 degrees, 03 minutes, 55 seconds West along said South line of Section 20, run 307.0 feet to a point; thence run North 00 degrees, 25 minutes, 33 seconds East 270.0 feet to a point; thence run North 89 degrees, 03 minutes, 55 seconds East 307.0 feet to a point; thence run South 00 degrees, 25 minutes, 33 seconds West 270.0 feet to the point of beginning.





## EXHIBIT B

### Title Exceptions

1. Ad valorem taxes for the year 2024 which are not yet due and payable.
2. Rights of parties in possession under unrecorded written leases.
3. All interests in and to all oil, gas and other minerals in, on and/or under the Property and all rights in connection therewith, as have previously been reserved or conveyed.
4. Encroachments, overlaps, overhangs, unrecorded easements, deficiency in quantity of ground, or any matter not of record, which would be disclosed by an accurate survey and inspection of the Property.
5. Any and all easements and rights-of-way of record pertaining to the Property.
6. Terms, conditions, and provisions of that certain Declaration of Restrictive Covenants and Easements by and between Providence Hospital, an Alabama non-profit corporation, Providence Park, Inc., an Alabama corporation, and Parkway Property Holdings, LLC, an Alabama limited liability company, dated June 30, 2022 and recorded in Instrument No. 2022045069.
7. Terms, conditions, and provisions of that certain Indemnity and Hold Harmless Agreement with the City of Mobile, dated June 8, 1978 and recorded in Real Property Book 1880, Page 769. (Affects Western Tracts Only)
8. Restrictive covenants contained in instrument recorded in Real Property Book 3762, Page 565. (Affects Western Tracts Only)
9. Rights, if any, of the United States, the State of Alabama, or the property owners abutting the lakes depicted on the plat of PBC Subdivision, as recorded in Map Book 119, Page 100, in and to the waters of said lakes and in and to the beds thereof; along with boating and fishing rights, if any, of the property owners abutting the stream of water leading thereto or therefrom. (Affects Eastern Tract Only)



UNIVERSITY OF SOUTH ALABAMA

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

**PROPERTY ADDRESS:**

6901 Airport Boulevard  
Mobile, AL36608

Parcel Number: 02-28-04-20-3-000-007.001

**APPRAISAL INFORMATION:**

No Appraisal Issued  
Mobile County Tax Assessor's Market Value: \$992,700

**CONTRACTS RELATED TO THE PURCHASE:**

Attached hereto

**PURCHASE TERMS:**

Cash Purchase

**SOURCES OF FUNDS USED IN THE PURCHASE:**

Unrestricted Funds

COPY

180709-P9

*This instrument prepared by:*  
JONES WALKER LLP  
Clay A. Lanham  
11 North Water Street, Suite 1200  
Mobile, Alabama 36602

*After Recording Return To:*  
Surety Land Title, Inc.  
5905 Airport Boulevard, Suite E  
Mobile, Alabama 36608

*Send Tax Notices To:*  
University of South Alabama  
c/o USA Properties  
775 N. University Blvd., Suite 150  
Mobile, AL 36608

Surety Land Title, Inc.  
**E-RECORDED**  
ID: 2023 058 938  
County: mobile  
Date: 10-2-23 Time: 10:42 am

**STATUTORY WARRANTY DEED**

STATE OF ALABAMA        )

MOBILE COUNTY            )

KNOW ALL MEN BY THESE PRESENTS, That in consideration of the sum of TEN AND 00/100 DOLLARS (\$10.00) and other good and valuable consideration paid to PROVIDENCE HOSPITAL, an Alabama non-profit corporation (hereinafter, "GRANTOR"), in hand paid by the grantee herein, the receipt and sufficiency of which is hereby acknowledged, GRANTOR does hereby GRANT, BARGAIN, SELL AND CONVEY unto the UNIVERSITY OF SOUTH ALABAMA, a public body corporate created by act of the Alabama Legislature, Ala. Code §§ 16-55-1, et seq. ("GRANTEE"), the following described real estate situated in Mobile County, Alabama, to-wit:

**SEE EXHIBIT A  
ATTACHED HERETO AND MADE A PART HEREOF (the "Property")**

TOGETHER WITH all and singular the rights, tenements, hereditaments, privileges and appurtenances thereunto belonging or in anywise appertaining.

TO HAVE AND TO HOLD the Property to said GRANTEE, its successors and assigns, forever.

THIS CONVEYANCE is made subject to the matters set forth on **Exhibit B** attached hereto and made a part hereof.

And, except as to the matters, exceptions and easements herein set forth, GRANTOR hereby covenants with GRANTEE, and its successors and assigns, that GRANTOR is lawfully seised of an indefeasible estate in fee simple in the Property, that the Property is free and clear of all encumbrances except as noted above, that GRANTOR has good right to sell and convey the Property, and GRANTOR does hereby WARRANT and will forever DEFEND the title to the Property unto GRANTEE, and its successors and assigns, against the lawful claims of all persons claiming by, through or under GRANTOR, but not otherwise.

*[Signature on following page.]*

IN WITNESS WHEREOF, GRANTOR has caused its duly authorized officer to hereunto set his/her signature as the act of GRANTOR, this the 1st day of October, 2023.

PROVIDENCE HOSPITAL,  
an Alabama non-profit corporation

By: [Signature]  
Name: Todd S. Kennedy  
Title: President

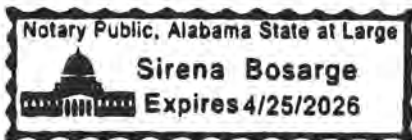
STATE OF ALABAMA  
COUNTY OF MOBILE

I, the undersigned, a Notary Public in and for said County, in said State, hereby certify that TODD S. KENNEDY, whose name as PRESIDENT of **PROVIDENCE HOSPITAL**, an Alabama non-profit corporation, is signed to the foregoing instrument, and who is known to me, acknowledged before me on this day, that being informed of the contents thereof, (s)he, as such PRESIDENT and with full authority, executed the same voluntarily for and as the act of said company.

Given under my hand and official seal, this the 28TH day of September, 2023.

[Signature]  
Notary Public  
My Commission Expires: 4/25/26

[NOTARIAL SEAL]



Pursuant to the provisions of Ala. Code § 40-22-1 (1975), the following information is offered in lieu of submitting Form RT-1:

<b>Grantor's Name and Mailing Address:</b>	<b>Grantee's Name and Mailing Address:</b>
Providence Hospital	University of South Alabama
6801 Airport Blvd.	c/o USA Properties
Mobile, AL 36685	775 N. University Blvd., Suite 150
	Mobile AL 36608

<b>Property Address:</b>	6901 Airport Boulevard, Mobile, AL 36608
<b>Tax Parcel ID:</b>	02-28-04-20-3-000-007.001
<b>Date of Sale: October 1, 2023</b>	<b>Date of this Deed: October 1, 2023</b>
<b>Assessor's Market Value:</b>	\$992,700
<b>The Actual Value can be verified in:</b>	Assessor's Market Value



EXHIBIT A

Legal Description

Lot 1, Providence Park, Unit Three, according to plat thereof recorded in Map Book 76, Page 104, of the records in the office of the Judge of Probate, Mobile County, Alabama, TOGETHER WITH a right of access over and across that certain private roadway known as Providence Park Drive, as provided and evidenced by said plat of Providence Park, Unit Three.

## EXHIBIT B

### Title Exceptions

1. Ad valorem taxes for the year 2024 which are not yet due and payable.
2. Rights of parties in possession under unrecorded written leases.
3. All interests in and to all oil, gas and other minerals in, on and/or under the Property and all rights in connection therewith, as have previously been reserved or conveyed.
4. Encroachments, overlaps, overhangs, unrecorded easements, deficiency in quantity of ground, or any matter not of record, which would be disclosed by an accurate survey and inspection of the Property.
5. Access is by private road and not to be County or State maintained as shown on plat of Providence Park, Unit Three recorded in Map Book 76, Page 104.
6. Building setback line, landscape easement, and notes, including a restriction limiting access to Airport Boulevard to one curb cut, as shown on plat of Providence Park, Unit Three recorded in Map Book 76, Page 104.
7. Easement granted to Alabama Power Company by Providence Hospital, dated May 27, 1998 and recorded in Real Property Book 4617, Page 433.
8. Permit granted to Alabama Power Company by R. S. Runyan and Mary E. Runyan, dated April 2, 1946 and recorded in Deed Book 403, Page 526, as affected by Disclaimer dated May 17, 1994 and recorded in Real Property Book 5896, Page 1064.
9. Permit granted to Alabama Power Company by J. A. Rushton, et al, dated November 6, 1949 and recorded in Deed Book 496, Page 191, as affected by Disclaimer dated May 17, 1994 and recorded in Real Property Book 5896, Page 1074.
10. Permit granted to Alabama Power Company by James E. Taylor and Lillie Mae Taylor, dated March 22, 1956 and recorded in Deed Book 685, Page 58, as affected by Disclaimer dated May 17, 1994 and recorded in Real Property Book 5896, Page 1076.
11. Easement granted to Alabama Power Company, dated April 28, 1986 and recorded in Real Property Book 2937, Page 803.
12. Easements condemned by the Board of Water and Sewer Commissioners of the City of Mobile, a public corporation, by proceedings in the Probate Court of Mobile County, Alabama, Case No. 48,552.



UNIVERSITY OF SOUTH ALABAMA

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

**PROPERTY ADDRESS:**

6904 Providence Park Drive  
Mobile, AL 36608

Parcel Number: 02-28-04-20-3-000-009.001

**APPRAISAL INFORMATION:**

No Appraisal Issued  
Mobile County Tax Assessor's Market Value: \$2,945,700

**CONTRACTS RELATED TO THE PURCHASE:**

Attached hereto

**PURCHASE TERMS:**

Cash Purchase

**SOURCES OF FUNDS USED IN THE PURCHASE:**

Unrestricted Funds

COPY

H/M

180709-P14

**This instrument prepared by:**  
JONES WALKER LLP  
Clay A. Lanham  
11 North Water Street, Suite 1200  
Mobile, Alabama 36602

**After Recording Return To:**  
Surety Land Title, Inc.  
5905 Airport Boulevard, Suite E  
Mobile, Alabama 36608

**Send Tax Notices To:**  
University of South Alabama  
c/o USA Properties  
775 N. University Blvd., Suite 150  
Mobile, AL 36608

Surety Land Title, Inc.

**E-RECORDED**

ID: \_\_\_\_\_

County: \_\_\_\_\_

Date: \_\_\_\_\_

**STATUTORY WARRANTY DEED**

STATE OF ALABAMA )

MOBILE COUNTY )

**KNOW ALL MEN BY THESE PRESENTS**, That in consideration of the sum of TEN AND 00/100 DOLLARS (\$10.00) and other good and valuable consideration paid to **PROVIDENCE HOSPITAL**, an Alabama non-profit corporation (hereinafter, "**GRANTOR**"), in hand paid by the grantee herein, the receipt and sufficiency of which is hereby acknowledged, **GRANTOR** does hereby **GRANT, BARGAIN, SELL AND CONVEY** unto the **UNIVERSITY OF SOUTH ALABAMA**, a public body corporate created by act of the Alabama Legislature, Ala. Code §§ 16-55-1, *et seq.* ("**GRANTEE**"), the following described real estate situated in Mobile County, Alabama, to-wit:

**SEE EXHIBIT A  
ATTACHED HERETO AND MADE A PART HEREOF (the "Property")**

#14

180709-P14

**This instrument prepared by:**  
JONES WALKER LLP  
Clay A. Lanham  
11 North Water Street, Suite 1200  
Mobile, Alabama 36602

**After Recording Return To:**  
Surety Land Title, Inc.  
5905 Airport Boulevard, Suite E  
Mobile, Alabama 36608

**Send Tax Notices To:**  
University of South Alabama  
c/o USA Properties  
775 N. University Blvd., Suite 150  
Mobile, AL 36608

Surety Land Title, Inc.  
**E-RECORDED**  
ID: 2023 058940  
County: Mobile  
Date: 10-13-23 10:42 AM

**STATUTORY WARRANTY DEED**

STATE OF ALABAMA        )  
MOBILE COUNTY            )

**KNOW ALL MEN BY THESE PRESENTS**, That in consideration of the sum of TEN AND 00/100 DOLLARS (\$10.00) and other good and valuable consideration paid to **PROVIDENCE HOSPITAL**, an Alabama non-profit corporation (hereinafter, "**GRANTOR**"), in hand paid by the grantee herein, the receipt and sufficiency of which is hereby acknowledged, **GRANTOR** does hereby **GRANT, BARGAIN, SELL AND CONVEY** unto the **UNIVERSITY OF SOUTH ALABAMA**, a public body corporate created by act of the Alabama Legislature, Ala. Code §§ 16-55-1, *et seq.* ("**GRANTEE**"), the following described real estate situated in Mobile County, Alabama, to-wit:

**SEE EXHIBIT A  
ATTACHED HERETO AND MADE A PART HEREOF (the "Property")**

TOGETHER WITH all and singular the rights, tenements, hereditaments, privileges and appurtenances thereunto belonging or in anywise appertaining.

TO HAVE AND TO HOLD the Property to said GRANTEE, its successors and assigns, forever.

THIS CONVEYANCE is made subject to the matters set forth on **Exhibit B** attached hereto and made a part hereof.

And, except as to the matters, exceptions and easements herein set forth, GRANTOR hereby covenants with GRANTEE, and its successors and assigns, that GRANTOR is lawfully seised of an indefeasible estate in fee simple in the Property, that the Property is free and clear of all encumbrances except as noted above, that GRANTOR has good right to sell and convey the Property, and GRANTOR does hereby WARRANT and will forever DEFEND the title to the Property unto GRANTEE, and its successors and assigns, against the lawful claims of all persons claiming by, through or under GRANTOR, but not otherwise.

*[Signature on following page.]*



IN WITNESS WHEREOF, GRANTOR has caused its duly authorized officer to hereunto set his/her signature as the act of GRANTOR, this the 1st day of October, 2023.

PROVIDENCE HOSPITAL,  
an Alabama non-profit corporation

By: [Signature]  
Name: Todd S. Kennedy  
Title: President

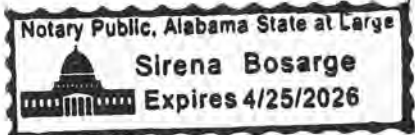
STATE OF ALABAMA  
COUNTY OF MOBILE

I, the undersigned, a Notary Public in and for said County, in said State, hereby certify that TODD S. KENNEDY, whose name as PRESIDENT of **PROVIDENCE HOSPITAL**, an Alabama non-profit corporation, is signed to the foregoing instrument, and who is known to me, acknowledged before me on this day, that being informed of the contents thereof, (s)he, as such PRESIDENT and with full authority, executed the same voluntarily for and as the act of said company.

Given under my hand and official seal, this the 28TH day of September, 2023.

[Signature]  
Notary Public  
My Commission Expires: 4/25/26

[NOTARIAL SEAL]





Pursuant to the provisions of Ala. Code § 40-22-1 (1975), the following information is offered in lieu of submitting Form RT-1:

<b>Grantor's Name and Mailing Address:</b>	<b>Grantee's Name and Mailing Address:</b>
Providence Hospital	University of South Alabama
6801 Airport Blvd.	c/o USA Properties
Mobile, AL 36685	775 N. University Blvd., Suite 150
	Mobile AL 36608

<b>Property Address:</b>	6904 Providence Park Drive Mobile, AL 36608
<b>Tax Parcel ID:</b>	02-28-04-20-3-000-009.001
<b>Date of Sale: October 1, 2023</b>	<b>Date of this Deed: October 1, 2023</b>
<b>Assessor's Market Value:</b>	\$2,945,700
<b>The Actual Value can be verified in:</b>	Assessor's Market Value

EXHIBIT A

Legal Description

That real property situated in the County of Mobile, State of Alabama, described as follows, to-wit:

TRACT 1:

Beginning at the Northwest Corner of the Southeast Quarter of the Southwest Quarter of Section 20, Township 4 South, Range 2 West, Mobile County, Alabama, run South, 1339.85 feet to the Southwest Corner of the Southeast Quarter of the Southwest Quarter of said Section 20, thence run North 89°-13' East, 165.37 feet, thence run North 00°-02' West, 1339.85 feet, thence run South 89°-13' West, 164.65 feet to the point of beginning, being the West Half of the West Half of the West Half of the Southeast Quarter of the Southwest Quarter of Section 20, Township 4 South, Range 2 West.

LESS AND EXCEPT that portion of said property lying within Providence Park POB West, according to plat thereof recorded in Map Book 97, Page 39, of the records in the office of the Judge of Probate, Mobile County, Alabama.

LESS AND EXCEPT that portion of said property lying within Providence Estates, Unit One, according to plat thereof recorded in Map Book 53, Page 77, of the records in the office of the Judge of Probate, Mobile County, Alabama.

LESS AND EXCEPT any portion of said property acquired by Providence Hospital, a non-profit Alabama corporation, by deed dated May 2, 1983 and recorded in Real Property Book 2504, Page 928, of the records in the office of the Judge of Probate, Mobile County, Alabama.

TOGETHER WITH a right of access over and across that certain private roadway known as Providence Park Drive.

TRACT 2:

Beginning at the Northeast Corner of the Southwest Quarter of the Southwest Quarter of Section 20, Township 4 South, Range 2 West, Mobile County, Alabama, run South, 1339.85 feet to the Southeast Corner of the Southwest Quarter of the Southwest Quarter of said Section 20, thence run South 89°-13' West, 165.37 feet, thence run North 00°-02' East, 1339.85 feet, thence run North 89°-13' East, 164.65 feet to the point of beginning, being the East Half of the East Half of the East Half of the Southwest Quarter of the Southwest Quarter of Section 20, Township 4 South, Range 2 West.

LESS AND EXCEPT that portion of said property lying within Providence Park POB West, according to plat thereof recorded in Map Book 97, Page 39, of the records in the office of the Judge of Probate, Mobile County, Alabama.

LESS AND EXCEPT that portion of said property lying within Providence Park MOB1 Subdivision, according to plat thereof recorded in Plat Book 136, Page 18, of the records in the office of the Judge of Probate, Mobile County, Alabama.

LESS AND EXCEPT that portion of said property lying within Providence Estates, Unit One, according to plat thereof recorded in Map Book 53, Page 77, of the records in the office of the Judge of Probate, Mobile County, Alabama.

LESS AND EXCEPT that portion of said property lying within Providence Estates, Unit Two, Phase "A," Part Two, according to plat thereof recorded in Map Book 64, Page 88, of the records in the office of the Judge of Probate, Mobile County, Alabama.

LESS AND EXCEPT any portion of said property lying within the right of way of Providence Park Drive.

TOGETHER WITH a right of access over and across that certain private roadway known as Providence Park Drive.

## EXHIBIT B

### Title Exceptions

1. Ad valorem taxes for the year 2024 which are not yet due and payable.
2. Rights of parties in possession under unrecorded written leases.
3. All interests in and to all oil, gas and other minerals in, on and/or under the Property and all rights in connection therewith, as have previously been reserved or conveyed.
4. Encroachments, overlaps, overhangs, unrecorded easements, deficiency in quantity of ground, or any matter not of record, which would be disclosed by an accurate survey and inspection of the Property.
5. Rights of other parties in and to the use of the Perpetual Easements for Ingress and Egress over and across that certain private road known as Providence Park Drive, said road not to be County or State maintained.
6. Easement granted to the Board of Water and Sewer Commissioners of the City of Mobile by Providence Park, Inc., dated May 16, 1994 and recorded in Real Property Book 4174, Page 203.
7. Permit granted to Alabama Power Company by Gertrude F. Parker, a widow, dated April 5, 1946 and recorded in Deed Book 403, Page 609.
8. Easement condemned by the Board of Water and Sewer Commissioners of the City of Mobile, a public corporation, by proceedings in the Probate Court of Mobile County, Alabama, Case No. 48,552.
9. Easement granted to Alabama Power Company by Providence Hospital, dated May 7, 1986 and recorded in Real Property Book 2937, Page 798.
10. Easement granted to Alabama Power Company by Providence Hospital, dated March 23, 1995 and recorded in Real Property Book 4273, Page 1838.
11. Easement granted to Alabama Power Company by Providence Hospital, dated April 27, 2000 and recorded in Real Property Book 5001, Page 374.



UNIVERSITY OF SOUTH ALABAMA

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

**PROPERTY ADDRESS:**

6941 Airport Blvd  
Mobile, AL 36608

Parcel Number: 02-28-04-20-2-000-046

**APPRAISAL INFORMATION:**

No Appraisal Issued  
Mobile County Tax Assessor's Market Value: \$685,800

**CONTRACTS RELATED TO THE PURCHASE:**

Attached hereto

**PURCHASE TERMS:**

Cash Purchase

**SOURCES OF FUNDS USED IN THE PURCHASE:**

Unrestricted Funds



**COPY**

8 180709 P6

**This instrument prepared by:**  
JONES WALKER LLP  
Clay A. Lanham  
11 North Water Street, Suite 1200  
Mobile, Alabama 36602

**After Recording Return To:**  
Surety Land Title, Inc.  
5905 Airport Boulevard, Suite E  
Mobile, Alabama 36608

**Send Tax Notices To:**  
University of South Alabama  
c/o USA Properties  
775 N. University Blvd., Suite 150  
Mobile, AL 36608

Surety Land Title, Inc.  
**E-RECORDED**  
ID: \_\_\_\_\_  
County: \_\_\_\_\_  
Date: \_\_\_\_\_ Time: \_\_\_\_\_

**STATUTORY WARRANTY DEED**

STATE OF ALABAMA        )  
MOBILE COUNTY            )

**KNOW ALL MEN BY THESE PRESENTS**, That in consideration of the sum of TEN AND 00/100 DOLLARS (\$10.00) and other good and valuable consideration paid to **PROVIDENCE PARK, INC.**, an Alabama corporation (hereinafter, "**GRANTOR**"), in hand paid by the grantee herein, the receipt and sufficiency of which is hereby acknowledged, **GRANTOR** does hereby **GRANT, BARGAIN, SELL AND CONVEY** unto the **UNIVERSITY OF SOUTH ALABAMA**, a public body corporate created by act of the Alabama Legislature, Ala. Code §§ 16-55-1, *et seq.* ("**GRANTEE**"), the following described real estate situated in Mobile County, Alabama, to-wit:

**SEE EXHIBIT A  
ATTACHED HERETO AND MADE A PART HEREOF (the "Property")**

8 180709 P6

**This instrument prepared by:**  
JONES WALKER LLP  
Clay A. Lanham  
11 North Water Street, Suite 1200  
Mobile, Alabama 36602

**After Recording Return To:**  
Surety Land Title, Inc.  
5905 Airport Boulevard, Suite E  
Mobile, Alabama 36608

**Send Tax Notices To:**  
University of South Alabama  
c/o USA Properties  
775 N. University Blvd., Suite 150  
Mobile, AL 36608

Surety Land Title, Inc.  
**E-RECORDED**  
ID: 2023058935  
County: Mobile  
Date: 10-2-23 Time: 10:42 am

**STATUTORY WARRANTY DEED**

STATE OF ALABAMA )

MOBILE COUNTY )

**KNOW ALL MEN BY THESE PRESENTS**, That in consideration of the sum of TEN AND 00/100 DOLLARS (\$10.00) and other good and valuable consideration paid to **PROVIDENCE PARK, INC.**, an Alabama corporation (hereinafter, "**GRANTOR**"), in hand paid by the grantee herein, the receipt and sufficiency of which is hereby acknowledged, **GRANTOR** does hereby **GRANT, BARGAIN, SELL AND CONVEY** unto the **UNIVERSITY OF SOUTH ALABAMA**, a public body corporate created by act of the Alabama Legislature, Ala. Code §§ 16-55-1, *et seq.* ("**GRANTEE**"), the following described real estate situated in Mobile County, Alabama, to-wit:

**SEE EXHIBIT A  
ATTACHED HERETO AND MADE A PART HEREOF (the "Property")**



TOGETHER WITH all and singular the rights, tenements, hereditaments, privileges and appurtenances thereunto belonging or in anywise appertaining.

TO HAVE AND TO HOLD the Property to said GRANTEE, its successors and assigns, forever.

THIS CONVEYANCE is made subject to the matters set forth on **Exhibit B** attached hereto and made a part hereof.

And, except as to the matters, exceptions and easements herein set forth, GRANTOR hereby covenants with GRANTEE, and its successors and assigns, that GRANTOR is lawfully seised of an indefeasible estate in fee simple in the Property, that the Property is free and clear of all encumbrances except as noted above, that GRANTOR has good right to sell and convey the Property, and GRANTOR does hereby WARRANT and will forever DEFEND the title to the Property unto GRANTEE, and its successors and assigns, against the lawful claims of all persons claiming by, through or under GRANTOR, but not otherwise.

*[Signature on following page.]*

IN WITNESS WHEREOF, GRANTOR has caused its duly authorized officer to hereunto set his/her signature as the act of GRANTOR, this the 1st day of October, 2023.

PROVIDENCE PARK, INC.,  
an Alabama corporation

By: *Todd S. Kennedy*  
Name: Todd S. Kennedy  
Title: President

STATE OF ALABAMA  
COUNTY OF MOBILE

I, the undersigned, a Notary Public in and for said County, in said State, hereby certify that TODD S. KENNEDY, whose name as PRESIDENT of **PROVIDENCE PARK, INC.**, an Alabama corporation, is signed to the foregoing instrument, and who is known to me, acknowledged before me on this day, that being informed of the contents thereof, (s)he, as such PRESIDENT and with full authority, executed the same voluntarily for and as the act of said company.

Given under my hand and official seal, this the 28<sup>th</sup> day of September, 2023.

*Sirena Bosarge*  
Notary Public  
My Commission Expires: 4/25/26

[NOTARIAL SEAL]



Pursuant to the provisions of Ala. Code § 40-22-1 (1975), the following information is offered in lieu of submitting Form RT-1:

Grantor's Name and Mailing Address:	Grantee's Name and Mailing Address:
Providence Park, Inc.	University of South Alabama
6801 Airport Blvd.	c/o USA Properties
Mobile, AL 36685	775 N. University Blvd., Suite 150
	Mobile AL 36608

Property Address:	6941 Airport Boulevard, Mobile, AL 36608
Tax Parcel ID:	02-28-04-20-2-000-046
Date of Sale: October 1, 2023	Date of this Deed: October 1, 2023
Assessor's Market Value:	\$685,800
The Actual Value can be verified in:	Assessor's Market Value

EXHIBIT A

Legal Description

Lot 1, Providence Park, Unit Seven, according to plat thereof recorded in Map Book 108, Page 87, of the records in the office of the Judge of Probate, Mobile County, Alabama.

TOGETHER WITH all beneficial rights appurtenant to that certain Access Easement Agreement recorded in Real Property Book 5853, Page 1687, subject to the terms, conditions, and provisions thereof.

EXHIBIT B

Title Exceptions

1. Ad valorem taxes for the year 2024 which are not yet due and payable.
2. Rights of parties in possession under unrecorded written leases.
3. All interests in and to all oil, gas and other minerals in, on and/or under the Property and all rights in connection therewith, as have previously been reserved or conveyed.
4. Encroachments, overlaps, overhangs, unrecorded easements, deficiency in quantity of ground, or any matter not of record, which would be disclosed by an accurate survey and inspection of the Property.
5. Twenty-five (25) foot minimum building setback line, fifteen (15) foot water line easement, ten (10) foot landscape easement, and notes, including a restriction limiting access to Airport Boulevard to two curb cuts, as shown on plat of Providence Park, Unit Seven recorded in Map Book 108, Page 87.
6. Easement granted Alabama Power Company by Providence Park, Inc., dated January 11, 2001 and recorded in Real Property Book 4962, Page 1828.
7. Easement granted Alabama Power Company by Providence Hospital, dated August 27, 1999 and recorded in Real Property Book 4778, Page 1893.
8. Terms, conditions, and provisions of that certain Access Easement Agreement by and between Daniel W. Coyne, as Trustee per Trust Agreement dated May 10, 1983 and reinstated as of January 1, 1991, and OS Realty, Inc., a Florida corporation, dated September 29, 2005 and recorded in Real Property Book 5853, Page 1687, along with the rights of other parties in and to the use of said easement.
9. Easement condemned by the Board of Water and Sewer Commissioners of the City of Mobile, a public corporation, by proceedings in the Probate Court of Mobile County, Alabama, Case No. 48,552.



UNIVERSITY OF SOUTH ALABAMA

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

**PROPERTY ADDRESS:**

8010 Moffett Road  
Mobile, AL 36575

Parcel Number: 02-24-06-24-4-000-020.002

**APPRAISAL INFORMATION:**

No Appraisal Issued  
Mobile County Tax Assessor's Market Value: \$650,600.00

**CONTRACTS RELATED TO THE PURCHASE:**

Attached hereto

**PURCHASE TERMS:**

Cash Purchase

**SOURCES OF FUNDS USED IN THE PURCHASE:**

Unrestricted Funds

SURETY LAND TITLE, INC.  
5909 AIRPORT BOULEVARD  
MOBILE, ALABAMA 36608  
PHONE (251) 343-4200  
FAX (251) 343-1229  
October 23, 2023

University of South Alabama Real Estate Services and Asset Management  
775 N. University Blvd., Suite 150  
Mobile, AL 36608

SLT-180709-P1

- Title Policy No. 50179401-0010205e
- Alta Endorsements
- Recorded Warranty Deed
- Recorded Mortgage
- Recorded Rents and Leases
- Guaranty of Note Payment
- Promissory Note
- Recorded Power of Attorney
- Recorded SNDA Agreement
- Recorded Second Mortgage

SURETY LAND TITLE, INC.

BY: 



3/

180709 - P 1

COPY

**This instrument prepared by:**  
JONES WALKER LLP  
Clay A. Lanham  
11 North Water Street, Suite 1200  
Mobile, Alabama 36602

**After Recording Return To:**  
Surety Land Title, Inc.  
5905 Airport Boulevard, Suite E  
Mobile, Alabama 36608

**Send Tax Notices To:**  
University of South Alabama  
c/o USA Properties  
775 N. University Blvd., Suite 150  
Mobile, AL 36608

Surety Land Title, Inc.  
**E-RECORDED**  
ID: \_\_\_\_\_  
County: \_\_\_\_\_  
Date: \_\_\_\_\_

**STATUTORY WARRANTY DEED**

STATE OF ALABAMA )

MOBILE COUNTY )

**KNOW ALL MEN BY THESE PRESENTS,** That in consideration of the sum of TEN AND 00/100 DOLLARS (\$10.00) and other good and valuable consideration paid to **PROVIDENCE BUILDING CORPORATION, INC.**, an Alabama non-profit corporation (hereinafter, "**GRANTOR**"), in hand paid by the grantee herein, the receipt and sufficiency of which is hereby acknowledged, **GRANTOR** does hereby **GRANT, BARGAIN, SELL AND CONVEY** unto the **UNIVERSITY OF SOUTH ALABAMA**, a public body corporate created by act of the Alabama Legislature, Ala. Code §§ 16-55-1, *et seq.* ("**GRANTEE**"), the following described real estate situated in Mobile County, Alabama, to-wit:

**SEE EXHIBIT A  
ATTACHED HERETO AND MADE A PART HEREOF (the "Property")**

3/

180709 - P 1

***This instrument prepared by:***

JONES WALKER LLP  
Clay A. Lanham  
11 North Water Street, Suite 1200  
Mobile, Alabama 36602

***After Recording Return To:***

Surety Land Title, Inc.  
5905 Airport Boulevard, Suite E  
Mobile, Alabama 36608

***Send Tax Notices To:***

University of South Alabama  
c/o USA Properties  
775 N. University Blvd., Suite 150  
Mobile, AL 36608

Surety Land Title, Inc.

**E-RECORDED**

ID: 2023 058 930

County: mobile

Date: 10-2-23 Time: 10:47 am

**STATUTORY WARRANTY DEED**

STATE OF ALABAMA        )

MOBILE COUNTY         )

**KNOW ALL MEN BY THESE PRESENTS**, That in consideration of the sum of TEN AND 00/100 DOLLARS (\$10.00) and other good and valuable consideration paid to **PROVIDENCE BUILDING CORPORATION, INC.**, an Alabama non-profit corporation (hereinafter, "**GRANTOR**"), in hand paid by the grantee herein, the receipt and sufficiency of which is hereby acknowledged, **GRANTOR** does hereby **GRANT, BARGAIN, SELL AND CONVEY** unto the **UNIVERSITY OF SOUTH ALABAMA**, a public body corporate created by act of the Alabama Legislature, Ala. Code §§ 16-55-1, *et seq.* ("**GRANTEE**"), the following described real estate situated in Mobile County, Alabama, to-wit:

***SEE EXHIBIT A  
ATTACHED HERETO AND MADE A PART HEREOF (the "Property")***

TOGETHER WITH all and singular the rights, tenements, hereditaments, privileges and appurtenances thereunto belonging or in anywise appertaining.

TO HAVE AND TO HOLD the Property to said GRANTEE, its successors and assigns, forever.

THIS CONVEYANCE is made subject to the matters set forth on **Exhibit B** attached hereto and made a part hereof.

And, except as to the matters, exceptions and easements herein set forth, GRANTOR hereby covenants with GRANTEE, and its successors and assigns, that GRANTOR is lawfully seised of an indefeasible estate in fee simple in the Property, that the Property is free and clear of all encumbrances except as noted above, that GRANTOR has good right to sell and convey the Property, and GRANTOR does hereby WARRANT and will forever DEFEND the title to the Property unto GRANTEE, and its successors and assigns, against the lawful claims of all persons claiming by, through or under GRANTOR, but not otherwise.

*[Signature on following page.]*

IN WITNESS WHEREOF, GRANTOR has caused its duly authorized officer to hereunto set his/her signature as the act of GRANTOR, this the 1st day of October, 2023.

**PROVIDENCE BUILDING CORPORATION, INC.,**  
an Alabama non-profit corporation

By: Todd S. Kennedy  
Name: Todd S. Kennedy  
Title: President

STATE OF ALABAMA  
COUNTY OF MOBILE

I, the undersigned, a Notary Public in and for said County, in said State, hereby certify that TODD SKENNEDY, whose name as PRESIDENT of **PROVIDENCE BUILDING CORPORATION, INC.**, an Alabama non-profit corporation, is signed to the foregoing instrument, and who is known to me, acknowledged before me on this day, that being informed of the contents thereof, (s)he, as such PRESIDENT and with full authority, executed the same voluntarily for and as the act of said company.

Given under my hand and official seal, this the 28<sup>TH</sup> day of September, 2023.

Sirena Bosarge  
Notary Public  
My Commission Expires: 4/25/26

[NOTARIAL SEAL]



Pursuant to the provisions of Ala. Code § 40-22-1 (1975), the following information is offered in lieu of submitting Form RT-1:

<b>Grantor's Name and Mailing Address:</b>	<b>Grantee's Name and Mailing Address:</b>
Providence Building Corporation, Inc.	University of South Alabama
6801 Airport Blvd.	c/o USA Properties
Mobile, AL 36685	775 N. University Blvd., Suite 150
	Mobile AL 36608

<b>Property Address:</b>	8010 Moffett Road, Mobile, AL
<b>Tax Parcel ID:</b>	02-24-06-24-4-000-020.002
<b>Date of Sale: October 1, 2023</b>	<b>Date of this Deed: October 1, 2023</b>
<b>Assessor's Market Value:</b>	\$650,600.00
<b>The Actual Value can be verified in:</b>	Assessor's Market Value

EXHIBIT A

Legal Description

Lot 1, Moffett Road Professional Park, according to plat thereof recorded in Map Book 66, Page 32, of the records in the office of the Judge of Probate, Mobile County, Alabama.

EXHIBIT B

Title Exceptions

1. Ad valorem taxes for the year 2024 which are not yet due and payable.
2. Rights of parties in possession under unrecorded written leases.
3. All interests in and to all oil, gas and other minerals in, on and/or under the Property and all rights in connection therewith, as have previously been reserved or conveyed.
4. Encroachments, overlaps, overhangs, unrecorded easements, deficiency in quantity of ground, or any matter not of record, which would be disclosed by an accurate survey and inspection of the Property.
5. One hundred forty (140) foot minimum building setback line, existing ten (10) foot storm drain, and drainage detention pond easement, as shown on plat of Moffett Road Professional Park recorded in Map Book 66, Page 32, along with the rights of other parties in and to the use of said easement.
6. Easement granted Alabama Power Company by Providence Building Corporation, dated August 4, 1995, and recorded in Real Property Book 4301 at Page 1889.
7. Easement granted Alabama Power Company by Providence Hospital, dated November 24, 2014, and recorded in Land Records Book 7249 at Page 1141.
8. Covenants regarding the construction of a landscape buffer and the placement of structures that would violate the building setback line, as contained in Real Property Book 4259 at Page 600.





UNIVERSITY OF SOUTH ALABAMA

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

**PROPERTY ADDRESS:**

Unimproved land on Providence Park Circle  
Mobile, AL 36608  
No address assigned

Parcel Number: 02-28-04-20-3-000-008.053  
02-28-04-20-3-000-008.060

**APPRAISAL INFORMATION:**

No Appraisal Issued  
Mobile County Tax Assessor's Market Value: \$208,800

**CONTRACTS RELATED TO THE PURCHASE:**

Attached hereto

**PURCHASE TERMS:**

Cash Purchase

**SOURCES OF FUNDS USED IN THE PURCHASE:**

Unrestricted Funds

COPY

180709 - P16

**This instrument prepared by:**

JONES WALKER LLP  
Clay A. Lanham  
11 North Water Street, Suite 1200  
Mobile, Alabama 36602

**After Recording Return To:**

Surety Land Title, Inc.  
5905 Airport Boulevard, Suite E  
Mobile, Alabama 36608

**Send Tax Notices To:**

University of South Alabama  
c/o USA Properties  
775 N. University Blvd., Suite 150  
Mobile, AL 36608

Surety Land Title, Inc.

**E-RECORDED**

ID: 2023058937

County: Mobile

Date: 10-23 Time: 10:42 AM

**STATUTORY WARRANTY DEED**

STATE OF ALABAMA )

MOBILE COUNTY )

**KNOW ALL MEN BY THESE PRESENTS**, That in consideration of the sum of TEN AND 00/100 DOLLARS (\$10.00) and other good and valuable consideration paid to **PROVIDENCE HOSPITAL**, an Alabama non-profit corporation (hereinafter, "**GRANTOR**"), in hand paid by the grantee herein, the receipt and sufficiency of which is hereby acknowledged, **GRANTOR** does hereby **GRANT, BARGAIN, SELL AND CONVEY** unto the **UNIVERSITY OF SOUTH ALABAMA**, a public body corporate created by act of the Alabama Legislature, Ala. Code §§ 16-55-1, *et seq.* ("**GRANTEE**"), the following described real estate situated in Mobile County, Alabama, to-wit:

**SEE EXHIBIT A  
ATTACHED HERETO AND MADE A PART HEREOF (the "Property")**

#11  
#10  
Billo

TOGETHER WITH all and singular the rights, tenements, hereditaments, privileges and appurtenances thereunto belonging or in anywise appertaining.

TO HAVE AND TO HOLD the Property to said GRANTEE, its successors and assigns, forever.

THIS CONVEYANCE is made subject to the matters set forth on **Exhibit B** attached hereto and made a part hereof.

And, except as to the matters, exceptions and easements herein set forth, GRANTOR hereby covenants with GRANTEE, and its successors and assigns, that GRANTOR is lawfully seised of an indefeasible estate in fee simple in the Property, that the Property is free and clear of all encumbrances except as noted above, that GRANTOR has good right to sell and convey the Property, and GRANTOR does hereby WARRANT and will forever DEFEND the title to the Property unto GRANTEE, and its successors and assigns, against the lawful claims of all persons claiming by, through or under GRANTOR, but not otherwise.

*[Signature on following page.]*

IN WITNESS WHEREOF, GRANTOR has caused its duly authorized officer to hereunto set his/her signature as the act of GRANTOR, this the 1st day of October, 2023.

PROVIDENCE HOSPITAL,  
an Alabama non-profit corporation

By: [Signature]  
Name: Todd S. Kennedy  
Title: President

STATE OF ALABAMA  
COUNTY OF MOBILE

I, the undersigned, a Notary Public in and for said County, in said State, hereby certify that TODD S. KENNEDY, whose name as PRESIDENT of **PROVIDENCE HOSPITAL**, an Alabama non-profit corporation, is signed to the foregoing instrument, and who is known to me, acknowledged before me on this day, that being informed of the contents thereof, (s)he, as such PRESIDENT and with full authority, executed the same voluntarily for and as the act of said company.

Given under my hand and official seal, this the 28<sup>th</sup> day of September, 2023.

[NOTARIAL SEAL]

[Signature]  
Notary Public  
My Commission Expires: 4/25/24



Pursuant to the provisions of Ala. Code § 40-22-1 (1975), the following information is offered in lieu of submitting Form RT-1:

Grantor's Name and Mailing Address:	Grantee's Name and Mailing Address:
Providence Hospital	University of South Alabama
6801 Airport Blvd.	c/o USA Properties
Mobile, AL 36685	775 N. University Blvd., Suite 150
	Mobile AL 36608

Property Address:	Undeveloped land on Providence Park Circle, Mobile, AL 36608. No address assigned.
Tax Parcel ID:	1) 02-28-04-20-3-000-008.053 2) 02-28-04-20-3-000-008.060
Date of Sale: October 1, 2023	Date of this Deed: October 1, 2023
Assessor's Market Value:	1) \$113,300 2) \$95,500 > 208,800
The Actual Value can be verified in:	Assessor's Market Value 208,800

EXHIBIT A

Legal Description

That real property situated in the County of Mobile, State of Alabama, described as follows, to-wit:

Lots 6 & 7, Resubdivision of Lots A and B, Providence Park Resubdivision, according to plat thereof recorded in Instrument No. 2022054610, of the records in the office of the Judge of Probate, Mobile County, Alabama, TOGETHER WITH a right of access over and across that certain private roadway known as Providence Park Drive.



## EXHIBIT B

### Title Exceptions

1. Ad valorem taxes for the year 2024 which are not yet due and payable.
2. Rights of parties in possession under unrecorded written leases.
3. All interests in and to all oil, gas and other minerals in, on and/or under the Property and all rights in connection therewith, as have previously been reserved or conveyed.
4. Encroachments, overlaps, overhangs, unrecorded easements, deficiency in quantity of ground, or any matter not of record, which would be disclosed by an accurate survey and inspection of the Property.
5. Access is by private road and not to be County or State maintained.
6. Easement condemned by the Board of Water and Sewer Commissioners of the City of Mobile, a public corporation, by proceedings in the Probate Court of Mobile County, Alabama, Case No. 48,552.
7. Terms, conditions, and provisions of that certain Indemnity and Hold Harmless Agreement with the City of Mobile, dated June 8, 1978 and recorded in Real Property Book 1880, Page 769.
8. Permit granted to Alabama Power Company by D. R. Coley, Jr. and wife, Helen E. Coley, dated May 28, 1953 and recorded in Deed Book 582, Page 569, as affected by Agreement dated December 4, 1995 and recorded in Real Property Book 4416, Page 1855; and by Disclaimer dated May 17, 1994 and recorded in Real Property Book 5896, Page 1055.
9. Terms, conditions, and provisions of that certain Surface Water Runoff / Storm Water Discharge and Use of Detention Area / Lake Easement Agreement by and among Thomas Family Partnership LLC, an Alabama limited liability company; Glenn Nelson LLC, an Alabama limited liability company; MWL Family Limited Partnership, an Alabama limited partnership; and Providence Hospital, an Alabama non-profit corporation, dated September 13, 2017 and recorded in Land Records Book 7554, Page 1933.
10. Fifty (50) foot minimum building setback line, twenty-five (25) foot minimum building setback line, ten (10) foot landscape easement, ten (10) foot utility easement, and notes regarding structures, land disturbance permits, sidewalks, detention facilities, common areas, wetlands, easements, driveways, and other matters, as shown on plat of Resubdivision of Lots A and B, Providence Park Resubdivision recorded in Instrument No. 2022054610, of the records in the office of the Judge of Probate, Mobile County, Alabama.





UNIVERSITY OF SOUTH ALABAMA

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

**PROPERTY ADDRESS:**

Undeveloped land on Providence Park Drive  
Mobile, AL 36608  
No address assigned

Parcel Number: 02-28-09-29-2-000-001.001  
02-28-04-20-3-000-010.001

**APPRAISAL INFORMATION:**

No Appraisal Issued  
Mobile County Tax Assessor's Market Value: \$865,400

**CONTRACTS RELATED TO THE PURCHASE:**

Attached hereto

**PURCHASE TERMS:**

Cash Purchase

**SOURCES OF FUNDS USED IN THE PURCHASE:**

Unrestricted Funds

180709 - P24

118

**This instrument prepared by:**  
JONES WALKER LLP  
Clay A. Lanham  
11 North Water Street, Suite 1200  
Mobile, Alabama 36602

**After Recording Return To:**  
Surety Land Title, Inc.  
5905 Airport Boulevard, Suite E  
Mobile, Alabama 36608

**Send Tax Notices To:**  
University of South Alabama  
c/o USA Properties  
775 N. University Blvd., Suite 150  
Mobile, AL 36608

Surety Land Title, Inc.  
**E-RECORDED**

ID: \_\_\_\_\_  
County: \_\_\_\_\_  
Date: \_\_\_\_\_

**STATUTORY WARRANTY DEED**

STATE OF ALABAMA )

MOBILE COUNTY )

**KNOW ALL MEN BY THESE PRESENTS**, That in consideration of the sum of TEN AND 00/100 DOLLARS (\$10.00) and other good and valuable consideration paid to **PROVIDENCE HOSPITAL**, an Alabama non-profit corporation (hereinafter, "GRANTOR"), in hand paid by the grantee herein, the receipt and sufficiency of which is hereby acknowledged, GRANTOR does hereby **GRANT, BARGAIN, SELL AND CONVEY** unto the **UNIVERSITY OF SOUTH ALABAMA**, a public body corporate created by act of the Alabama Legislature, Ala. Code §§ 16-55-1, *et seq.* ("GRANTEE"), the following described real estate situated in Mobile County, Alabama, to-wit:

**SEE EXHIBIT A  
ATTACHED HERETO AND MADE A PART HEREOF (the "Property")**

IN WITNESS WHEREOF, GRANTOR has caused its duly authorized officer to hereunto set his/her signature as the act of GRANTOR, this the 1st day of October, 2023.

PROVIDENCE HOSPITAL,  
an Alabama non-profit corporation

By: [Signature]  
Name: Todd S. Kennedy  
Title: President

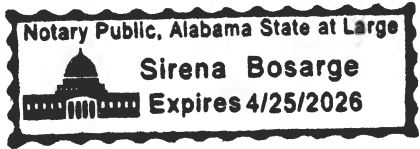
STATE OF ALABAMA  
COUNTY OF MOBILE

I, the undersigned, a Notary Public in and for said County, in said State, hereby certify that TODD S. KENNEDY, whose name as PRESIDENT of **PROVIDENCE HOSPITAL**, an Alabama non-profit corporation, is signed to the foregoing instrument, and who is known to me, acknowledged before me on this day, that being informed of the contents thereof, (s)he, as such PRESIDENT and with full authority, executed the same voluntarily for and as the act of said company.

Given under my hand and official seal, this the 28<sup>th</sup> day of September, 2023.

[Signature]  
Notary Public  
My Commission Expires: 4/25/26

[NOTARIAL SEAL]



Pursuant to the provisions of Ala. Code § 40-22-1 (1975), the following information is offered in lieu of submitting Form RT-1:

Grantor's Name and Mailing Address:	Grantee's Name and Mailing Address:
Providence Hospital	University of South Alabama
6801 Airport Blvd.	c/o USA Properties
Mobile, AL 36685	775 N. University Blvd., Suite 150
	Mobile AL 36608

Property Address:	Undeveloped land on Providence Park Drive, Mobile, AL 36608. No address assigned.
Tax Parcel ID:	1) 02-28-09-29-2-000-001.001 2) 02-28-04-20-3-000-010.001
Date of Sale: October 1, 2023	Date of this Deed: October 1, 2023
Assessor's Market Value:	1) \$678,500 2) \$186,900 } 865,400
The Actual Value can be verified in:	Assessor's Market Value 865,400

EXHIBIT A

Legal Description

That real property situated in the County of Mobile, State of Alabama, described as follows, to-wit:

Beginning at the Southeast corner of the North Half of the North Half of the Northwest Quarter of Section 29, Township 4 South, Range 2 West, Mobile County, Alabama; run North 00 degrees, 24 minutes, 19 seconds East along the East line of said Northwest Quarter of Section 29, Township 4 South, Range 2 West, a distance of 671.43 feet to the Southeast corner of the Southwest Quarter of Section 20, Township 4 South, Range 2 West, Mobile County, Alabama; thence along the East line of said Southwest Quarter of Section 20, Township 4 South, Range 2 West; run North 00 degrees, 42 minutes, 38 seconds East 172.31 feet to a point; thence run South 89 degrees, 03 minutes, 55 seconds West 940.53 feet to a point on the East boundary of Providence Estates, Unit One, as per plat recorded in Map Book 53, page 77 of the Probate Court Records, Mobile County, Alabama; thence along said East boundary of Providence Estates, Unit One, run South 13 degrees, 45 minutes, 51 seconds East 195.80 feet to a point; thence continuing along said East boundary of Providence Estates, Unit One, and extension thereof run South 00 degrees, 45 minutes, 51 seconds East 650 feet to a point on the South line of the aforementioned North Half of the North Half of the Northwest Quarter of Section 29, Township 4 South, Range 2 West; thence along said South line of the North Half of the North Half of the Northwest Quarter of Section 29, Township 4 South, Range 2 West; run North 89 degrees, 14 minutes, 09 seconds East 878.39 feet to the point of beginning, TOGETHER WITH a right of access over and across that certain private roadway known as Providence Park Drive.

## EXHIBIT B

### Title Exceptions

1. Ad valorem taxes for the year 2024 which are not yet due and payable.
2. Rights of parties in possession under unrecorded written leases.
3. All interests in and to all oil, gas and other minerals in, on and/or under the Property and all rights in connection therewith, as have previously been reserved or conveyed.
4. Encroachments, overlaps, overhangs, unrecorded easements, deficiency in quantity of ground, or any matter not of record, which would be disclosed by an accurate survey and inspection of the Property.
5. Easement condemned by the Board of Water and Sewer Commissioners of the City of Mobile, a public corporation, by proceedings in the Probate Court of Mobile County, Alabama, Case No. 48,552.
6. Restrictive covenants contained in instrument recorded in Real Property Book 3762, Page 567 of the records in the office of the Judge of Probate, Mobile County, Alabama.
7. Easements granted to the Board of Water and Sewer Commissioners of the City of Mobile by Providence Building Corporation, dated April 4, 1989 and recorded in Real Property Book 3467, Page 89.
8. Easement granted to the Board of Water and Sewer Commissioners of the City of Mobile by Providence Hospital, dated May 13, 1994 and recorded in Real Property Book 4174, Page 198.
9. Easement granted to the Board of Water and Sewer Commissioners of the City of Mobile by D. R. Coley, Jr. and Helen E. Coley, dated September 20, 1973 and recorded in Real Property Book 1295, Page 711.
10. Easement granted to the Board of Water and Sewer Commissioners of the City of Mobile by D. R. Coley, Jr. and Helen E. Coley, dated June 4, 1973 and recorded in Real Property Book 1254, Page 843.
11. Easements condemned by the Board of Water and Sewer Commissioners of the City of Mobile by proceedings in the Probate Court of Mobile County, Alabama, Case No. 28,758.
12. Easement granted to Alabama Power Company by Providence Hospital, dated January 15, 1987 and recorded in Real Property Book 3063, Page 708.
13. Access is by private road and not to be County or State maintained.



UNIVERSITY OF SOUTH ALABAMA

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

**PROPERTY ADDRESS:**

Unimproved property on Providence Park Circle  
Mobile, AL 36608  
No address assigned

Parcel Number: 02-28-04-20-3-000-008.051  
02-28-04-20-3-000-008.054  
02-28-04-20-3-000-008.055  
02-28-04-20-3-000-008.056  
02-28-04-20-3-000-008.057  
02-28-04-20-3-000-008.043

**APPRAISAL INFORMATION:**

No Appraisal Issued  
Mobile County Tax Assessor's Market Value: \$748,100

**CONTRACTS RELATED TO THE PURCHASE:**

Attached hereto

**PURCHASE TERMS:**

Cash Purchase

**SOURCES OF FUNDS USED IN THE PURCHASE:**

Unrestricted Funds



COPY

180709-PL5

#15

**This instrument prepared by:**  
JONES WALKER LLP  
Clay A. Lanham  
11 North Water Street, Suite 1200  
Mobile, Alabama 36602

**After Recording Return To:**  
Surety Land Title, Inc.  
5905 Airport Boulevard, Suite E  
Mobile, Alabama 36608

**Send Tax Notices To:**  
University of South Alabama  
c/o USA Properties  
775 N. University Blvd., Suite 150  
Mobile, AL 36608

Surety Land Title, Inc.  
**E-RECORDED**  
ID: \_\_\_\_\_  
County: \_\_\_\_\_  
Date: \_\_\_\_\_ Time: \_\_\_\_\_

**STATUTORY WARRANTY DEED**

STATE OF ALABAMA )

MOBILE COUNTY )

**KNOW ALL MEN BY THESE PRESENTS**, That in consideration of the sum of TEN AND 00/100 DOLLARS (\$10.00) and other good and valuable consideration paid to **PROVIDENCE HOSPITAL**, an Alabama non-profit corporation (hereinafter, "**GRANTOR**"), in hand paid by the grantee herein, the receipt and sufficiency of which is hereby acknowledged, **GRANTOR** does hereby **GRANT, BARGAIN, SELL AND CONVEY** unto the **UNIVERSITY OF SOUTH ALABAMA**, a public body corporate created by act of the Alabama Legislature, Ala. Code §§ 16-55-1, *et seq.* ("**GRANTEE**"), the following described real estate situated in Mobile County, Alabama, to-wit:

**SEE EXHIBIT A  
ATTACHED HERETO AND MADE A PART HEREOF (the "Property")**

180709-P15

#15

***This instrument prepared by:***

JONES WALKER LLP  
Clay A. Lanham  
11 North Water Street, Suite 1200  
Mobile, Alabama 36602

***After Recording Return To:***

Surety Land Title, Inc.  
5905 Airport Boulevard, Suite E  
Mobile, Alabama 36608

***Send Tax Notices To:***

University of South Alabama  
c/o USA Properties  
775 N. University Blvd., Suite 150  
Mobile, AL 36608

Surety Land Title, Inc.  
**E-RECORDED**  
ID: 2023 058 941  
County: Mobile  
Date: 10-2-23 Time: 10:42 p.m.

**STATUTORY WARRANTY DEED**

STATE OF ALABAMA            )

MOBILE COUNTY                )

**KNOW ALL MEN BY THESE PRESENTS**, That in consideration of the sum of TEN AND 00/100 DOLLARS (\$10.00) and other good and valuable consideration paid to **PROVIDENCE HOSPITAL**, an Alabama non-profit corporation (hereinafter, "**GRANTOR**"), in hand paid by the grantee herein, the receipt and sufficiency of which is hereby acknowledged, **GRANTOR** does hereby **GRANT, BARGAIN, SELL AND CONVEY** unto the **UNIVERSITY OF SOUTH ALABAMA**, a public body corporate created by act of the Alabama Legislature, Ala. Code §§ 16-55-1, *et seq.* ("**GRANTEE**"), the following described real estate situated in Mobile County, Alabama, to-wit:

***SEE EXHIBIT A  
ATTACHED HERETO AND MADE A PART HEREOF (the "Property")***

TOGETHER WITH all and singular the rights, tenements, hereditaments, privileges and appurtenances thereunto belonging or in anywise appertaining.

TO HAVE AND TO HOLD the Property to said GRANTEE, its successors and assigns, forever.

THIS CONVEYANCE is made subject to the matters set forth on **Exhibit B** attached hereto and made a part hereof.

And, except as to the matters, exceptions and easements herein set forth, GRANTOR hereby covenants with GRANTEE, and its successors and assigns, that GRANTOR is lawfully seised of an indefeasible estate in fee simple in the Property, that the Property is free and clear of all encumbrances except as noted above, that GRANTOR has good right to sell and convey the Property, and GRANTOR does hereby WARRANT and will forever DEFEND the title to the Property unto GRANTEE, and its successors and assigns, against the lawful claims of all persons claiming by, through or under GRANTOR, but not otherwise.

*[Signature on following page.]*

IN WITNESS WHEREOF, GRANTOR has caused its duly authorized officer to hereunto set his/her signature as the act of GRANTOR, this the 1st day of October, 2023.

**PROVIDENCE HOSPITAL,**  
an Alabama non-profit corporation

By: [Signature]

Name: Todd S. Kennedy

Title: President

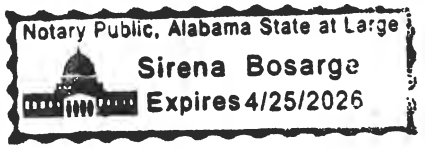
STATE OF ALABAMA  
COUNTY OF MOBILE

I, the undersigned, a Notary Public in and for said County, in said State, hereby certify that TODD S. KENNEDY, whose name as PRESIDENT of **PROVIDENCE HOSPITAL**, an Alabama non-profit corporation, is signed to the foregoing instrument, and who is known to me, acknowledged before me on this day, that being informed of the contents thereof, (s)he, as such PRESIDENT and with full authority, executed the same voluntarily for and as the act of said company.

Given under my hand and official seal, this the 28<sup>TH</sup> day of September, 2023.

[Signature]  
Notary Public  
My Commission Expires: 4/25/26

[NOTARIAL SEAL]



Pursuant to the provisions of Ala. Code § 40-22-1 (1975), the following information is offered in lieu of submitting Form RT-1:

Grantor's Name and Mailing Address:	Grantee's Name and Mailing Address:
Providence Hospital	University of South Alabama
6801 Airport Blvd.	c/o USA Properties
Mobile, AL 36685	775 N. University Blvd., Suite 150
	Mobile AL 36608

Property Address:	Unimproved property on Providence Park Circle, Mobile, AL 36608. No address assigned.
Tax Parcel ID:	<ul style="list-style-type: none"> <li>1) 02-28-04-20-3-000-008.051</li> <li>2) 02-28-04-20-3-000-008.054</li> <li>3) 02-28-04-20-3-000-008.055</li> <li>4) 02-28-04-20-3-000-008.056</li> <li>5) 02-28-04-20-3-000-008.057</li> <li>6) 02-28-04-20-3-000-008.043</li> </ul>
Date of Sale: October 1, 2023	Date of this Deed: October 1, 2023
Assessor's Market Value:	<ul style="list-style-type: none"> <li>1) \$140,000</li> <li>2) \$103,300</li> <li>3) \$68,900</li> <li>4) \$102,200</li> <li>5) \$104,400</li> <li>6) \$229,300</li> </ul> <p style="text-align: right; margin-right: 50px;">748,100</p>
The Actual Value can be verified in:	Assessor's Market Value 748,100

EXHIBIT A

Legal Description

Lots 4, 8, 9, 10, 11, and that certain private roadway identified as "Providence Park Circle," of Providence Park, POB West, North Addition, Resubdivision of Lot 3A, according to plat thereof recorded in Instrument No. 2021063287, of the records in the office of the Judge of Probate, Mobile County, Alabama, TOGETHER WITH a right of access over and across that certain private roadway known as Providence Park Drive.

## EXHIBIT B

### Title Exceptions

1. Ad valorem taxes for the year 2024 which are not yet due and payable.
2. Rights of parties in possession under unrecorded written leases.
3. All interests in and to all oil, gas and other minerals in, on and/or under the Property and all rights in connection therewith, as have previously been reserved or conveyed.
4. Encroachments, overlaps, overhangs, unrecorded easements, deficiency in quantity of ground, or any matter not of record, which would be disclosed by an accurate survey and inspection of the Property.
5. Access is by private road and not to be County or State maintained.
6. Easement condemned by the Board of Water and Sewer Commissioners of the City of Mobile, a public corporation, by proceedings in the Probate Court of Mobile County, Alabama, Case No. 48,552.
7. Terms, conditions, and provisions of that certain Indemnity and Hold Harmless Agreement with the City of Mobile, dated June 8, 1978 and recorded in Real Property Book 1880, Page 769.
8. Permit granted to Alabama Power Company by D. R. Coley, Jr. and wife, Helen E. Coley, dated May 28, 1953 and recorded in Deed Book 582, Page 569, as affected by Agreement dated December 4, 1995 and recorded in Real Property Book 4416, Page 1855; and by Disclaimer dated May 17, 1994 and recorded in Real Property Book 5896, Page 1055.
9. Terms, conditions, and provisions of that certain Surface Water Runoff / Storm Water Discharge and Use of Detention Area / Lake Easement Agreement by and among Thomas Family Partnership LLC, an Alabama limited liability company; Glenn Nelson LLC, an Alabama limited liability company; MWL Family Limited Partnership, an Alabama limited partnership; and Providence Hospital, an Alabama non-profit corporation, dated September 13, 2017 and recorded in Land Records Book 7554, Page 1933. (Affects Lots 8, 9 and 10 Only)
10. Twenty-five (25) foot minimum building setback line, ten (10) foot landscape easement, ten (10) foot drainage easement, ten (10) foot sanitary sewer easement, ten (10) foot utility easement, and notes regarding structures, land disturbance permits, sidewalks, detention facilities, common areas, wetlands, easements, street access, and other matters, as shown on plat of Providence Park POB West, North Addition, Resubdivision of Lot 3A recorded in Instrument No. 2021063287, of the records in the office of the Judge of Probate, Mobile County, Alabama.
11. Permit granted to Alabama Power Company by Gertrude F. Parker, a widow, dated April 5, 1946 and recorded in Deed Book 403, Page 609.
12. Rights of other parties in and to the use of the private roadway known as Providence Park Circle, as shown on plat of Providence Park, POB West, North Addition, Resubdivision of Lot 3A recorded in Instrument No. 2021063287. (Affects Providence Park Circle Only)



13. Right of First Refusal granted to Bender Clinics, LLC, an Alabama limited liability company, by instrument dated February 18, 2013, and recorded in Book 7106, Page 1143, which pertains to a certain tract of land affecting Lot 4, Providence Park, POB West, North Addition, Resubdivision of Lot 3A, according to the plat thereof recorded in Instrument No. 2021063287.

180709 - P16

*This instrument prepared by:*  
JONES WALKER LLP  
Clay A. Lanham  
11 North Water Street, Suite 1200  
Mobile, Alabama 36602

*After Recording Return To:*  
Surety Land Title, Inc.  
5905 Airport Boulevard, Suite E  
Mobile, Alabama 36608

*Send Tax Notices To:*  
University of South Alabama  
c/o USA Properties  
775 N. University Blvd., Suite 150  
Mobile, AL 36608

Surety Land Title, Inc.  
**E-RECORDED**  
ID: \_\_\_\_\_  
County: \_\_\_\_\_  
Date: \_\_\_\_\_ Time: \_\_\_\_\_

**STATUTORY WARRANTY DEED**

STATE OF ALABAMA        )

MOBILE COUNTY         )

**KNOW ALL MEN BY THESE PRESENTS**, That in consideration of the sum of TEN AND 00/100 DOLLARS (\$10.00) and other good and valuable consideration paid to **PROVIDENCE HOSPITAL**, an Alabama non-profit corporation (hereinafter, "**GRANTOR**"), in hand paid by the grantee herein, the receipt and sufficiency of which is hereby acknowledged, **GRANTOR** does hereby **GRANT, BARGAIN, SELL AND CONVEY** unto the **UNIVERSITY OF SOUTH ALABAMA**, a public body corporate created by act of the Alabama Legislature, Ala. Code §§ 16-55-1, *et seq.* ("**GRANTEE**"), the following described real estate situated in Mobile County, Alabama, to-wit:

***SEE EXHIBIT A  
ATTACHED HERETO AND MADE A PART HEREOF (the "Property")***



UNIVERSITY OF SOUTH ALABAMA

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

**PROPERTY ADDRESS:**

Unimproved property on Cody Road  
Mobile, AL 36608  
No address assigned

Parcel Number: 02-28-04-20-3-000-008.032  
02-28-09-29-2-000-001.003

**APPRAISAL INFORMATION:**

No Appraisal Issued  
Mobile County Tax Assessor's Market Value: \$458,500  
\$458,500

**CONTRACTS RELATED TO THE PURCHASE:**

Attached hereto

**PURCHASE TERMS:**

Cash Purchase

**SOURCES OF FUNDS USED IN THE PURCHASE:**

Unrestricted Funds

COPY

#9

180709 P12

**This instrument prepared by:**  
JONES WALKER LLP  
Clay A. Lanham  
11 North Water Street, Suite 1200  
Mobile, Alabama 36602

**After Recording Return To:**  
Surety Land Title, Inc.  
5905 Airport Boulevard, Suite E  
Mobile, Alabama 36608

Surety Land Title, Inc.  
**E-RECORDED**

ID: \_\_\_\_\_  
County: \_\_\_\_\_  
Date: \_\_\_\_\_ Time: \_\_\_\_\_

**Send Tax Notices To:**  
University of South Alabama  
c/o USA Properties  
775 N. University Blvd., Suite 150  
Mobile, AL 36608

**STATUTORY WARRANTY DEED**

STATE OF ALABAMA )

MOBILE COUNTY )

KNOW ALL MEN BY THESE PRESENTS, That in consideration of the sum of TEN AND 00/100 DOLLARS (\$10.00) and other good and valuable consideration paid to PROVIDENCE PARK, INC., an Alabama corporation (hereinafter, "GRANTOR"), in hand paid by the grantee herein, the receipt and sufficiency of which is hereby acknowledged, GRANTOR does hereby GRANT, BARGAIN, SELL AND CONVEY unto the UNIVERSITY OF SOUTH ALABAMA, a public body corporate created by act of the Alabama Legislature, Ala. Code §§ 16-55-1, et seq. ("GRANTEE"), the following described real estate situated in Mobile County, Alabama, to-wit:

**SEE EXHIBIT A  
ATTACHED HERETO AND MADE A PART HEREOF (the "Property")**

#9

180709 P12

**This instrument prepared by:**  
JONES WALKER LLP  
Clay A. Lanham  
11 North Water Street, Suite 1200  
Mobile, Alabama 36602

**After Recording Return To:**  
Surety Land Title, Inc.  
5905 Airport Boulevard, Suite E  
Mobile, Alabama 36608

**Send Tax Notices To:**  
University of South Alabama  
c/o USA Properties  
775 N. University Blvd., Suite 150  
Mobile, AL 36608

Surety Land Title, Inc.  
**E-RECORDED**  
ID: 2023058936  
County: Mobile  
Date: 11-2-23 Time: 10:42 AM

**STATUTORY WARRANTY DEED**

STATE OF ALABAMA        )  
MOBILE COUNTY            )

KNOW ALL MEN BY THESE PRESENTS, That in consideration of the sum of TEN AND 00/100 DOLLARS (\$10.00) and other good and valuable consideration paid to PROVIDENCE PARK, INC., an Alabama corporation (hereinafter, "GRANTOR"), in hand paid by the grantee herein, the receipt and sufficiency of which is hereby acknowledged, GRANTOR does hereby GRANT, BARGAIN, SELL AND CONVEY unto the UNIVERSITY OF SOUTH ALABAMA, a public body corporate created by act of the Alabama Legislature, Ala. Code §§ 16-55-1, et seq. ("GRANTEE"), the following described real estate situated in Mobile County, Alabama, to-wit:

**SEE EXHIBIT A  
ATTACHED HERETO AND MADE A PART HEREOF (the "Property")**

TOGETHER WITH all and singular the rights, tenements, hereditaments, privileges and appurtenances thereunto belonging or in anywise appertaining.

TO HAVE AND TO HOLD the Property to said GRANTEE, its successors and assigns, forever.


THIS CONVEYANCE is made subject to the matters set forth on **Exhibit B** attached hereto and made a part hereof.

And, except as to the matters, exceptions and easements herein set forth, GRANTOR hereby covenants with GRANTEE, and its successors and assigns, that GRANTOR is lawfully seised of an indefeasible estate in fee simple in the Property, that the Property is free and clear of all encumbrances except as noted above, that GRANTOR has good right to sell and convey the Property, and GRANTOR does hereby WARRANT and will forever DEFEND the title to the Property unto GRANTEE, and its successors and assigns, against the lawful claims of all persons claiming by, through or under GRANTOR, but not otherwise.

*[Signature on following page.]*

IN WITNESS WHEREOF, GRANTOR has caused its duly authorized officer to hereunto set his/her signature as the act of GRANTOR, this the 1st day of October, 2023.

PROVIDENCE PARK, INC.,  
an Alabama corporation


By:   
Name: Todd S. Kennedy  
Title: President

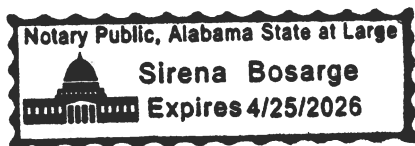
STATE OF ALABAMA  
COUNTY OF MOBILE

I, the undersigned, a Notary Public in and for said County, in said State, hereby certify that TODD S. KENNEDY, whose name as PRESIDENT of **PROVIDENCE PARK, INC.**, an Alabama corporation, is signed to the foregoing instrument, and who is known to me, acknowledged before me on this day, that being informed of the contents thereof, (s)he, as such PRESIDENT and with full authority, executed the same voluntarily for and as the act of said company.

Given under my hand and official seal, this the 28th day of September, 2023.

[NOTARIAL SEAL]

  
Notary Public  
My Commission Expires: 4/25/26





Pursuant to the provisions of Ala. Code § 40-22-1 (1975), the following information is offered in lieu of submitting Form RT-1:

Grantor's Name and Mailing Address:	Grantee's Name and Mailing Address:
Providence Park, Inc.	University of South Alabama
6801 Airport Blvd.	c/o USA Properties
Mobile, AL 36685	775 N. University Blvd., Suite 150
	Mobile AL 36608

Property Address:	Unimproved property on Cody Road, Mobile, AL 36608. No address assigned.
Tax Parcel ID:	02-28-04-20-3-000-008.032 and 02-28-09-29-2-000-001.003
Date of Sale: October 1, 2023	Date of this Deed: October 1, 2023
Assessor's Market Value:	\$285,400 and \$173,100 <span style="font-size: 2em;">}</span> 458,500
The Actual Value can be verified in:	Assessor's Market Value 458,500

EXHIBIT A

Legal Description

Lot 2, Providence-Cody Subdivision, according to plat thereof recorded in Map Book 89, Page 118 of the records in the office of the Judge of Probate, Mobile County, Alabama, as revised and rerecorded in Map Book 95, Page 17 of said records.

## EXHIBIT B

### Title Exceptions

1. Ad valorem taxes for the year 2024 which are not yet due and payable.
2. Rights of parties in possession under unrecorded written leases.
3. All interests in and to all oil, gas and other minerals in, on and/or under the Property and all rights in connection therewith, as have previously been reserved or conveyed.
4. Encroachments, overlaps, overhangs, unrecorded easements, deficiency in quantity of ground, or any matter not of record, which would be disclosed by an accurate survey and inspection of the Property.
5. Fifty (50) foot minimum building setback line, drainage and utility easements, and notes, including that the ten (10) foot buffer strip remain in a natural state and a restriction limiting access to Airport Boulevard to curb cuts to be approved by Traffic Engineering and restricting access to Providence Park Drive South, as shown on (1) plat of Providence-Cody Subdivision recorded in Map Book 89, Page 118, and (2) plat of Providence-Cody Subdivision Revised Plat recorded in Map Book 95, Page 17, of the records in the office of the Judge of Probate, Mobile County, Alabama.
6. Restrictive covenants contained in instrument recorded in Real Property Book 3762, Page 567 of the records in the office of the Judge of Probate, Mobile County, Alabama.
7. Easement condemned by the Board of Water and Sewer Commissioners of the City of Mobile, a public corporation, by proceedings in the Probate Court of Mobile County, Alabama, Case No. 48,552.
8. Permit granted to Alabama Power Company by Gertrude F. Parker, a widow, dated April 5, 1946 and recorded in Deed Book 403, Page 609.

180709-P9

#12

**This instrument prepared by:**  
JONES WALKER LLP  
Clay A. Lanham  
11 North Water Street, Suite 1200  
Mobile, Alabama 36602

**After Recording Return To:**  
Surety Land Title, Inc.  
5905 Airport Boulevard, Suite E  
Mobile, Alabama 36608

**Send Tax Notices To:**  
University of South Alabama  
c/o USA Properties  
775 N. University Blvd., Suite 150  
Mobile, AL 36608

Surety Land Title, Inc.  
**E-RECORDED**  
ID: \_\_\_\_\_  
County: \_\_\_\_\_  
Date: \_\_\_\_\_ Time: \_\_\_\_\_

**STATUTORY WARRANTY DEED**

STATE OF ALABAMA        )  
  
MOBILE COUNTY         )

**KNOW ALL MEN BY THESE PRESENTS**, That in consideration of the sum of TEN AND 00/100 DOLLARS (\$10.00) and other good and valuable consideration paid to **PROVIDENCE HOSPITAL**, an Alabama non-profit corporation (hereinafter, "**GRANTOR**"), in hand paid by the grantee herein, the receipt and sufficiency of which is hereby acknowledged, **GRANTOR** does hereby **GRANT, BARGAIN, SELL AND CONVEY** unto the **UNIVERSITY OF SOUTH ALABAMA**, a public body corporate created by act of the Alabama Legislature, Ala. Code §§ 16-55-1, *et seq.* ("**GRANTEE**"), the following described real estate situated in Mobile County, Alabama, to-wit:

***SEE EXHIBIT A  
ATTACHED HERETO AND MADE A PART HEREOF (the "Property")***



UNIVERSITY OF SOUTH ALABAMA

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

**PROPERTY ADDRESS:**

Unimproved property on Highway 181 in Daphne, AL36526.  
No Address assigned

Parcel Number: 05-43-05-22-0-000-012.001

**APPRAISAL INFORMATION:**

No Appraisal Issued  
Mobile County Tax Assessor's Market Value: \$2,006,300

**CONTRACTS RELATED TO THE PURCHASE:**

Attached hereto

**PURCHASE TERMS:**

Cash Purchase

**SOURCES OF FUNDS USED IN THE PURCHASE:**

Unrestricted Funds

180709 - P5

*This instrument prepared by:*  
JONES WALKER LLP  
Clay A. Lanham  
11 North Water Street, Suite 1200  
Mobile, Alabama 36602

*After Recording Return To:*  
Surety Land Title, Inc.  
5905 Airport Boulevard, Suite E  
Mobile, Alabama 36608

*Send Tax Notices To:*  
University of South Alabama  
c/o USA Properties  
775 N. University Blvd., Suite 150  
Mobile, AL 36608

Surety Land Title, Inc.

**E-RECORDED**

ID: \_\_\_\_\_  
County: \_\_\_\_\_  
Date: \_\_\_\_\_

**STATUTORY WARRANTY DEED**

STATE OF ALABAMA )

BALDWIN COUNTY )

**KNOW ALL MEN BY THESE PRESENTS**, That in consideration of the sum of TEN AND 00/100 DOLLARS (\$10.00) and other good and valuable consideration paid to **PROVIDENCE HOSPITAL**, an Alabama non-profit corporation (hereinafter, "**GRANTOR**"), in hand paid by the grantee herein, the receipt and sufficiency of which is hereby acknowledged, **GRANTOR** does hereby **GRANT, BARGAIN, SELL AND CONVEY** unto the **UNIVERSITY OF SOUTH ALABAMA**, a public body corporate created by act of the Alabama Legislature, Ala. Code §§ 16-55-1, *et seq.* ("**GRANTEE**"), the following described real estate situated in Baldwin County, Alabama, to-wit:

**SEE EXHIBIT A  
ATTACHED HERETO AND MADE A PART HEREOF (the "Property")**

180709 - P5

B/c

***This instrument prepared by:***

JONES WALKER LLP  
Clay A. Lanham  
11 North Water Street, Suite 1200  
Mobile, Alabama 36602

#10  
per 100

***After Recording Return To:***

Surety Land Title, Inc.  
5905 Airport Boulevard, Suite E  
Mobile, Alabama 36608

***Send Tax Notices To:***

University of South Alabama  
c/o USA Properties  
775 N. University Blvd., Suite 150  
Mobile, AL 36608

Surety Land Title, Inc.

**E-RECORDED**

ID: 2088652

County: Baldwin

Date: 11-2-23 Title: Full Am

**STATUTORY WARRANTY DEED**

STATE OF ALABAMA )

BALDWIN COUNTY )

**KNOW ALL MEN BY THESE PRESENTS**, That in consideration of the sum of TEN AND 00/100 DOLLARS (\$10.00) and other good and valuable consideration paid to **PROVIDENCE HOSPITAL**, an Alabama non-profit corporation (hereinafter, "**GRANTOR**"), in hand paid by the grantee herein, the receipt and sufficiency of which is hereby acknowledged, **GRANTOR** does hereby **GRANT, BARGAIN, SELL AND CONVEY** unto the **UNIVERSITY OF SOUTH ALABAMA**, a public body corporate created by act of the Alabama Legislature, Ala. Code §§ 16-55-1, *et seq.* ("**GRANTEE**"), the following described real estate situated in Baldwin County, Alabama, to-wit:

**SEE EXHIBIT A  
ATTACHED HERETO AND MADE A PART HEREOF (the "Property")**



TOGETHER WITH all and singular the rights, tenements, hereditaments, privileges and appurtenances thereunto belonging or in anywise appertaining.

TO HAVE AND TO HOLD the Property to said GRANTEE, its successors and assigns, forever.

THIS CONVEYANCE is made subject to the matters set forth on **Exhibit B** attached hereto and made a part hereof.

And, except as to the matters, exceptions and easements herein set forth, GRANTOR hereby covenants with GRANTEE, and its successors and assigns, that GRANTOR is lawfully seised of an indefeasible estate in fee simple in the Property, that the Property is free and clear of all encumbrances except as noted above, that GRANTOR has good right to sell and convey the Property, and GRANTOR does hereby WARRANT and will forever DEFEND the title to the Property unto GRANTEE, and its successors and assigns, against the lawful claims of all persons claiming by, through or under GRANTOR, but not otherwise.

*[Signature on following page.]*

IN WITNESS WHEREOF, GRANTOR has caused its duly authorized officer to hereunto set his/her signature as the act of GRANTOR, this the 1st day of October, 2023.

PROVIDENCE HOSPITAL,  
an Alabama non-profit corporation

By: Todd S. Kennedy  
Name: Todd S. Kennedy  
Title: President

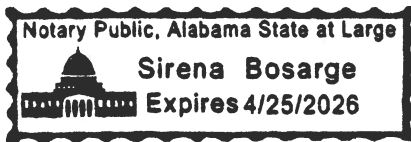
STATE OF ALABAMA  
COUNTY OF MOBILE

I, the undersigned, a Notary Public in and for said County, in said State, hereby certify that TODD S. KENNEDY, whose name as PRESIDENT of **PROVIDENCE HOSPITAL**, an Alabama non-profit corporation, is signed to the foregoing instrument, and who is known to me, acknowledged before me on this day, that being informed of the contents thereof, (s)he, as such PRESIDENT and with full authority, executed the same voluntarily for and as the act of said company.

Given under my hand and official seal, this the 28TH day of September, 2023.

[NOTARIAL SEAL]

Sirena Bosarge  
Notary Public  
My Commission Expires: 4/25/26



Pursuant to the provisions of Ala. Code § 40-22-1 (1975), the following information is offered in lieu of submitting Form RT-1:

<b>Grantor's Name and Mailing Address:</b>	<b>Grantee's Name and Mailing Address:</b>
Providence Hospital	University of South Alabama
6801 Airport Blvd.	c/o USA Properties
Mobile, AL 36685	775 N. University Blvd., Suite 150
	Mobile AL 36608

<b>Property Address:</b>	Unimproved property on Highway 181 in Daphne, AL 36526. No address assigned.
<b>Tax Parcel ID:</b>	05-43-05-22-0-000-012.001
<b>Date of Sale: October 1, 2023</b>	<b>Date of this Deed: October 1, 2023</b>
<b>Assessor's Market Value:</b>	\$2,006,300
<b>The Actual Value can be verified in:</b>	Assessor's Market Value

## EXHIBIT A

### Legal Description

Commencing at the Northeast corner of Section 22, Township 5 South, Range 2 East, Baldwin County, Alabama; thence run South 00 degrees, 17 minutes, 41 seconds West, 1001.30 feet to a point; thence run West, 37.97 feet to a point on the West right-of-way of Alabama Highway Number 181 and the point of beginning; thence run South 00 degrees, 19 minutes, 48 seconds West along said West right-of-way of Alabama Highway Number 181, 748.83 feet to a point; thence run North 89 degrees, 40 minutes, 12 seconds West leaving said West right-of-way of Alabama Highway Number 181, 1228.26 feet to a point; thence run North 24 degrees, 37 minutes, 17 seconds West, 140.38 feet to a point on the East boundary line of Trione Mardi Gras Subdivision, as recorded on Slide Number 2106-D in the Office of the Judge of Probate, Baldwin County, Alabama; thence run North 00 degrees, 22 minutes, 23 seconds East along said East boundary line of Trione Mardi Gras Subdivision, 822.69 feet to a point on the South boundary line of Overton Place, as recorded on Slide Number 2159-A in the Office of the Judge of Probate, Baldwin County, Alabama; thence run South 80 degrees, 43 minutes, 45 seconds East along said South boundary line of Overton Place, 935.68 feet to a point; thence run South 80 degrees, 56 minutes, 05 seconds East, 366.80 feet to the point of beginning.

LESS AND EXCEPT the following described property condemned by the State of Alabama through proceedings styled State of Alabama vs. Providence Hospital, et al, Baldwin County Probate Court Case No. 25895, as evidenced by Order of Condemnation recorded in Instrument No. 1152040, Payment of Awards recorded in Instrument No. 1152039, and Alabama Department of Transportation Right of Way Map recorded in Instrument No. 1557273, of the records in the Office of the Judge of Probate, Baldwin County Alabama:

A part of the Southeast Quarter of the Northeast Quarter and a part of the Northeast Quarter of the Northeast Quarter of Section 22, Township 5 South, Range 2 East, identified as Tract No. 1A on Project No. ST-002-181-005 in Baldwin County, Alabama and being more fully described as follows:

Commencing at the Northwest corner of the Southeast Quarter of the Northeast Quarter of Section 22; thence South 89 degrees, 32 minutes, 49 seconds East and along the Quarter section line a distance of 1236.94 feet to a point on the acquired Right of Way line (said line offset 75 feet and parallel with centerline of project), which is the point of BEGINNING; thence North 0 degrees, 19 minutes, 43 seconds East and along the said acquired Right of Way line a distance of 337.64 feet to a point on the grantor's North property line; thence South 81 degrees, 17 minutes, 57 seconds East and along the grantor's said property line a distance of 55.28 feet to a point on the present West Right of Way line of SR-181); thence South 0 degrees, 24 minutes, 25 seconds West and along the said present Right of Way line a distance of 494.76 feet to a point on the present Right of Way line; thence South 0 degrees, 19 minutes, 8 seconds West and along the said present Right of Way line a distance of 254.76 feet to a point on the grantor's South property line; thence South 88 degrees, 50 minutes, 22 seconds West and along the grantor's said property line a distance of 51.53 feet to a point on the acquired Right of Way line (said line offset 75 feet and parallel with centerline of project); thence following the curvature thereof an arc distance of 221.03 feet and along the said acquired Right of Way line to a point on the acquired Right of

Way line (said point offset 75 feet and perpendicular to centerline of project at station 653+56.54) (said arc having a chord bearing of North 0 degrees, 19 minutes, 46 seconds West, a clockwise direction, a chord distance of 221.03 feet and a radius of 9624.30 feet); thence North 0 degrees, 19 minutes, 43 seconds East and along the said acquired Right of Way line a distance of 199.56 feet to the point and place of BEGINNING.

And as shown on the right of way map of record in the Alabama Department of Transportation a copy of which is also deposited in the Office of the Judge of Probate as an aid to persons and entities interested therein.

TOGETHER WITH all beneficial rights appurtenant to that certain "Mutual Easement" Agreement by and between Bertolla Properties, L.L.C. and Crossroads, LLC dated May 23, 2003 and recorded in Instrument No. 733769, subject to the terms, conditions and provisions thereof.

**EXHIBIT B**

**Title Exceptions**

1. Ad valorem taxes for the year 2024 which are not yet due and payable.
2. Rights of parties in possession under unrecorded written leases.
3. All interests in and to all oil, gas and other minerals in, on and/or under the Property and all rights in connection therewith, as have previously been reserved or conveyed.
4. Encroachments, overlaps, overhangs, unrecorded easements, deficiency in quantity of ground, or any matter not of record, which would be disclosed by an accurate survey and inspection of the Property.
5. Restrictive covenants contained in instrument recorded in Instrument No. 1067218 of the records in the office of the Judge of Probate, Baldwin County, Alabama.
6. Terms, conditions, and provisions of that certain Mutual Easement Agreement by and between Bertolla Properties, L.L.C. and Crossroads, LLC, dated May 23, 2003 and recorded in Instrument No. 733769 of the records in the office of the Judge of Probate, Baldwin County, Alabama, along with the rights of other parties in and to the use of said easements.



UNIVERSITY OF SOUTH ALABAMA

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

**PROPERTY ADDRESS:**

Unimproved property on Providence Park Drive  
Mobile, AL 36608  
No address assigned

Parcel Number: 02-28-04-20-3-000-008.040

**APPRAISAL INFORMATION:**

No Appraisal Issued  
Mobile County Tax Assessor's Market Value: \$1,036,700

**CONTRACTS RELATED TO THE PURCHASE:**

Attached hereto

**PURCHASE TERMS:**

Cash Purchase

**SOURCES OF FUNDS USED IN THE PURCHASE:**

Unrestricted Funds



COPY

180709-P11

#13

**This instrument prepared by:**  
JONES WALKER LLP  
Clay A. Lanham  
11 North Water Street, Suite 1200  
Mobile, Alabama 36602

**After Recording Return To:**  
Surety Land Title, Inc.  
5905 Airport Boulevard, Suite E  
Mobile, Alabama 36608

**Send Tax Notices To:**  
University of South Alabama  
c/o USA Properties  
775 N. University Blvd., Suite 150  
Mobile, AL 36608

Surety Land Title, Inc.

**E-RECORDED**

ID: \_\_\_\_\_  
County: \_\_\_\_\_  
Date: \_\_\_\_\_

**STATUTORY WARRANTY DEED**

STATE OF ALABAMA )

MOBILE COUNTY )

**KNOW ALL MEN BY THESE PRESENTS**, That in consideration of the sum of TEN AND 00/100 DOLLARS (\$10.00) and other good and valuable consideration paid to **PROVIDENCE HOSPITAL**, an Alabama non-profit corporation (hereinafter, "**GRANTOR**"), in hand paid by the grantee herein, the receipt and sufficiency of which is hereby acknowledged, **GRANTOR** does hereby **GRANT, BARGAIN, SELL AND CONVEY** unto the **UNIVERSITY OF SOUTH ALABAMA**, a public body corporate created by act of the Alabama Legislature, Ala. Code §§ 16-55-1, *et seq.* ("**GRANTEE**"), the following described real estate situated in Mobile County, Alabama, to-wit:

**SEE EXHIBIT A  
ATTACHED HERETO AND MADE A PART HEREOF (the "Property")**

180709-P11

*This instrument prepared by:*  
JONES WALKER LLP  
Clay A. Lanham  
11 North Water Street, Suite 1200  
Mobile, Alabama 36602

*After Recording Return To:*  
Surety Land Title, Inc.  
5905 Airport Boulevard, Suite E  
Mobile, Alabama 36608

*Send Tax Notices To:*  
University of South Alabama  
c/o USA Properties  
775 N. University Blvd., Suite 150  
Mobile, AL 36608

Surety Land Title, Inc.  
**E-RECORDED**  
ID: 2023 058 939  
County: Mobile  
Date: 10-2-23 Time: 10:42 AM

**STATUTORY WARRANTY DEED**

STATE OF ALABAMA            )

MOBILE COUNTY             )

**KNOW ALL MEN BY THESE PRESENTS**, That in consideration of the sum of TEN AND 00/100 DOLLARS (\$10.00) and other good and valuable consideration paid to **PROVIDENCE HOSPITAL**, an Alabama non-profit corporation (hereinafter, "**GRANTOR**"), in hand paid by the grantee herein, the receipt and sufficiency of which is hereby acknowledged, **GRANTOR** does hereby **GRANT, BARGAIN, SELL AND CONVEY** unto the **UNIVERSITY OF SOUTH ALABAMA**, a public body corporate created by act of the Alabama Legislature, Ala. Code §§ 16-55-1, *et seq.* ("**GRANTEE**"), the following described real estate situated in Mobile County, Alabama, to-wit:

**SEE EXHIBIT A  
ATTACHED HERETO AND MADE A PART HEREOF (the "Property")**

TOGETHER WITH all and singular the rights, tenements, hereditaments, privileges and appurtenances thereunto belonging or in anywise appertaining.

TO HAVE AND TO HOLD the Property to said GRANTEE, its successors and assigns, forever.

THIS CONVEYANCE is made subject to the matters set forth on **Exhibit B** attached hereto and made a part hereof.

And, except as to the matters, exceptions and easements herein set forth, GRANTOR hereby covenants with GRANTEE, and its successors and assigns, that GRANTOR is lawfully seised of an indefeasible estate in fee simple in the Property, that the Property is free and clear of all encumbrances except as noted above, that GRANTOR has good right to sell and convey the Property, and GRANTOR does hereby WARRANT and will forever DEFEND the title to the Property unto GRANTEE, and its successors and assigns, against the lawful claims of all persons claiming by, through or under GRANTOR, but not otherwise.

*[Signature on following page.]*

IN WITNESS WHEREOF, GRANTOR has caused its duly authorized officer to hereunto set his/her signature as the act of GRANTOR, this the 1st day of October, 2023.

**PROVIDENCE HOSPITAL,**  
an Alabama non-profit corporation

By: *T S Kennedy*  
Name: Todd S. Kennedy  
Title: President

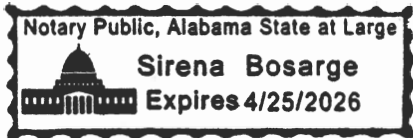
STATE OF ALABAMA  
COUNTY OF MOBILE

I, the undersigned, a Notary Public in and for said County, in said State, hereby certify that TODD S. KENNEDY, whose name as PRESIDENT of **PROVIDENCE HOSPITAL**, an Alabama non-profit corporation, is signed to the foregoing instrument, and who is known to me, acknowledged before me on this day, that being informed of the contents thereof, (s)he, as such PRESIDENT and with full authority, executed the same voluntarily for and as the act of said company.

Given under my hand and official seal, this the 28TH day of September, 2023.

*Sirena Bosarge*  
Notary Public  
My Commission Expires: 4/25/26

[NOTARIAL SEAL]



Pursuant to the provisions of Ala. Code § 40-22-1 (1975), the following information is offered in lieu of submitting Form RT-1:

<b>Grantor's Name and Mailing Address:</b>	<b>Grantee's Name and Mailing Address:</b>
Providence Hospital	University of South Alabama
6801 Airport Blvd.	c/o USA Properties
Mobile, AL 36685	775 N. University Blvd., Suite 150
	Mobile AL 36608

<b>Property Address:</b>	Unimproved property on Providence Park Drive, Mobile, AL 36608. No address assigned.
<b>Tax Parcel ID:</b>	02-28-04-20-3-000-008.040
<b>Date of Sale: October 1, 2023</b>	<b>Date of this Deed: October 1, 2023</b>
<b>Assessor's Market Value:</b>	\$1,036,700
<b>The Actual Value can be verified in:</b>	Assessor's Market Value

## EXHIBIT A

### Legal Description

That real property situated in the County of Mobile, State of Alabama, described as follows, to-wit:

Commencing at the Southwest corner of Section 20, T4S-R2W, Mobile County, Alabama, run North 89° 03' 55" East along the South line of Section 20, T4S-R2W, a distance of 30 feet to a point on the East right of way line of Cody Road; thence along said East right of way line of Cody Road run North 00° 53' 15" East 1347.28 feet, to the point of beginning of the property herein described; thence continuing North 00° 53' 15" East along said East right of way line of Cody Road run 805 feet, more or less, to the P.C. of a curve to the right having a central angle of 90° and a radius of 25 feet; thence along the arc of said curve run Northeastwardly 39.27 feet to the P. T. of said curve; thence run South 89° 06' 45" East 70 feet, more or less, to the P. C. of a curve to the right having a radius of 550 feet; thence along the arc of said curve run Southeastwardly 230 feet, more or less, to the P. T. of said curve; thence run Southeastwardly 217 feet, more or less, to the P.C. of a curve to the left having a radius of 850 feet; thence along the arc of said curve run Southeastwardly 573 feet, more or less, to the P.T. of said curve; thence run Northeastwardly 117 feet, more or less, to the P.C. of a curve to the right having a central angle of 84° 45' 44" and a radius of 25 feet; thence along the arc of said curve run Southeastwardly 36.98 feet to a point on the arc of a 577.47 foot radius curve concave Northeastwardly; thence along said arc of curve run Southeastwardly 174.06 feet to a point; thence run South 00° 43' 55" East 502.78 feet to a point; thence run South 00° 43' 55" West 691.69 feet to a point on the North right of way line of Providence Park Drive South; thence along said North right of way line of Providence Park Drive South run North 80° 04' 45" West 132.80 feet to the P.C. of a curve to the right having a central angle of 11° 00' and a radius of 978.54 feet; thence continuing along said North right of way line of Providence Park Drive South and along the arc of said curve run Northwestwardly 187.87 feet to the P.T. of said curve; thence continuing along said North right of way line of Providence Park Drive South run North 69° 04' 45" West 220.00 feet to the P.C. of a curve to the left having a central angle of 20° 00' and a radius of 797.27 feet; thence continuing along said North right of way line of Providence Park Drive South and along the arc of said curve run Northwestwardly 278.30 feet to the P.T. of said curve; thence continuing along said North right of way line of Providence Park Drive South run North 89° 04' 45" West 225.46 feet to the P.C. of a curve to the right having a central angle of 10° 00' and a radius of 285.75 feet; thence continuing along said North right of way line of Providence Park Drive South and along the arc of said curve run Northwestwardly 49.87 feet to the P.T. of said curve; thence continuing along said North right of way line of Providence Park Drive South run North 79° 04' 45" West 7.59 feet to the P.C. of a curve to the left having a central angle of 10° 00' and a radius of 285.75 feet; thence continuing along said North right of way line of Providence Park Drive South and along the arc of said curve run Northwestwardly 49.87 feet to the P.T. of said curve; thence continuing along said North right of way line of Providence Park Drive South run North 89° 04' 45" W 15 feet, more or less, to a point; thence run Northwardly 115 feet, more or less, to a point; thence run Northeastwardly 290 feet, more or less, to a point; thence run Eastwardly 190 feet, more or less, to a point; thence run Northwardly 120 feet, more or less, to a point; thence run Northwestwardly 255 feet, more or less, to a point;

thence run Westwardly 140 feet, more or less, to a point; thence run Southwardly 140 feet, more or less, to a point; thence run Westwardly 255 feet, more or less, to the point of beginning.

LESS AND EXCEPT Lots 1A, 2A, and 3A, Providence Park POB West North Addition, according to plat thereof recorded in Plat Book 129, Page 81, of the records in the office of the Judge of Probate, Mobile County, Alabama.

LESS AND EXCEPT Lot 1, Providence Park MOB1 Subdivision, according to plat thereof recorded in Plat Book 136, Page 18, of the records in the office of the Judge of Probate, Mobile County, Alabama.

LESS AND EXCEPT any portion of the subject property lying within the right of way of Cody Road, as evidenced by Right of Way Deed for Public Road granted to Mobile County, Alabama, a subdivision of and body corporate in the State of Alabama, by D. R. Coley, Jr. and Helen E. Coley, dated September 24, 1972 and recorded in Real Property Book 1174, Page 68; by Right of Way Deed for Public Road granted to Mobile County, Alabama, a subdivision of and body corporate in the State of Alabama, by Delocram, Inc., dated January 3, 1974 and recorded in Real Property Book 1312, Page 676; and by Resolution of the Board of Commissioners of the City of Mobile, Alabama adopted September 24, 1985 and recorded in Real Property Book 2828, Page 486.



## EXHIBIT B

### Title Exceptions

1. Ad valorem taxes for the year 2024 which are not yet and payable.
2. Rights of parties in possession under unrecorded written leases.
3. All interests in and to all oil, gas and other minerals in, on and/or under the Property and all rights in connection therewith, as have previously been reserved or conveyed.
4. Encroachments, overlaps, overhangs, unrecorded easements, deficiency in quantity of ground, or any matter not of record, which would be disclosed by an accurate survey and inspection of the Property.
5. Terms, conditions, and provisions of that certain Indemnity and Hold Harmless Agreement with the City of Mobile, dated June 8, 1978 and recorded in Real Property Book 1880, Page 769.
6. Permit granted to Alabama Power Company by D. R. Coley, Jr. and wife, Helen E. Coley, dated May 28, 1953 and recorded in Deed Book 582, Page 569, as affected by Agreement dated December 4, 1995 and recorded in Real Property Book 4416, Page 1855; by Agreement dated June 18, 1997 and recorded in Real Property Book 4532, Page 1243; and by Disclaimer dated May 17, 1994 and recorded in Real Property Book 5896, Page 1055.
7. Rights, if any, of the United States, the State of Alabama, or the property owners abutting that certain lake located near the northeastern intersection of Cody Road and Providence Park Drive, the approximate boundaries of said lake being depicted on the plat of Providence Park MOB1 Subdivision, as recorded in Plat Book 136, Page 18, in and to the waters of said lake and in and to the bed thereof; along with boating and fishing rights, if any, of the property owners abutting the stream of water leading thereto or therefrom.
8. Easements condemned by the Board of Water and Sewer Commissioners of the City of Mobile, a public corporation, by proceedings in the Probate Court of Mobile County, Alabama, Case No. 48,552.
9. Permit granted to Alabama Power Company by Gertrude F. Parker, a widow, dated April 5, 1946 and recorded in Deed Book 403, Page 609.
10. Terms, conditions, and provisions of that certain Surface Water Runoff / Storm Water Discharge and Use of Detention Area / Lake Easement Agreement by and among Thomas Family Partnership LLC, an Alabama limited liability company; Glenn Nelson LLC, an Alabama limited liability company; MWL Family Limited Partnership, an Alabama limited partnership; and Providence Hospital, an Alabama non-profit corporation, dated September 13, 2017 and recorded in Land Records Book 7554, Page 1933.



UNIVERSITY OF SOUTH ALABAMA

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

**PROPERTY ADDRESS:**

Unimproved property on Providence Park Drive  
in Mobile, AL 36608  
No address assigned

Parcel Number: 02-28-04-20-2-000-046.002  
02-28-04-20-3-000-008

**APPRAISAL INFORMATION:**

No Appraisal Issued  
Mobile County Tax Assessor's Market Value: \$375,800  
\$375,800

**CONTRACTS RELATED TO THE PURCHASE:**

Attached hereto

**PURCHASE TERMS:**

Cash Purchase

**SOURCES OF FUNDS USED IN THE PURCHASE:**

Unrestricted Funds

COPY

6 180709-P8

***This instrument prepared by:***

JONES WALKER LLP  
Clay A. Lanham  
11 North Water Street, Suite 1200  
Mobile, Alabama 36602

***After Recording Return To:***

Surety Land Title, Inc.  
5905 Airport Boulevard, Suite E  
Mobile, Alabama 36608

***Send Tax Notices To:***

University of South Alabama  
c/o USA Properties  
775 N. University Blvd., Suite 150  
Mobile, AL 36608

Surety Land Title, Inc.

**E-RECORDED**

ID: 2023 058 933  
County: mobile  
Date: 10-1-23 Time: 10:42 AM

**STATUTORY WARRANTY DEED**

STATE OF ALABAMA )

MOBILE COUNTY )

KNOW ALL MEN BY THESE PRESENTS, That in consideration of the sum of TEN AND 00/100 DOLLARS (\$10.00) and other good and valuable consideration paid to PROVIDENCE PARK, INC., an Alabama corporation (hereinafter, "GRANTOR"), in hand paid by the grantee herein, the receipt and sufficiency of which is hereby acknowledged, GRANTOR does hereby GRANT, BARGAIN, SELL AND CONVEY unto the UNIVERSITY OF SOUTH ALABAMA, a public body corporate created by act of the Alabama Legislature, Ala. Code §§ 16-55-1, *et seq.* ("GRANTEE"), the following described real estate situated in Mobile County, Alabama, to-wit:

***SEE EXHIBIT A  
ATTACHED HERETO AND MADE A PART HEREOF (the "Property")***

TOGETHER WITH all and singular the rights, tenements, hereditaments, privileges and appurtenances thereunto belonging or in anywise appertaining.

TO HAVE AND TO HOLD the Property to said GRANTEE, its successors and assigns, forever.

THIS CONVEYANCE is made subject to the matters set forth on **Exhibit B** attached hereto and made a part hereof.

And, except as to the matters, exceptions and easements herein set forth, GRANTOR hereby covenants with GRANTEE, and its successors and assigns, that GRANTOR is lawfully seised of an indefeasible estate in fee simple in the Property, that the Property is free and clear of all encumbrances except as noted above, that GRANTOR has good right to sell and convey the Property, and GRANTOR does hereby WARRANT and will forever DEFEND the title to the Property unto GRANTEE, and its successors and assigns, against the lawful claims of all persons claiming by, through or under GRANTOR, but not otherwise.

*[Signature on following page.]*

IN WITNESS WHEREOF, GRANTOR has caused its duly authorized officer to hereunto set his/her signature as the act of GRANTOR, this the 1st day of October, 2023.

PROVIDENCE PARK, INC.,  
an Alabama corporation

By: *Todd S. Kennedy*  
Name: Todd S. Kennedy  
Title: President

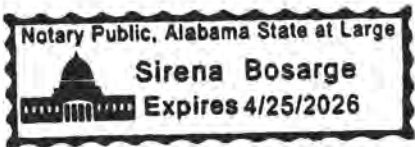
STATE OF ALABAMA  
COUNTY OF MOBILE

I, the undersigned, a Notary Public in and for said County, in said State, hereby certify that TODD S. KENNEDY, whose name as PRESIDENT of **PROVIDENCE PARK, INC.**, an Alabama corporation, is signed to the foregoing instrument, and who is known to me, acknowledged before me on this day, that being informed of the contents thereof, (s)he, as such PRESIDENT and with full authority, executed the same voluntarily for and as the act of said company.

Given under my hand and official seal, this the 28TH day of September, 2023.

*Sirena Bosarge*  
Notary Public  
My Commission Expires: 4/25/26

[NOTARIAL SEAL]



Pursuant to the provisions of Ala. Code § 40-22-1 (1975), the following information is offered in lieu of submitting Form RT-1:

Grantor's Name and Mailing Address:	Grantee's Name and Mailing Address:
Providence Park, Inc.	University of South Alabama
6801 Airport Blvd.	c/o USA Properties
Mobile, AL 36685	775 N. University Blvd., Suite 150
	Mobile AL 36608

Property Address:	Unimproved property on Providence Park Drive in Mobile, AL 36608. No address assigned.
Tax Parcel ID:	02-28-04-20-2-000-046.002 and 02-28-04-20-3-000-008
Date of Sale: October 1, 2023	Date of this Deed: October 1, 2023
Assessor's Market Value:	\$127,700 and \$248,100 > 375,800
The Actual Value can be verified in:	Assessor's Market Value 375,800



## EXHIBIT A

### Legal Description

The real property situated in the County of Mobile, State of Alabama, described as follows, to-wit:

#### Parcel A

That portion of Providence Park Drive (Private Street) lying within the Northwest Quarter of Section 20, Township 4 South, Range 2 West, Mobile County, Alabama; said property being South of the right of way of Airport Boulevard, East of Providence Park Unit 4, as recorded in Map Book 81, Page 3, West of Providence Park Unit 3, as recorded in Map Book 76, Page 104, and North of Parcel 6 of the property described in Land Records Book 7310, Page 1301, of the records in the office of the Judge of Probate, Mobile County, Alabama.

#### Parcel B

Beginning at the Northwest corner of the Southwest Quarter of Section 20, Township 4 South, Range 2 West; thence run East 775 feet; thence South 215 feet; thence Southeasterly 92.91 feet; thence Southwesterly 87.34 feet, thence Southeasterly 207.30 feet; thence East 191.28 feet; thence run Northeasterly along a curve 435 feet, thence East 110 feet; thence Southeasterly along a curve 515 feet; thence Southwesterly 200 feet; thence Westerly along the South line of unnamed right of way 1,300 feet to East right of way line of Cody Road; thence run North 540 feet to the point of beginning, LESS AND EXCEPT Lots A & B, Providence Park, Northwest Development Parcel Resubdivision, according to plat thereof recorded in Instrument No. 2022037757, of the records in the office of the Judge of Probate, Mobile County, Alabama, ALSO LESS AND EXCEPT that certain area identified as "Future Street" on said plat of Providence Park, Northwest Development Parcel Resubdivision, according to plat thereof recorded in Instrument No. 2022037757, of the records in the office of the Judge of Probate, Mobile County, Alabama.

## EXHIBIT B

### Title Exceptions

1. Ad valorem taxes for the year 2024 which are not yet due and payable.
2. Rights of parties in possession under unrecorded written leases.
3. All interests in and to all oil, gas and other minerals in, on and/or under the Property and all rights in connection therewith, as have previously been reserved or conveyed.
4. Encroachments, overlaps, overhangs, unrecorded easements, deficiency in quantity of ground, or any matter not of record, which would be disclosed by an accurate survey and inspection of the Property.
5. Terms, conditions, and provisions of that certain Use and Maintenance Agreement by and between Daniel W. Coyne, as Trustee per Trust Agreement dated May 10, 1983 and reinstated as of January 1, 1991, and OS Realty, Inc., a Florida corporation, dated September 29, 2005 and recorded in Real Property Book 5853, Page 1698.
6. Rights of other parties in and to the use of the Perpetual Easements for Ingress and Egress over and across that certain private road known as Providence Park Drive, as evidenced by the following instruments granted by Daniel W. Coyne, as Trustee per Trust Agreement dated May 10, 1983 and restated as of January 1, 1991, Providence Hospital, and/or Providence Park, Inc: (1) to Noble Investments - Mobile, LLC by instruments recorded in Real Property Book 4416, Page 1863 and Real Property Book 4416, Page 1860, as corrected by instrument recorded in Real Property Book 4446, Page 1836; (2) to NHR Mobile, Alabama, Ltd. by instruments recorded in Real Property Book 4661, Page 192 and Real Property Book 4661, Page 195; (3) to HIGHPROV, LLC by instruments recorded in Real Property Book 5865, Page 74 and Real Property Book 5865, Page 77; (4) to Pediatric Properties, LLC by instruments recorded in Real Property Book 6057, Page 133, as corrected by instrument recorded in Real Property Book 6098, Page 909, and Real Property Book 6057, Page 153, as corrected by instrument recorded in Real Property Book 6098, Page 890; (5) to West Mobile Medical Holdings, LLC by instruments recorded in Real Property Book 6367, Page 247 and Real Property Book 6367, Page 243; (6) to Citrin & Rihner Enterprises, L.L.C. by instruments recorded in Real Property Book 6397, Page 38 and Real Property Book 6397, Page 42; (7) to Bender Clinics, LLC by instruments recorded in Land Records Book 7106, Page 1137 and Land Records Book 7106, Page 1140; (8) to Thomas Family Partnership, LLC, Glenn Nelson, LLC, and MWL Family Limited Partnership by instruments recorded in Land Records Book 7554, Pages 1929, 1940, and 1944; and (9) to Parkway Property Holdings, LLC by instrument recorded in Instrument No. 2022045069, along with any transfers thereof or amendments thereto.
7. Easement granted Alabama Power Company by Providence Hospital, dated September 2, 1997 and recorded in Real Property Book 4532, Page 1226.



8. Easement granted to Comcast of Alabama, Inc., dated April 25, 2012 and recorded in Land Records Book 7069, Page 1885.
9. Easements condemned by the Board of Water and Sewer Commissioners of the City of Mobile, a public corporation, by proceedings in the Probate Court of Mobile County, Alabama, Case No. 48,552.
10. Permit granted to Alabama Power Company by J. A. Rushton, et al, dated November 6, 1949 and recorded in Deed Book 496, Page 191, as affected by Disclaimer dated May 17, 1994 and recorded in Real Property Book 5896, Page 1074.
11. Terms, conditions, and provisions of that certain Indemnity and Hold Harmless Agreement with the City of Mobile, dated June 8, 1978 and recorded in Real Property Book 1880, Page 769. (Affects Parcel B Only)
12. Permit granted to Alabama Power Company by D. R. Coley, Jr. and wife, Helen E. Coley, dated May 28, 1953 and recorded in Deed Book 582, Page 569, as affected by Agreement dated December 4, 1995 and recorded in Real Property Book 4416, Page 1855; by Agreement dated June 18, 1997 and recorded in Real property Book 4532, Page 1243; and by Disclaimer dated May 17, 1994 and recorded in Real Property Book 5896, Page 1055. (Affects Parcel B Only)
13. Permit granted to Alabama Power Company by James E. Taylor and Lillie Mae Taylor, dated March 22, 1956 and recorded in Deed Book 685, Page 58, as affected by Disclaimer dated May 17, 1994 and recorded in Real Property Book 5896, Page 1076. (Affects Parcel B Only)



UNIVERSITY OF SOUTH ALABAMA

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

**PROPERTY ADDRESS:**

Unimproved property on Providence Park Drive  
in Mobile, AL 36608  
No address assigned

Parcel Number: 02-28-04-20-3-000-008.041

**APPRAISAL INFORMATION:**

No Appraisal Issued  
Mobile County Tax Assessor's Market Value: \$57,500

**CONTRACTS RELATED TO THE PURCHASE:**

Attached hereto

**PURCHASE TERMS:**

Cash Purchase

**SOURCES OF FUNDS USED IN THE PURCHASE:**

Unrestricted Funds

Inst. # 2023058934 Pages: 1 of 7 I certify this instrument filed on: 10/2/2023 10:42 AM  
Doc: D Don Davis, Judge of Probate Mobile County, AL Rec: \$21.50 DeedTx: \$0.00 MinTx \$0.00  
Clerk: BFRANKS ERecorded

180709 P7A

***This instrument prepared by:***  
JONES WALKER LLP  
Clay A. Lanham  
11 North Water Street, Suite 1200  
Mobile, Alabama 36602

***After Recording Return To:***  
Surety Land Title, Inc.  
5905 Airport Boulevard, Suite E  
Mobile, Alabama 36608

***Send Tax Notices To:***  
University of South Alabama  
c/o USA Properties  
775 N. University Blvd., Suite 150  
Mobile, AL 36608

**STATUTORY WARRANTY DEED**

STATE OF ALABAMA )

MOBILE COUNTY )

**KNOW ALL MEN BY THESE PRESENTS**, That in consideration of the sum of TEN AND 00/100 DOLLARS (\$10.00) and other good and valuable consideration paid to **PROVIDENCE PARK, INC.**, an Alabama corporation (hereinafter, "**GRANTOR**"), in hand paid by the grantee herein, the receipt and sufficiency of which is hereby acknowledged, **GRANTOR** does hereby **GRANT, BARGAIN, SELL AND CONVEY** unto the **UNIVERSITY OF SOUTH ALABAMA**, a public body corporate created by act of the Alabama Legislature, Ala. Code §§ 16-55-1, *et seq.* ("**GRANTEE**"), the following described real estate situated in Mobile County, Alabama, to-wit:

***SEE EXHIBIT A  
ATTACHED HERETO AND MADE A PART HEREOF (the "Property")***

TOGETHER WITH all and singular the rights, tenements, hereditaments, privileges and appurtenances thereunto belonging or in anywise appertaining.

TO HAVE AND TO HOLD the Property to said GRANTEE, its successors and assigns, forever.

THIS CONVEYANCE is made subject to the matters set forth on **Exhibit B** attached hereto and made a part hereof.

And, except as to the matters, exceptions and easements herein set forth, GRANTOR hereby covenants with GRANTEE, and its successors and assigns, that GRANTOR is lawfully seised of an indefeasible estate in fee simple in the Property, that the Property is free and clear of all encumbrances except as noted above, that GRANTOR has good right to sell and convey the Property, and GRANTOR does hereby WARRANT and will forever DEFEND the title to the Property unto GRANTEE, and its successors and assigns, against the lawful claims of all persons claiming by, through or under GRANTOR, but not otherwise.

*[Signature on following page.]*

IN WITNESS WHEREOF, GRANTOR has caused its duly authorized officer to hereunto set his/her signature as the act of GRANTOR, this the 1st day of October, 2023.

PROVIDENCE PARK, INC.,  
an Alabama corporation

By: [Signature]  
Name: Todd S. Kennedy  
Title: President

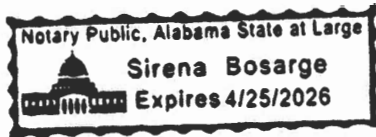
STATE OF ALABAMA  
COUNTY OF MOBILE

I, the undersigned, a Notary Public in and for said County, in said State, hereby certify that TODD S. KENNEDY, whose name as PRESIDENT of PROVIDENCE PARK, INC., an Alabama corporation, is signed to the foregoing instrument, and who is known to me, acknowledged before me on this day, that being informed of the contents thereof, (s)he, as such PRESIDENT and with full authority, executed the same voluntarily for and as the act of said company.

Given under my hand and official seal, this the 28<sup>TH</sup> day of September, 2023.

[Signature]  
Notary Public  
My Commission Expires: 4/25/26

[NOTARIAL SEAL]



Inst. # 2023058934, at 10/2/2023 10:42 AM, 4 of 7

Pursuant to the provisions of Ala. Code § 40-22-1 (1975), the following information is offered in lieu of submitting Form RT-1:

<b>Grantor's Name and Mailing Address:</b>	<b>Grantee's Name and Mailing Address:</b>
Providence Park, Inc.	University of South Alabama
6801 Airport Blvd.	c/o USA Properties
Mobile, AL 36685	775 N. University Blvd., Suite 150
	Mobile AL 36608

<b>Property Address:</b>	Unimproved property on Providence Park Drive in Mobile, AL 36608. No address assigned.
<b>Tax Parcel ID:</b>	02-28-04-20-3-000-008.041
<b>Date of Sale: October 1, 2023</b>	<b>Date of this Deed: October 1, 2023</b>
<b>Assessor's Market Value:</b>	\$57,500
<b>The Actual Value can be verified in:</b>	Assessor's Market Value

Inst. # 2023058934, at 10/2/2023 10:42 AM, 5 of 7

EXHIBIT A

## Legal Description

That real property situated in the County of Mobile, State of Alabama, described as follows, to-wit:

Beginning at the North right of way line of Providence Park Drive South a distance of 218 feet East to the West line of Section 20, T4S, R2W, run North 125 feet to South bank of storm detention lake; thence run Northeasterly 290 feet, more or less, to a point; thence run Eastwardly 190 feet, more or less, to a point; thence run Northwesterly 120 feet, more or less, to a point; thence run Northwesterly 255 feet, more or less to a point; thence run Westerly 140 feet, more or less, to a point; thence run Southwesterly 140 feet, more or less, to a point; thence run Westerly 255 feet, more or less to the East right of way line of Cody Road; thence Southerly 425 feet; thence Southeasterly 40 feet; thence East along the North line of Providence Park Drive South 155 feet to the beginning.

LESS AND EXCEPT any portion of the subject property lying within the right of way of Cody Road, as evidenced by Right of Way Deed for Public Road granted to Mobile County, Alabama, a subdivision of and body corporate in the State of Alabama, by D. R. Coley, Jr. and Helen E. Coley, dated September 24, 1972 and recorded in Real Property Book 1174, Page 68; by Right of Way Deed for Public Road granted to Mobile County, Alabama, a subdivision of and body corporate in the State of Alabama, by Delocram, Inc., dated January 3, 1974 and recorded in Real Property Book 1312, Page 676; and by Resolution of the Board of Commissioners of the City of Mobile, Alabama adopted September 24, 1985 and recorded in Real Property Book 2828, Page 486.

**EXHIBIT B****Title Exceptions**

1. Ad valorem taxes for the year 2024 which are not yet due and payable.
2. Rights of parties in possession under unrecorded written leases.
3. All interests in and to all oil, gas and other minerals in, on and/or under the Property and all rights in connection therewith, as have previously been reserved or conveyed.
4. Encroachments, overlaps, overhangs, unrecorded easements, deficiency in quantity of ground, or any matter not of record, which would be disclosed by an accurate survey and inspection of the Property.
5. Terms, conditions, and provisions of that certain Indemnity and Hold Harmless Agreement with the City of Mobile, dated June 8, 1978 and recorded in Real Property Book 1880, Page 769.
6. Permit granted to Alabama Power Company by D. R. Coley, Jr. and wife, Helen E. Coley, dated May 28, 1953 and recorded in Deed Book 582, Page 569, as affected by Agreement dated December 4, 1995 and recorded in Real Property Book 4416, Page 1855; by Agreement dated June 18, 1997 and recorded in Real Property Book 4532, Page 1243; and by Disclaimer dated May 17, 1994 and recorded in Real Property Book 5896, Page 1055.
7. Declaration of Restrictive Covenants and Easements dated June 20, 2022 and recorded in Instrument No. 2022045069, along with the rights of other parties in and to the use of said easements.
8. Rights, if any, of the United States, the State of Alabama, or the property owners abutting that certain lake located near the northeastern intersection of Cody Road and Providence Park Drive, the approximate boundaries of said lake being depicted on the plat of Providence Park MOB1 Subdivision, as recorded in Plat Book 136, Page 18, in and to the waters of said lake and in and to the bed thereof; along with boating and fishing rights, if any, of the property owners abutting the stream of water leading thereto or therefrom.
9. Easements condemned by the Board of Water and Sewer Commissioners of the City of Mobile, a public corporation, by proceedings in the Probate Court of Mobile County, Alabama, Case No. 48,552.
10. Terms, conditions, and provisions of that certain Indemnity and Hold Harmless Agreement with the City of Mobile dated September 6, 2005 and recorded in Real Property Book 5853, Page 1713.
11. Permit granted to Alabama Power Company by Gertrude F. Parker, a widow, dated April 5, 1946 and recorded in Deed Book 403, Page 609.



12. Terms, conditions, and provisions of that certain Surface Water Runoff / Storm Water Discharge and Use of Detention Area / Lake Easement Agreement by and among Thomas Family Partnership LLC, an Alabama limited liability company; Glenn Nelson LLC, an Alabama limited liability company; MWL Family Limited Partnership, an Alabama limited partnership; and Providence Hospital, an Alabama non-profit corporation, dated September 13, 2017 and recorded in Land Records Book 7554, Page 1933.



**First American Title™**

**ACCESS AND ENTRY  
ENDORSEMENT**

**Issued by**

**First American Title Insurance Company**

Attached to Policy No.: 50179401-0010220e

File No.: 180709-PA

The Company insures against loss or damage sustained by the Insured if, at Date of Policy (i) the Land does not abut and have both actual vehicular and pedestrian access to and from \_\_\_\_\_ (the "Street"), (ii) the Street is not physically open and publicly maintained, or (iii) the Insured has no right to use existing curb cuts or entries along that portion of the Street abutting the Land.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

Date: 10/02/2023

**First American Title Insurance Company**

Kenneth D. DeGiorgio, President

Greg L. Smith, Secretary

By: \_\_\_\_\_  
Authorized Countersignature

**UNIVERSITY OF SOUTH ALABAMA  
BOARD OF TRUSTEES**



**AUDIT COMMITTEE**

**UNIVERSITY OF SOUTH ALABAMA  
BOARD OF TRUSTEES**

**Audit Committee**

**March 14, 2024**

**1:30 p.m.**

A meeting of the Audit Committee of the University of South Alabama (USA) Board of Trustees was duly convened by Mr. Ron Graham, Chair, on Thursday, March 14, 2024, at 1:30 p.m. in the Board Room of the Frederick P. Whiddon Administration Building. Meeting attendance was open to the public.

Members: Alexis Atkins, Tom Corcoran, Ron Graham, Ron Jenkins, Bill Lewis and Lenus Perkins were present.

Other Trustees: Chandra Brown Stewart, Luis Gonzalez, Arlene Mitchell, Jimmy Shumock, Steve Stokes and Jim Yance.

Administration & Guests: Owen Bailey, Jim Berscheidt, Joél Billingsley, Jo Bonner, Lynne Chronister, Kristin Dukes, Joel Erdmann, Monica Ezell, Charlie Guest, Buck Kelley, Andi Kent, Nick Lawkis, John Marymont, Mike Mitchell, Kristen Roberts, Donna Streeter (Faculty Senate), Margaret Sullivan, Peter Susman and Christina Wassenaar (Faculty Senate).

Following the attendance roll call, **Item 1**, Mr. Graham called on Ms. Roberts to discuss the KPMG audit reports for the fiscal year ended September 30, 2023, **Item 3**. Ms. Roberts stated that the final reports issued on December 20, 2023, were as presented by KPMG representatives during a Committee meeting held on December 7, 2023, and included the financial statements for the USA Health Care Authority and USA Research and Technology Corporation.

Ms. Roberts presented **Item 4**, the KPMG report on intercollegiate athletics for the year ended September 30, 2023. She explained that this report, required annually by the NCAA (National Collegiate Athletic Association), addressed compliance with agreed-upon procedures. She stated the report did not contain exceptions or findings.

Mr. Graham called on Mr. Susman for a report on the activities of the Office of Internal Audit (OIA), **Item 5**. Mr. Susman updated the Committee on the national search to fill the position of OIA director and on efforts by Warren Averett to complete a quality assessment on OIA operations in accordance with national standards.

Mr. Graham called for consideration of the minutes for the Committee meeting held on December 7, 2023, **Item 2**. On motion by Mr. Corcoran, seconded by Capt. Jenkins, the Committee voted unanimously to adopt the minutes.

There being no further business, the meeting was adjourned at 1:34 p.m.

Respectfully submitted:

William Ronald Graham, Chair

**UNIVERSITY OF SOUTH ALABAMA  
BOARD OF TRUSTEES**



**DEVELOPMENT, ENDOWMENT  
AND INVESTMENTS COMMITTEE**

**UNIVERSITY OF SOUTH ALABAMA  
BOARD OF TRUSTEES**

**Development, Endowment and Investments Committee**

**March 14, 2024**

**1:34 p.m.**

A meeting of the Development, Endowment and Investments Committee of the University of South Alabama (USA) Board of Trustees was duly convened by Mr. Jim Yance, Chair, on Thursday, March 14, 2024, at 1:34 p.m. in the Board Room of the Frederick P. Whiddon Administration Building. Meeting attendance was open to the public.

Members: Chandra Brown Stewart, Luis Gonzalez, Jimmy Shumock, Steve Stokes and Jim Yance were present.

Members Absent: Scott Charlton and Mike Windom.

Other Trustees: Alexis Atkins, Tom Corcoran, Ron Graham, Ron Jenkins, Bill Lewis, Arlene Mitchell and Lenus Perkins.

Administration & Guests: Terry Albano, Owen Bailey, Jim Berscheidt, Joél Billingsley, Jo Bonner, Lynne Chronister, Kristin Dukes, Angela Dunn (Hancock Whitney Bank), Joel Erdmann, Monica Ezell, Charlie Guest, Jacob Hartl (Hancock Whitney Bank), Buck Kelley, Andi Kent, Nick Lawkis, John Marymont, Mike Mitchell, Kevin O’Neill (Hancock Whitney Bank), Norman Pitman, Kristen Roberts, Donna Streeter (Faculty Senate), Margaret Sullivan, Peter Susman and Christina Wassenaar (Faculty Senate).

Following the attendance roll call, **Item 6**, Mr. Yance called for consideration of the minutes for a meeting held on December 7, 2023, **Item 7**. On motion by Mr. Shumock, seconded by Ms. Brown Stewart, the committee voted unanimously to adopt the minutes.

Mr. Yance called for a report on endowment and investment performance, **Item 8**. Mr. Albano, together with Mr. Norman Pitman, investment consultant to the University, discussed endowment and investment results, as well as manager performance, for the first three months of fiscal year 2024, advising of a 7.09 percent return that generated investment earnings of close to \$12.9 million. Also detailed were performance results since the inception of the endowment.

Mr. Albano welcomed Ms. Angela Dunn and Mr. Jacob Hartl from Hancock Whitney Bank. Ms. Dunn greeted the Committee and introduced Mr. Kevin O’Neill, also representing Hancock Whitney Bank. Mr. Hartl and Mr. O’Neill shared insights on the structure and management of the University’s investment portfolio, as well as on market trends and projections.

Mr. Yance called on Ms. Sullivan for a report on the activities of the Division of Development and Alumni Relations, **Item 9**. Ms. Sullivan advised of just over \$23 million in new gifts and commitments recorded for fiscal year 2024. She also shared information on recent and upcoming

Development, Endowment and Investments Committee  
March 14, 2024  
Page 2

special events; the work proceeding in partnership with CCS Fundraising; and the *Make Way for USA* employee annual giving drive.

There being no further business, the meeting was adjourned at 1:56 p.m.

Respectfully submitted:

James A. Yance, Chair

# University of South Alabama Endowment Investment Performance Review/Analysis

Fiscal Year 2024

## USA Endowment Fund Performance Fiscal Year to Date

October 1, 2023 to March 31, 2024

- USA Endowment Fund is up 12.55% versus its blended benchmark of 14.68%. The USA Endowment Fund underperforms its blended benchmark by 2.13% fiscal year to date.

## USA Endowment Manager Performance Fiscal Year to Date

October 1, 2023 to March 31, 2024

Individual Manager versus Benchmark performance:

- Commonfund is up 15.85% versus its benchmark return of 14.74%.
- Charles Schwab is up 14.72% versus its benchmark return of 17.41%.
- Gerber Taylor is up 6.88% versus its benchmark return of 7.30%.
- Gerber Taylor International is up 8.27% versus its benchmark return of 16.82%.
- Hancock Whitney is up 15.34% versus its benchmark return of 16.42%.
- JP Morgan is up 11.62% versus its benchmark return of 10.35%.
- USAFund (Student Investment Fund) is up 21.39% versus its benchmark return of 23.48%.

## USA Endowment Annualized Fund Performance Since Inception

As of March 31, 2024

- USA Endowment Fund has an annualized return of approximately 5.80% since inception versus its blended benchmark return of approximately 4.86%. The USA Endowment Fund outperforms by 0.94% since inception.

## USA Endowment Investment Earnings and Appreciation Since Inception

March 31, 2000 to March 31, 2024

- USA Endowment Fund Market Value at Inception (March 31, 2000): \$5.7 million.
- USA Endowment Fund Net Invested Capital as of March 31, 2024: \$58.4 million.
- USA Endowment Fund Market Value as of March 31, 2024: \$211.3 million.
- USA Endowment Fund Income and Appreciation since Inception: \$152.9 million.



## RESOLUTION

### COMMENDATION OF MR. ABRAHAM A. MITCHELL

**WHEREAS**, the University of South Alabama (“University”) celebrates its founding and 60 years of service and achievement in pursuit of excellence in education, research and health care with gratitude for its alumni, students, faculty, staff and friends whose creativity, dedication and generosity have fueled the progress of the University, assuring its recognition as a leading comprehensive public university and affirming its commitment to serve as the *Flagship of the Gulf Coast*, and

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

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

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

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

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

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



UNIVERSITY OF SOUTH ALABAMA

**MEMORANDUM**

Office of Development and Alumni Relations

DATE: May 13, 2024

TO: President Jo Bonner

FROM: Margaret Sullivan

SUBJECT: Resolution of Commendation for Mr. Abraham A. Mitchell

As you are aware, Mr. Abraham A. Mitchell has recently committed \$2.5 million to establish the Abraham A. Mitchell Endowed Deanship in the Mitchell College of Business. This endowed fund will promote continued excellence in the College of Business far into the future as a perpetual resource for attracting and sustaining exceptional business faculty to lead the college.

The Mitchell Endowed Deanship is the first such endowment for the University, and we hope it will serve as inspiration for donors to establish such funds in our other colleges over time. Once again Mr. Mitchell's philanthropy breaks new ground and creates great opportunity for future impacts to strengthen our academic programs.

To recognize this latest generous commitment from Mr. Mitchell, I request your approval of the attached resolution of commendation by the Board of Trustees.

*Margaret M. Sullivan*

*Jo Bonner*

**UNIVERSITY OF SOUTH ALABAMA  
BOARD OF TRUSTEES**



**HEALTH AFFAIRS  
COMMITTEE**

**UNIVERSITY OF SOUTH ALABAMA  
BOARD OF TRUSTEES**

**Health Affairs Committee**

**March 14, 2024  
2:06 p.m.**

A meeting of the Health Affairs Committee of the University of South Alabama (USA) Board of Trustees was duly convened by Mr. Jimmy Shumock, Chair, on Thursday, March 14, 2024, at 2:06 p.m. in the Board Room of the Frederick P. Whiddon Administration Building. Meeting attendance was open to the public.

Members: Chandra Brown Stewart, Tom Corcoran, Jimmy Shumock, Steve Stokes and Jim Yance were present.

Members Absent: Scott Charlton and Steve Furr.

Other Trustees: Alexis Atkins, Luis Gonzalez, Ron Graham, Ron Jenkins, Bill Lewis, Arlene Mitchell and Lenus Perkins.

Administration & Guests: Owen Bailey, Jim Berscheidt, Joél Billingsley, Jo Bonner, Lynne Chronister, Kristin Dukes, Joel Erdmann, Monica Ezell, Charlie Guest, Buck Kelley, Todd Kennedy, Andi Kent, Nick Lawkis, John Marymont, Mike Mitchell, Kristen Roberts, Rachel Seaman, Josh Snow, Donna Streeter (Faculty Senate), Margaret Sullivan, Peter Susman and Christina Wassenaar (Faculty Senate).

Following the attendance roll call, **Item 10**, Mr. Shumock called for consideration of the minutes for a meeting held on December 7, 2023, **Item 11**. On motion by Mr. Corcoran, seconded by Mr. Yance, the Committee voted unanimously to adopt the minutes.

Mr. Shumock called on Mr. Bailey to present a resolution authorizing the USA Health Hospitals medical staff appointments and reappointments for November and December 2023 and January 2024, **Item 12**. (To view resolutions, policies and other documents authorized, refer to the minutes of the Board of Trustees meeting held on March 15, 2024.) On motion by Dr. Stokes, seconded by Mr. Yance, the Committee voted unanimously to recommend approval of the resolution by the Board of Trustees.

Mr. Bailey shared insight on **Item 13**, a resolution authorizing revisions to the USA Health Hospitals Medical Staff Bylaws and to associated documents, noting that many of the changes recommended were housekeeping in nature. On motion by Dr. Stokes, seconded by Mr. Corcoran, the Committee voted unanimously to recommend approval of the resolution by the Board of Trustees.

Mr. Shumock asked Dr. Marymont to introduce **Item 14**, a report on the activities of USA Health and the Whiddon College of Medicine (WCOM). Dr. Marymont called on Mr. Kelley to share de-

tails on the bid results for the WCOM building project. Mr. Kelley stated that B. L. Harbert International was selected as the contractor for tendering the lowest bid at approximately \$182 million. He added that contract administration was progressing and projected that construction would begin in about one month.

Mr. Bailey introduced and gave professional background on Mr. Todd Kennedy, Chief Executive Officer of USA Health Providence Hospital, and Mr. Josh Snow, who was recently appointed as Chief Executive Officer of USA Health University Hospital. Mr. Kennedy and Mr. Snow shared additional information about themselves, as well as remarks on the positive momentum taking place at USA Health.

Mr. Bailey introduced and provided professional background on USA alumna Dr. Rachel Seaman, whose roles he noted included Associate Professor of Internal Medicine – Education; Associate Chief Medical Officer; and Chief Quality Officer for Medicine. Dr. Seaman provided an overview on the comprehensive efforts of USA Health to strengthen quality and patient safety through data-driven performance improvement, thereby advancing the health system as a high-reliability provider. She stated this work earned USA Health distinction as one of eight healthcare organizations nationwide to receive Press Ganey’s *Serious Safety Event Rate Reduction Award*.

There being no further business, the meeting was adjourned at 2:30 p.m.

Respectfully submitted:

James H. Shumock, Chair



UNIVERSITY OF SOUTH ALABAMA

**MEMORANDUM**

USA Health

DATE: May 6, 2024

TO: Jo Bonner  
President

FROM: Owen Bailey, Chief Executive Officer

A handwritten signature in blue ink, appearing to read 'Owen Bailey'.

SUBJECT: Board Meeting Documents

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

Resolution – USA Health Hospitals Medical Staff Appointments and Reappointments for February, March and April 2024

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

OB/kh

Attachments

A handwritten signature in black ink, appearing to read 'Jo Bonner'.

**USA BOARD OF TRUSTEES REPORT  
USA HEALTH HOSPITALS MEDICAL STAFF  
APPOINTMENTS APPROVED IN FEBRUARY 2024, MARCH 2024, AND APRIL 2024**

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

NAME	USA Health Children's & Women's Hospital			USA Health University Hospital			USA Health Ambulatory Care		
New Appointments:	Type/Status	Category	Department	Type/Status	Category	Department	Type/Status	Category	Department
Abohamad, Samar A., MD	N/A	N/A	N/A	Initial Appointment	Community Staff HCA	Internal Medicine	Initial Appointment	Community Staff HCA	Internal Medicine
Ahmed, Zan, MD	Initial Appointment	Active USA	Pathology	Initial Appointment	Active USA	Pathology	Initial Appointment	Active USA	Pathology
Amburgy, John W., MD	Initial Appointment	Active USA	Neurology	Initial Appointment	Active USA	Neurology	Initial Appointment	Active USA	Neurology
Amburgy, John W., MD	Initial Appointment	Active USA	Neurosurgery	Initial Appointment	Active USA	Neurosurgery	Initial Appointment	Active USA	Neurosurgery
Brewer, Cassandra, CRNP	Initial Appointment	APP USA	Ped. Emerg. Medicine	N/A	N/A	N/A	N/A	N/A	N/A
Brewer, Jeffrey L., MD	Initial Appointment	Active USA	Orthopaedics	Initial Appointment	Active USA	Orthopaedics	Initial Appointment	Active USA	Orthopaedics
Cook, James P., MD	Initial Appointment	Active	Radiology	Initial Appointment	Active	Radiology	N/A	N/A	N/A
Craig, Elizabeth A., DO	N/A	N/A	N/A	Initial Appointment	Active HCA/Jag	Internal Medicine	Initial Appointment	Active HCA/Jag	Internal Medicine
Daclani, Gul H., MD	Initial Appointment	Active USA	Pediatrics	Initial Appointment	Active USA	Pediatrics	Initial Appointment	Active USA	Pediatrics
Dela Cruz, Nestor E., MD	Initial Appointment	Active USA	Pathology	Initial Appointment	Active USA	Pathology	Initial Appointment	Active USA	Pathology
Delgado, Myrtle A., MD	Initial Appointment	Active USA	Pediatrics	N/A	N/A	N/A	Initial Appointment	Active USA	Pediatrics
Dumars, Karen L., MD	Initial Appointment	Active	Neurology	Initial Appointment	Active	Neurology	N/A	N/A	N/A
Fannin, John M., MD	Initial Appointment	Active USA	Anesthesiology	Initial Appointment	Active USA	Anesthesiology	N/A	N/A	N/A
Galitz, Michael S., MD	Initial Appointment	Active USA	Internal Medicine	Initial Appointment	Active USA	Internal Medicine	Initial Appointment	Active USA	Internal Medicine
Graves, Tiare, RN	Initial Appointment	APP	OB/GYN	Initial Appointment	APP	OB/GYN	N/A	N/A	N/A
Gundlach, Ronnie M., DO	Initial Appointment	Consulting	Radiology	Initial Appointment	Consulting	Radiology	N/A	N/A	N/A
Heidel, Gregory M., MD	N/A	N/A	N/A	Initial Appointment	Active USA	Emergency Medicine	N/A	N/A	N/A
Herring, Calvin W., MD	Initial Appointment	Consulting	Radiology	Initial Appointment	Consulting	Radiology	N/A	N/A	N/A
Holmes, Douglas K., MD	Initial Appointment	Active USA	Surgery	Initial Appointment	Active USA	Surgery	Initial Appointment	Active USA	Surgery
Hovater, Carrie J., CRNA	Initial Appointment	APP-Contract/Locums	Anesthesiology	Initial Appointment	APP-Contract/Locums	Anesthesiology	N/A	N/A	N/A
Hyatt, Matthew B., DO	Initial Appointment	Contract/Locums	Radiology	Initial Appointment	Contract/Locums	Radiology	N/A	N/A	N/A
Jacob, Roy G., MD	Initial Appointment	Consulting	Radiology	Initial Appointment	Consulting	Radiology	N/A	N/A	N/A
Jasti, Rahul, MD	Initial Appointment	Consulting	Radiology	Initial Appointment	Consulting	Radiology	N/A	N/A	N/A
Keinath, Kyle V., DO	Initial Appointment	Consulting	Radiology	Initial Appointment	Consulting	Radiology	N/A	N/A	N/A
McAndrews, Daniel J., MD	Initial Appointment	Active USA	Radiology	Initial Appointment	Active USA	Radiology	Initial Appointment	Active USA	Radiology
McCullough-Harris, Amber M., CRNP	Initial Appointment	APP Non-Privileged	Family Medicine	Initial Appointment	APP Non-Privileged	Family Medicine	N/A	N/A	N/A
McLeod, Scott H., MD	Initial Appointment	Active USA	Anesthesiology	Initial Appointment	Active USA	Anesthesiology	N/A	N/A	N/A
Middleton, Thomas W., MD	N/A	N/A	N/A	Initial Appointment	Active HCA/JAG	Internal Medicine	Initial Appointment	Active HCA/JAG	Internal Medicine
Neumann, Jr., Alfred M., MD	Initial Appointment	Active	Surgery	N/A	N/A	N/A	N/A	N/A	N/A
Perkins Hopgood, Allyson M., RN	Initial Appointment	APP USA	Neurosurgery	Initial Appointment	APP USA	Neurosurgery	Initial Appointment	APP USA	Neurosurgery
Pham, Tuan H., MD	Initial Appointment	Active USA	Surgery	Initial Appointment	Active USA	Surgery	Initial Appointment	Active USA	Surgery
Pickens-Taylor, Pamela L., CRNP	Initial Appointment	APP Non-Privileged	Family Medicine	Initial Appointment	APP Non-Privileged	Family Medicine	N/A	N/A	N/A
Poiroux, Sybil R., CRNP	Initial Appointment	APP USA	Pediatrics	N/A	N/A	N/A	Initial Appointment	APP	Pediatrics
Richard, John D., MD	Initial Appointment	Contract/Locums	OBGYN	Initial Appointment	Contract/Locums	OBGYN	N/A	N/A	N/A
Smith, Katherine T., CRNP	Initial Appointment	APP Non-Privileged	Internal Medicine	Initial Appointment	APP Non-Privileged	Internal Medicine	N/A	N/A	N/A
Smith, Laura S., MD	Initial Appointment	Active	Radiology	Initial Appointment	Active	Radiology	N/A	N/A	N/A
Sullivan, James L., CRNA	Initial Appointment	APP USA	Anesthesiology	Initial Appointment	APP USA	Anesthesiology	N/A	N/A	N/A
Taylor, Justin R., MD	Initial Appointment	Consulting	Radiology	Initial Appointment	Consulting	Radiology	N/A	N/A	N/A
Theriot, Emily K., CRNA	Initial Appointment	APP USA	Anesthesiology	Initial Appointment	APP USA	Anesthesiology	N/A	N/A	N/A
Thomas, Jennifer D., CRNA	Initial Appointment	APP Contract/Locums	Anesthesiology	Initial Appointment	APP Contract/Locums	Anesthesiology	N/A	N/A	N/A
Tong, Eugene, MD	Initial Appointment	Consulting	Radiology	Initial Appointment	Consulting	Radiology	N/A	N/A	N/A
Tucker, Sydney A., CRNP	Initial Appointment	APP Non-Privileged	Internal Medicine	Initial Appointment	APP Non-Privileged	Internal Medicine	N/A	N/A	N/A
NAME	USA Health Children's & Women's Hospital			USA Health University Hospital			USA Health Ambulatory Care		
Reappointments:	Type/Status	Category	Department	Type/Status	Category	Department	Type/Status	Category	Department
Al Jaber, Emad K., MD	Reappointment	Consulting USA	Internal Medicine	Reappointment	Active USA	Internal Medicine	Reappointment	Consulting USA/Active USA	Internal Medicine
Allen, Elizabeth M., MD	Reappointment	Active	Radiology	Reappointment	Active	Radiology	N/A	N/A	N/A
Anderson, Chasidy S., PA	Reappointment	APP USA	Pediatrics	N/A	N/A	N/A	Reappointment	APP USA	Pediatrics
Bailey, Gayle W., Scrub Tech	Reappointment	APP	Surgery	N/A	N/A	N/A	N/A	N/A	N/A
Beakley, Lindsey W., MD	Reappointment	Courtesy	Surgery	N/A	N/A	N/A	N/A	N/A	N/A
Blackmon, Ellen B., MD	Reappointment	Active	Radiology	Reappointment	Active	Radiology	N/A	N/A	N/A
Borcicky, David J., DPM	Reappointment	APP	Orthopaedics	Reappointment	APP	Orthopaedics	N/A	N/A	N/A
Boyd, Linda R., MD	N/A	N/A	N/A	Reappointment	Contract/Locums	Emergency Medicine	N/A	N/A	N/A
Brantley, Kaitlin O., CRNP	Reappointment	APP USA	Pediatrics	N/A	N/A	N/A	Reappointment	APP USA	Pediatrics
Bush-Coaxum, Sharon M., MD	Reappointment	Active	OBGYN	N/A	N/A	N/A	N/A	N/A	N/A
Cary, Barrett P., MD	Reappointment	Active	Radiology	Reappointment	Active	Radiology	N/A	N/A	N/A
Coleman II, James P., MD	Reappointment	Active	Radiology	Reappointment	Active	Radiology	N/A	N/A	N/A
Czarkowska, Hanna T., MD	Reappointment	Active USA	Neurology	Reappointment	Active USA	Neurology	Reappointment	Active USA	Neurology
Dabezies, Constance C., MD	Reappointment	Active USA	OBGYN	Reappointment	Coverage USA	OBGYN	Reappointment	Active USA/Coverage USA	OBGYN
Damrich, Michael E., MD	Reappointment	Courtesy USA	Surgery	Reappointment	Active USA	Surgery	Reappointment	Courtesy USA/Active USA	Surgery
Dees, Daniel D., MD	Reappointment	Consulting USA	Neurology	Reappointment	Active USA	Neurology	Reappointment	Consulting USA/Active USA	Neurology
DiPalma, Jack A., MD	Reappointment	Consulting USA	Internal Medicine	Reappointment	Active USA	Internal Medicine	Reappointment	Cons. USA/Active USA	Internal Medicine
Dubuc, Tammy E., PHARM D	Reappointment	APP Non-Privileged	Internal Medicine	Reappointment	APP Non-Privileged	Internal Medicine	N/A	N/A	N/A
Edwards, Jamira N., CRNP	Reappointment	APP USA	Pediatric Emerg. Medicine	Reappointment	APP USA	Emergency Medicine	N/A	N/A	N/A

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NAME	USA Health Children's & Women's Hospital			USA Health University Hospital			USA Health Ambulatory Care		
	Type/Status	Category	Department	Type/Status	Category	Department	Type/Status	Category	Department
Reappointments: (Continued)									
Falkos, Sheryl A., MD	Reappointment	Active USA	Pediatrics	Reappointment	Active USA	Pediatrics	Reappointment	Active USA	Pediatrics
Fishel, Heather L., MD	Reappointment	Consulting USA	Internal Medicine	Reappointment	Active USA	Internal Medicine	Reappointment	Consulting USA/ Active USA	Internal Medicine
FitzHarris, Susie N., MD	Reappointment	Community Staff	Pediatrics	N/A	N/A	N/A	N/A	N/A	N/A
Francavilla, Michael L., MD	Reappointment	Active USA	Radiology	Reappointment	Active USA	Radiology	Reappointment	Active USA	Radiology
Garrett, Beverly A., CRNA	Reappointment	APP USA	Anesthesiology	Reappointment	APP USA	Anesthesiology	N/A	N/A	N/A
Garrett, Kellie S., CRNP	Reappointment	APP USA	Surgery	Reappointment	APP USA	Surgery	Reappointment	APP USA	Surgery
Goslings, Sophia M., MD	Reappointment	Active USA	Pediatrics	Reappointment	Active USA	Pediatrics	Reappointment	Active USA	Pediatrics
Grevenitis, Sonia S., MD	Reappointment	Consulting	Pediatrics	N/A	N/A	N/A	N/A	N/A	N/A
Gronewold, Brian M., PA	Reappointment	APP USA	Orthopaedics	Reappointment	APP USA	Orthopaedics	Reappointment	APP USA	Orthopaedics
Handwerker, Adam J., MD	Reappointment	Active	Orthopaedics	Reappointment	Courtesy	Orthopaedics	N/A	N/A	N/A
Hartin, Jr., Charles W., MD	Reappointment	Active USA	Surgery	Reappointment	Consulting USA	Surgery	Reappointment	Active USA/Consulting USA	Surgery
Hayes, Lorna S., CRNP	Reappointment	APP USA	OB/GYN	N/A	N/A	N/A	Reappointment	APP USA	OB/GYN
Hermecz, Brittany N., MD	Reappointment	Active	Radiology	Reappointment	Active	Radiology	N/A	N/A	N/A
Hibbard, Nina J., CRNP	Reappointment	APP HCA	Internal Medicine	Reappointment	APP HCA	Internal Medicine	Reappointment	APP HCA	Internal Medicine
Hude, Paul O., CRNA	N/A	N/A	N/A	Reappointment	APP USA	Anesthesiology	N/A	N/A	N/A
Hundley, Olivette T., MD	Reappointment	Active USA	Internal Medicine	Reappointment	Active USA	Internal Medicine	Reappointment	Active USA	Internal Medicine
Hundley, Olivette T., MD	Reappointment	Active USA	Pediatrics	Reappointment	Active USA	Pediatrics	Reappointment	Active USA	Pediatrics
Hunter, Whitney C., PA	Reappointment	APP USA	Urology	Reappointment	APP USA	Urology	Reappointment	APP USA	Urology
Jaudon, Danielle F., CRNP, DNP	N/A	N/A	N/A	Reappointment	APP USA	Surgery	Reappointment	APP USA	Surgery
Jensen, Jessica L., CRNP	Reappointment	APP USA	Internal Medicine	Reappointment	APP USA	Internal Medicine	Reappointment	APP USA	Internal Medicine
Jones, Marnita M., CRNP	Reappointment	APP USA	Anesthesiology	Reappointment	APP USA	Anesthesiology	N/A	N/A	N/A
Kappel, Margaret G., CRNP	Reappointment	APP Non-Privileged USA	Family Medicine	Reappointment	APP Non-Privileged USA	Family Medicine	Reappointment	APP Non-Privileged USA	Family Medicine
Kern, Ashley L., CRNP	Reappointment	APP USA	Neurosurgery	Reappointment	APP USA	Neurosurgery	Reappointment	APP USA	Neurosurgery
Koulianos, George T., MD	Reappointment	Consulting	OB/GYN	N/A	N/A	N/A	N/A	N/A	N/A
Krystosek, Luke A., MD	Reappointment	Consulting	Radiology	Reappointment	Consulting	Radiology	N/A	N/A	N/A
Lagasse, Grace A., MD	Reappointment	Active USA	Pediatric Emerg. Medicine	Reappointment	Active USA	Emergency Medicine	N/A	N/A	N/A
Loveless, Emily K., RN	Reappointment	APP	OB/GYN	Reappointment	APP	OB/GYN	N/A	N/A	N/A
Lozano, Kay D., MD	Reappointment	Consulting	Radiology	Initial Appointment	Consulting	Radiology	N/A	N/A	N/A
Lucas, Eric D., MD	N/A	N/A	N/A	Reappointment	Active USA	Emergency Medicine	N/A	N/A	N/A
Lundstrom, Trevor A., MD	Reappointment	Active	Radiology	Reappointment	Active	Radiology	N/A	N/A	N/A
Matthews, Daniel E., MD	Reappointment	Consulting	Orthopaedics	Reappointment	Active	Orthopaedics	N/A	N/A	N/A
McCarty, Melissa J., CRNA	Reappointment	APP USA	Anesthesiology	Reappointment	APP USA	Anesthesiology	N/A	N/A	N/A
McKay, Brianna D., PA	Reappointment	APP USA	Pediatrics	N/A	N/A	N/A	Reappointment	APP USA	Pediatrics
McKinley, Martha S., CRNP	N/A	N/A	N/A	Reappointment	APP HCA	Internal Medicine	Reappointment	APP HCA	Internal Medicine
McNeil, Megan L., MD	N/A	N/A	N/A	Reappointment	Contract/Locums	Emergency Medicine	N/A	N/A	N/A
Moreno, Cesar G., MD	N/A	N/A	N/A	Reappointment	Active USA	Internal Medicine	Reappointment	Active USA	Internal Medicine
Murph, Arielle B., CRNA	Reappointment	APP USA	Anesthesiology	Reappointment	APP USA	Anesthesiology	N/A	N/A	N/A
Murph, Tyler R., CRNA	Reappointment	APP USA	Anesthesiology	Reappointment	APP USA	Anesthesiology	N/A	N/A	N/A
Musselwhite, Christopher C., MD	Reappointment	Active USA	Pediatric Emerg. Medicine	Reappointment	Active USA	Emergency Medicine	N/A	N/A	N/A
Nader, Mathieu W., MD	Reappointment	Active	Radiology	Reappointment	Active	Radiology	N/A	N/A	N/A
Neal, Kathleen H., CRNA	Reappointment	APP USA	Anesthesiology	Reappointment	APP USA	Anesthesiology	N/A	N/A	N/A
Norris, Lindsay B., CRNP	N/A	N/A	N/A	Reappointment	APP USA	Internal Medicine	Reappointment	APP USA	Internal Medicine
Ochoa, Juan G., MD	Reappointment	Active USA	Neurology	Reappointment	Active USA	Neurology	Reappointment	Active USA	Neurology
Oliver, Robert P., MD	Reappointment	Contract/Locums	Radiology	Reappointment	Contract/Locums	Radiology	N/A	N/A	N/A
Owens, David C., MD	Reappointment	Consulting USA	Urology	Reappointment	Courtesy USA	Urology	Reappointment	Consulting USA/Courtesy USA	Urology
Pacheco, Antonio L., MD	Reappointment	Active USA	Pediatric Emerg. Medicine	Reappointment	Active USA	Emergency Medicine	N/A	N/A	N/A
Pfleger, Jenna M., MD	Reappointment	Active USA	Family Medicine	Reappointment	Active USA	Family Medicine	Reappointment	Active USA	Family Medicine
Plash, Walter B., MD	Reappointment	Active USA	Pediatric Emerg. Medicine	Reappointment	Active USA	Emergency Medicine	N/A	N/A	N/A
Ramsey, Jr., Timothy T., MD	Reappointment	Active	Radiology	Reappointment	Active	Radiology	N/A	N/A	N/A
Roberts, Price J., CRNA	Reappointment	APP USA	Anesthesiology	Reappointment	APP USA	Anesthesiology	N/A	N/A	N/A
Romani Jr., William R., MD	Reappointment	Active USA	Radiology	Reappointment	Active USA	Radiology	Reappointment	Active USA	Radiology
Roveda, Mary Kelly P., MD	Reappointment	Academic	Pathology	Reappointment	Academic	Pathology	N/A	N/A	N/A
Rozell, James M., MD	Reappointment	Consulting	Radiology	Reappointment	Consulting	Radiology	N/A	N/A	N/A
Ruff, Michael B., MD	Reappointment	Active	Radiology	Reappointment	Active	Radiology	N/A	N/A	N/A
Rutherford, Jill A., MD	Reappointment	Active	Radiology	Reappointment	Active	Radiology	N/A	N/A	N/A
St. John, Jeffrey G., MD	N/A	N/A	N/A	Reappointment	Consulting	Surgery	N/A	N/A	N/A
Sandy, Arthur D., MD	Reappointment	Active	Radiology	Reappointment	Active	Radiology	N/A	N/A	N/A
Siddiqui, Abdul H., MD	Reappointment	Active USA	Pediatrics	N/A	N/A	N/A	Reappointment	Active USA	Pediatrics
Siegal, Stuart L., MD	Reappointment	Active	Radiology	Reappointment	Active	Radiology	N/A	N/A	N/A
Sindel, Campbell B., MD	N/A	N/A	N/A	Reappointment	Coverage	Internal Medicine	N/A	N/A	N/A
Smith, Lisa M., MD	Reappointment	Active USA	Radiology	Reappointment	Active USA	Radiology	Reappointment	Active USA	Radiology
Sollie, Rebecca S., MD	Reappointment	Active USA	Family Medicine	Reappointment	Active USA	Family Medicine	Reappointment	Active USA	Family Medicine
Sullivan, III, Edward A., MD	Reappointment	Active	Radiology	Reappointment	Active	Radiology	N/A	N/A	N/A
Thakur, Jai Deep D., MD	Reappointment	Active USA	Neurosurgery	Reappointment	Active USA	Neurosurgery	Reappointment	Active USA	Neurosurgery
Thomas, Robert H., MD	Reappointment	Active	Radiology	Reappointment	Active	Radiology	N/A	N/A	N/A
Thornton, David D., MD	Reappointment	Active USA	Radiology	Reappointment	Active USA	Radiology	Reappointment	Active USA	Radiology
Too, Onesmus K., CRNA	Reappointment	APP USA	Anesthesiology	Reappointment	APP USA	Anesthesiology	N/A	N/A	N/A
Vande Waa, John A., DO	Reappointment	Active USA	Internal Medicine	Reappointment	Active USA	Internal Medicine	Reappointment	Active USA	Internal Medicine
Varma, Jyotsna, MD	Reappointment	Active USA	Anesthesiology	Reappointment	Consulting USA	Anesthesiology	N/A	N/A	N/A
Vincent, Robert D., MD	Reappointment	Courtesy USA	Anesthesiology	Reappointment	Active USA	Anesthesiology	N/A	N/A	N/A
VonCannon, Lindsey L., MD	Reappointment	Community Staff	Pediatrics	N/A	N/A	N/A	N/A	N/A	N/A
Waggoner, Clinton R., MD	Reappointment	Active	Radiology	Reappointment	Active	Radiology	N/A	N/A	N/A
Wall, Mark B., MD	Reappointment	Active USA	Radiology	Reappointment	Active USA	Radiology	Reappointment	Active USA	Radiology



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NAME	USA Health Children's & Women's Hospital			USA Health University Hospital			USA Health Ambulatory Care		
Reappointments: (Continued)	Type/Status	Category	Department	Type/Status	Category	Department	Type/Status	Category	Department
Walter, Jonathan W., MD	Reappointment	Active	Radiology	Reappointment	Active	Radiology	N/A	N/A	N/A
Wang, Wenli, MD	N/A	N/A	N/A	Reappointment	Contract/Locums	Emergency Medicine	N/A	N/A	N/A
Wear, Shane A., MD	Reappointment	Active	Radiology	Reappointment	Active	Radiology	N/A	N/A	N/A
West, III, James L., MD	Reappointment	Consulting	Orthopaedics	Reappointment	Consulting	Orthopaedics	N/A	N/A	N/A
Younger, Austin R., MD	Reappointment	Consulting USA	Urology	Reappointment	Active USA	Urology	Reappointment	Consulting USA/Active USA	Urology

NAME	USA Health Children's & Women's Hospital			USA Health University Hospital			USA Health Ambulatory Care		
Change Requests:	Type/Status	Category	Department	Type/Status	Category	Department	Type/Status	Category	Department
Adams, Mason G., MD	Added Privileges	Active USA	Internal Medicine	N/A	N/A	N/A	Added Privileges	Active USA	Internal Medicine
Brown, Amberlyn N., PA	Added Registration Agreement	APP USA	OB/GYN	N/A	N/A	N/A	Added Additional Registration Agreement	APP USA	OB/GYN
Buschbach, Amanda Kelly, CRNP	N/A	N/A	N/A	Changed Last Name	APP USA	Internal Medicine	Changed Last Name	APP USA	Internal Medicine
Bush, Cheyne, Scrub Tech	Added Privileges	APP USA	Orthopaedics	Added Privileges	APP USA	Orthopaedics	Added Privileges	APP USA	Orthopaedics
Cornelius, Emily D., CRNP	Changed Collaborative Physician	APP USA	Surgery	Changed Collaborative Physician	APP USA	Surgery	Changed Collaborative Physician	APP USA	Surgery
Damrich, Michael, MD	Changed Staff Category	Active USA	Surgery	Changed Staff Category	Active USA	Surgery	Changed Staff Category	Active USA	Surgery
Daniels, Larkin J., MD	Changed Status	Community Staff	Surgery	Changed Status	Community Staff	Surgery	N/A	N/A	N/A
DeAndrade, Kevin B., MD	Deleted Privileges	Consulting	Internal Medicine	N/A	N/A	N/A	N/A	N/A	N/A
Edwards, Jamira, CRNP	Chg. Coll. Phy./Add Priv.	APP USA	Ped. Emerg. Medicine	Chg. Coll. Phy./Deleted Priv.	APP USA	Emergency Medicine	N/A	N/A	N/A
Foppe, Mark A., DO	N/A	N/A	N/A	Added Privileges	Contract/Temp. Phy.	Emergency Medicine	N/A	N/A	N/A
Gonzalez Rodriguez, Angel D., MD	Added Privileges	Active USA	Pediatrics	N/A	N/A	N/A	Added Privileges	Active USA	Pediatrics
Gronewold, Brian M., PA	Added Priv./Chg Coll. Physician	APP USA	Orthopaedics	Added Priv./Chg Coll. Physician	APP USA	Orthopaedics	Added Priv./Chg Coll. Physician	APP USA	Orthopaedics
Hunt, Karras R., CRNP	Changed Collaborating Physician	APP USA	Anesthesiology	Changed Collaborating Physician	APP USA	Anesthesiology	N/A	N/A	N/A
Johnson, Mikayla, PA	Chg. Coll. Phy./Dept./Added Priv.	APP USA	Internal Medicine	Chg. Coll. Phy./Dept./Added Priv.	APP USA	Internal Medicine	Chg. Coll. Phy./Dept./Added Priv.	APP USA	Internal Medicine
Jones, Marnita M., CRNP	Changed Collaborating Physician	APP USA	Anesthesiology	Changed Collaborating Physician	APP USA	Anesthesiology	N/A	N/A	N/A
Kyriazis, Dimitris, MD	Changed Staff Category	Active USA	Surgery	Changed Staff Category	Active USA	Surgery	Changed Staff Category	Active USA	Surgery
Lucas, Julie R., PA	Changed Coll. Phy. and Status	APP Non-Privileged	Family Medicine	Changed Coll. Phy. and Status	APP Non-Privileged	Family Medicine	N/A	N/A	N/A
Maltese, Carl, MD	Changed Staff Category	Courtesy USA	Surgery	Changed Staff Category	Active USA	Surgery	Changed Staff Category	Courtesy USA/Active USA	Surgery
Moss, Charlotte A., CRNP	Changed Collaborating Physician	APP USA	Pediatrics	N/A	N/A	N/A	Changed Collaborating Physician	APP USA	Pediatrics
Motykiewicz, Stacy, CRNP	N/A	N/A	N/A	Added Privileges	APP USA	Internal Medicine	Added Privileges	APP USA	Internal Medicine
Mueller, Luke M., DO	Deleted Privileges	Active USA	Internal Medicine	Deleted Privileges	Active USA	Internal Medicine	Deleted Privileges	Active USA	Internal Medicine
Nall, Molly, PA	Changed Status	APP USA	Surgery	Changed Status	APP USA	Surgery	Changed Status	APP USA	Surgery
Norris, Lindsay B., CRNP	N/A	N/A	N/A	Added Privileges	APP USA	Internal Medicine	Added Privileges	APP USA	Internal Medicine
Paragone, Christine M., PA	Changed Status	APP USA	Surgery	Changed Status	APP USA	Surgery	Changed Status	APP USA	Surgery
Petrosian, Robert, MD	N/A	N/A	N/A	Added Privileges	Active HCA/JAG	Internal Medicine	Added Privileges	Active HCA/JAG	Internal Medicine
Skipper, Caitlin E., CRNP	Changed Collaborating Physician	APP USA	Pediatrics	N/A	N/A	N/A	Changed Collaborating Physician	APP USA	Pediatrics
Smithgall, Ashley L., CRNP	Changed Collaborating Physician	APP USA	Pediatrics	N/A	N/A	N/A	Changed Collaborating Physician	APP USA	Pediatrics
Stuck, Nathanael C., PA	Added Privileges	APP USA	Neurosurgery	Added Privileges	APP USA	Neurosurgery	Added Privileges	APP USA	Neurosurgery
Tindle, Hope, CRNP	Chg. Dept./Add Priv./Deleted Priv.	APP USA	Ped. Emerg. Medicine	Deleted Privileges	APP USA	Orthopaedics	Chg. Dept./Added Priv./Deleted Priv.	APP USA	Ped. Emerg. Med/Ortho.
Walker, Kathy E., CRNP, DNP	Chg. Collab./Deleted Priv.	APP HCA	Internal Medicine	Chg. Collab./Deleted Priv.	APP HCA	Internal Medicine	Chg. Collab./Deleted Priv.	APP HCA	Internal Medicine
Wicker, Amber N., CRNP	Changed Collaborative Physician	APP USA	Orthopaedics	Changed Collaborative Physician	APP USA	Orthopaedics	Changed Collaborative Physician	APP USA	Orthopaedics

NAME	USA Health Children's & Women's Hospital			USA Health University Hospital			USA Health Ambulatory Care		
Resigned/Retired	Reason	Date	Department	Reason	Date	Department	Reason	Date	Department
Bell, Tatianna L., CRNP	N/A	N/A	N/A	Resigned	03/18/2024	Family Medicine	N/A	N/A	N/A
Conway, Deborah J., MD	Resigned	04/02/2024	Radiology	Resigned	04/02/2024	Radiology	N/A	N/A	N/A
Cotton, Laura L., RN	Resigned	02/29/2024	OB/GYN	Resigned	2/29/2024	OB/GYN	N/A	N/A	N/A
Fox, II, Stephen G., MD	Resigned	03/01/2024	Radiology	Resigned	03/01/2024	Radiology	N/A	N/A	N/A
Greenspon, Yosef Y., MD	Resigned	01/04/2024	Surgery	N/A	N/A	N/A	N/A	N/A	N/A
Ledbetter, Kate L., RN	Resigned	02/23/2024	Surgery	Resigned	02/23/2024	Surgery	Resigned	02/23/2024	Surgery
Lewis, Elizabeth E., CRNP	Deceased	03/22/2024	Urology	Deceased	03/22/2024	Urology	Deceased	03/22/2024	Urology
Lim, Lerma C., CRNA	Resigned	01/10/2024	Anesthesiology	Resigned	01/10/2024	Anesthesiology	N/A	N/A	N/A
McConnell, Sara A., DO	Resigned	03/26/2024	Internal Medicine/Pediatrics	Resigned	03/26/2024	Internal Medicine/Pediatrics	Resigned	03/26/2024	Internal Medicine/Pediatrics
Messer, Cynthia F., CNM	Resigned	02/29/2024	OB/GYN	N/A	N/A	N/A	Resigned	02/29/2024	OB/GYN
Moore, Allie O., CRNP	Resigned	01/11/2024	OB/GYN Eval. Center	N/A	N/A	N/A	N/A	N/A	N/A
Norris, Lindsay B., CRNP	N/A	N/A	N/A	Resigned	03/21/2024	Internal Medicine	Resigned	03/21/2024	Internal Medicine
Rodriguez, Jose R., MD	Resigned	01/04/2024	Surgery	Resigned	01/10/2024	Surgery	N/A	N/A	N/A
Rosenthal, III, Harry B., MD	Resigned	12/31/2023	Radiology	Resigned	12/31/2023	Radiology	N/A	N/A	N/A
Russ, Chondra N., CRNP	Resigned	03/04/2024	Ped. Emergency Med.	Resigned	3/4/2024	Emergency Medicine	N/A	N/A	N/A
Slauterbeck, James R., MD	Resigned	03/04/2024	Orthopaedics	Resigned	03/04/2024	Orthopaedics	Resigned	03/04/2024	Orthopaedics
Walker, Valerie A., CRNP	Resigned	02/09/2024	Ped. Emergency Med.	N/A	N/A	N/A	N/A	N/A	N/A
Warkus, Erica L., MD	Resigned	01/25/2024	Ped. Emerg. Medicine	Resigned	1/25/2024	Emergency Medicine	N/A	N/A	N/A
Weil, Ashley M., MD	Resigned	03/21/2024	Family Medicine	Resigned	03/21/2024	Family Medicine	N/A	N/A	N/A

NAME	USA Health Children's & Women's Hospital			USA Health University Hospital			USA Health Ambulatory Care		
Reinstatement:	Reason	Date	Department	Reason	Date	Department	Reason	Date	Department
Galliani, Carlos A., MD	Return from Medical Leave	02/12/2024	Pathology	Return from Medical Leave	02/12/2024	Pathology	Return from Medical Leave	02/12/2024	Pathology

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**Academic Excellence and Student Success Committee**

**March 14, 2024  
2:30 p.m.**

A meeting of the Academic Excellence and Student Success Committee of the University of South Alabama (USA) Board of Trustees was duly convened by Capt. Ron Jenkins on behalf of Judge Mike Windom, Chair, on Thursday, March 14, 2024, at 2:30 p.m. in the Board Room of the Frederick P. Whiddon Administration Building. Meeting attendance was open to the public.

Members: Luis Gonzalez, Ron Graham, Ron Jenkins, Bill Lewis and Lenus Perkins were present.

Members Absent: Scott Charlton, Steve Furr and Mike Windom.

Other Trustees: Alexis Atkins, Chandra Brown Stewart, Tom Corcoran, Arlene Mitchell, Jimmy Shumock, Steve Stokes and Jim Yance.

Administration & Guests: Owen Bailey, Jim Berscheidt, Joél Billingsley, Jo Bonner, Lynne Chronister, Nicole Carr, Patty Davis, Kristin Dukes, Joel Erdmann, Monica Ezell, Charlie Guest, Buck Kelley, Andi Kent, Nick Lawkis, John Marymont, Mike Mitchell, Nani Perez-Uribe, Catherine Preston, Kristen Roberts, Donna Streeter (Faculty Senate), Margaret Sullivan, Peter Susman, Maureen Van Devender, Christina Wassenaar (Faculty Senate) and Bret Webb.

Following the attendance roll call, **Item 15**, Capt. Jenkins called for consideration of the minutes for a meeting held on December 7, 2023, **Item 16**. On motion by Mr. Graham, seconded by Mr. Perkins, the Committee voted unanimously to adopt the minutes.

Capt. Jenkins called on Provost Kent, who presented a recommendation to approve a revised *Academic Excellence and Student Success Committee Charge*, **Item 17**. (To view resolutions, policies and other documents authorized, refer to the minutes of the Board of Trustees meeting held on March 15, 2024.) Dr. Kent explained that the charge required updating to reflect the Committee's new name, effected with the previous revision and approval of the *Bylaws of the Board of Trustees of the University of South Alabama*. On motion by Judge Lewis, seconded by Mr. Graham, the Committee voted unanimously to recommend approval of the revised document by the Board of Trustees.

Capt. Jenkins called upon Dr. Marymont to discuss **Item 18**, a resolution awarding tenure to a Whiddon College of Medicine faculty member. Dr. Marymont gave background on the candidate, whose application he noted was thoroughly vetted through a rigorous internal review. On motion by Mr. Perkins, seconded by Mr. Graham, the Committee voted unanimously to recommend approval of the resolution by the Board of Trustees.

Capt. Jenkins turned to Provost Kent for a report on the activities of the Division of Academic Affairs, **Item 19**. Provost Kent advised of the impending retirement of Ms. Chronister and transition of Dr. John Usher, College of Engineering Dean, to a faculty position in the coming months. She outlined their accomplishments and noted that national searches to fill their positions had begun.

Provost Kent reported that the fall-to-spring freshmen retention rate had risen to 92 percent – the second highest rate in the Institution’s history, and that the fall-to-spring sophomore retention rate was a record 74 percent. She attributed these strides and the national attention garnered to the diligent work of the Academic Advising and Transfer Services (AATS) team. She introduced Ms. Catherine Preston and Ms. Patty Davis, AATS Executive Director and Associate Director, respectively, presenting them with the *Advising Innovation Award* conferred by the National Academic Advising Association (NACADA) to AATS. She also introduced Ms. Nani Perez-Uribe, Transfer Coordinator, to whom she presented the National Institute for the Study of Transfer Students’ *Rising Star* award. She advised that Ms. Dallas Schmidt, AATS Coordinator, received NACADA’s *Outstanding Advisor in the Primary Advising Role* award, and she recognized Dr. Nicole Carr, Associate Vice President for Student Academic Success, for her leadership.

Provost Kent introduced Dr. Mitchell for a report on the activities of the Division of Student Affairs, **Item 20**. Dr. Mitchell presented information on *Jag Mart*, the University’s first cashierless convenience store that opened in Azalea Hall in late February. A video was shown featuring SouthPaw and Miss Pawla enjoying a visit to Jag Mart. Dr. Mitchell acknowledged that Jag Mart was the only facility of its type in Alabama.

Capt. Jenkins called on Dr. Billingsley for a report on the activities of the Division of Diversity and Community Engagement, **Item 21**. Dr. Billingsley discussed *Jag Den*, a new initiative that promotes opportunities for stakeholder groups to engage in welcoming and nurturing environments, thereby strengthening community on campus. She turned to Dr. Maureen Van Devender, Senior Instructor in the Department of Information Systems and Technology, who shared context on the senior capstone course. Students participating in the course introduced themselves and an overview on their team project – development of the technical infrastructure for Jag Den – was given.

Capt. Jenkins called on Ms. Chronister to present **Item 22**, a report on the activities of the Division of Research and Economic Development. Ms. Chronister introduced and shared professional background on Dr. Bret Webb, Professor in the Department of Civil, Coastal, and Environmental Engineering. Dr. Webb advised that his research focus was on hurricanes and the resilience of the natural environment and infrastructure. He explained USA’s *Project Sentinel* collaboration with the University of Florida and other partners that involved deployment of instrumentation on hurricane-impacted coastline from Texas to Maine to measure and record perishable data, such as for storm surge, wave activity, erosion and water quality, and streaming of real-time information to national agencies, weather and news outlets and mobile device apps to generate advancements

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in hurricane forecasting, readiness, communication, response and recovery, and improve preservation of life.

There being no further business, the meeting was adjourned at 2:58 p.m.

Respectfully submitted:

On behalf of:

Robert D. Jenkins III

Michael P. Windom, Chair



UNIVERSITY OF SOUTH ALABAMA

**MEMORANDUM**

Vice President for Student Affairs

DATE: August 1, 2024

TO: Alabama Commission on Higher Education

FROM: Dr. Michael Mitchell 

SUBJECT: Speech, Expressive Activities, and Use of University Space, Facilities, and Grounds Policy and Report, 2023-2024

Alabama Code § 16-68-1, *et seq.*, pertaining to free speech on the campuses of higher education institutions requires that the University of South Alabama Board of Trustees to prepare an annual report detailing the course of action implemented by the University to ensure compliance with the law. The Board of Trustees of the University of South Alabama has authorized me to prepare this annual report on its behalf and submit the same to the Alabama Commission on Higher Education, so that it can notify the Governor and the Legislature of the University's compliance with the law.

The following chart details the date and description of any policy violations during the period of August 1, 2023, through July 31, 2024. The chart also details the administrative action/discipline related to each violation:

<b>Date of Policy Violation</b>	<b>Description of Policy Violation</b>	<b>Administrative Action/ Disciplinary Action Taken</b>
	No reported violations during this reporting period.	

The University of South Alabama had no substantial difficulties, controversies, or successes in maintaining a posture of administrative and institutional neutrality during the time-period addressed by this report.

**UNIVERSITY OF SOUTH ALABAMA  
BOARD OF TRUSTEES**



**BUDGET AND FINANCE  
COMMITTEE**

**UNIVERSITY OF SOUTH ALABAMA  
BOARD OF TRUSTEES**

**Budget and Finance Committee**

**March 14, 2024**

**1:59 p.m.**

A meeting of the Budget and Finance Committee of the University of South Alabama (USA) Board of Trustees was duly convened by Mr. Tom Corcoran, Chair, on Thursday, March 14, 2024, at 1:59 p.m. in the Board Room of the Frederick P. Whiddon Administration Building. Meeting attendance was open to the public.

Members: Alexis Atkins, Chandra Brown Stewart, Tom Corcoran, Ron Graham, Lenus Perkins, Jimmy Shumock and Steve Stokes were present.

Other Trustees: Luis Gonzalez, Ron Jenkins, Bill Lewis, Arlene Mitchell and Jim Yance.

Administration & Guests: Owen Bailey, Jim Berscheidt, Joél Billingsley, Jo Bonner, Lynne Chronister, Kristin Dukes, Joel Erdmann, Monica Ezell, Eddie Greene, Charlie Guest, Buck Kelley, Andi Kent, Nick Lawkis, John Marymont, Mike Mitchell, Kristen Roberts, Donna Streeter (Faculty Senate), Margaret Sullivan, Peter Susman and Christina Wassenaar (Faculty Senate).

Following the attendance roll call, **Item 23**, Mr. Corcoran called for consideration of the minutes for a meeting held on December 7, 2023, **Item 24**. On motion by Ms. Atkins, seconded by Dr. Stokes, the Committee voted unanimously to adopt the minutes.

Mr. Corcoran called on Ms. Roberts to discuss the quarterly financial statements for the three months ended December 31, 2023, **Item 25**. Ms. Roberts advised that University assets and liabilities for the first quarter of fiscal year 2024 totaled approximately \$2.88 billion and \$1.5 billion, respectively. She said that the University's net position, totaling close to \$500 million, increased by almost \$31 million in contrast to the increase in net position of approximately \$46 million reported for the same period in fiscal year 2023.

Ms. Roberts discussed the particulars of **Item 26**, a resolution authorizing the issuance of long-term taxable and nontaxable University Facilities Revenue Bonds – Series 2024-A and -B bonds if possible, in order to refinance the short-term bank loan with JPMorgan Chase Bank, secured for the acquisition of Providence Hospital in 2023. (To view resolutions, policies and other documents authorized, refer to the minutes of the Board of Trustees meeting held on March 15, 2024.) Ms. Roberts noted that the resolution provided flexibility to proceed with a transaction when interest rates were advantageous. On motion by Mr. Shumock, seconded by Mr. Yance, the Committee voted unanimously to recommend approval of the resolution by the Board of Trustees.



Budget and Finance Committee  
March 14, 2024  
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Mr. Corcoran called on Mr. Kelley for a report on University facilities, **Item 27**. Mr. Kelley introduced Mr. Eddie Green, Director of Central Utilities, who presented charts demonstrating significant increases and volatility in electricity, natural gas and domestic water rates in recent years in relation with decreases in utilities usage occurring over the same period, made possible by infrastructure improvements, changes in process operations management and other influences. Mr. Kelley credited Mr. Greene for his diligent efforts on behalf of the University.

There being no further business, the meeting was adjourned at 2:06 p.m.

Respectfully submitted:

E. Thomas Corcoran, Chair

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

Basic Financial Statements

Six Months Ended March 31, 2024 and 2023

(Unaudited)

**UNIVERSITY OF SOUTH ALABAMA**  
(A Component Unit of the State of Alabama)  
Basic Financial Statements  
Six Months Ended March 31, 2024 and 2023

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**UNIVERSITY OF SOUTH ALABAMA**  
(A Component Unit of the State of Alabama)  
Management's Discussion and Analysis (Unaudited)  
March 31, 2024 and 2023

**Introduction**

The following discussion presents an overview of the financial position and financial activities of the University of South Alabama (the University), including the University of South Alabama Health System (USA Health), a division of the University, at March 31, 2024 and 2023, and for the six months then ended. This discussion has been prepared by University management and should be read in conjunction with the financial statements and notes thereto, which follow.

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

**Financial Highlights**

At March 31, 2024 and 2023, the University had total assets and deferred outflows of \$2,152,847,000 and \$1,845,418,000, respectively; total liabilities and deferred inflows of \$1,610,381,000 and \$1,422,778,000, respectively; and net position of \$542,466,000 and \$422,640,000, respectively.

The University has experienced a significant growth in its healthcare operations over the past several years incurring increases in net patient service revenues of \$60,102,000, or 15%, between 2023 and 2024 and \$48,633,000, or 14%, between 2022 and 2023.

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

**Analysis of Financial Position and Results of Operations**

*Statement of Net Position*

The statement of net position presents the assets, deferred outflows, liabilities, deferred inflows, and net position of the University at March 31, 2024 and 2023. Net position is displayed in three parts: net investment in capital assets, restricted, and unrestricted. Restricted net position may be either expendable or nonexpendable and is the net position that is restricted by law or external donors. Unrestricted net position is generally designated by management for specific purposes and is available for use by the University to meet current expenses for any purpose. The statement of net position, along with all of the University's basic financial statements, is prepared under the economic resources measurement focus and the accrual basis of accounting, whereby revenues are recognized when earned and expenses are recognized when incurred by the University, regardless of when cash is exchanged.

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March 31, 2024 and 2023

The condensed schedules of net position at March 31, 2024, 2023, and 2022 follow (in thousands):

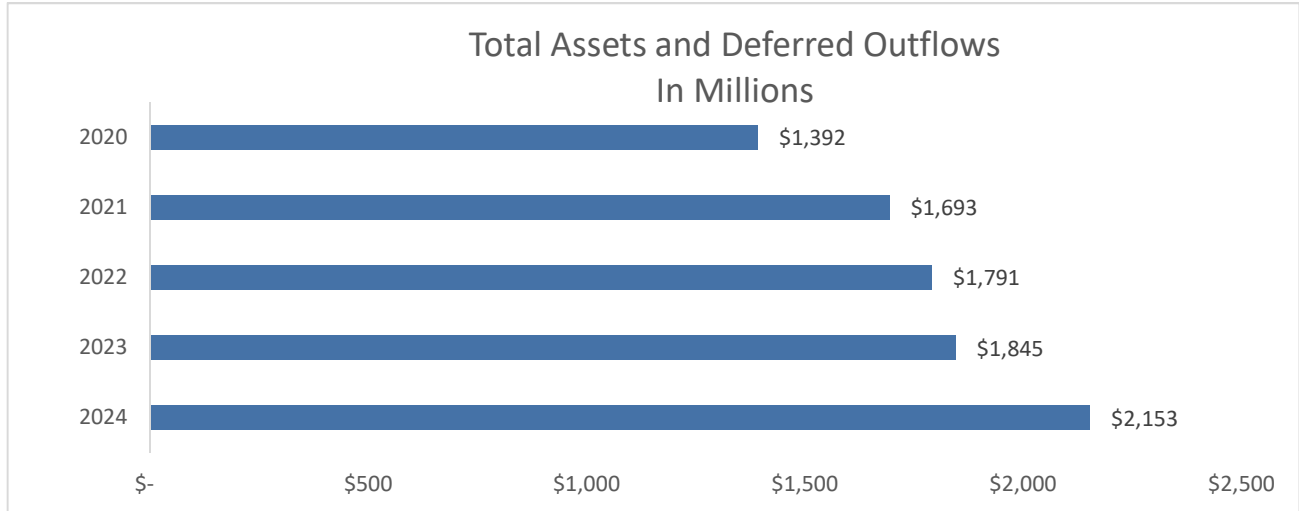
**Condensed Schedules of Net Position**

	<u>2024</u>	<u>2023</u>	<u>2022</u>
<b>Assets:</b>			
Current	\$ 386,508	311,836	343,426
Capital assets, net	1,010,838	867,610	847,510
Other noncurrent	494,815	423,268	374,281
Total assets	<u>1,892,161</u>	<u>1,602,714</u>	<u>1,565,217</u>
Deferred outflows	<u>260,686</u>	<u>242,704</u>	<u>226,058</u>
Total assets and deferred outflows	<u><u>2,152,847</u></u>	<u><u>1,845,418</u></u>	<u><u>1,791,275</u></u>
<b>Liabilities:</b>			
Current	\$ 279,207	160,866	167,794
Noncurrent	937,396	952,102	940,372
Total liabilities	<u>1,216,603</u>	<u>1,112,968</u>	<u>1,108,166</u>
Deferred inflows	<u>393,778</u>	<u>309,810</u>	<u>289,688</u>
Total liabilities and deferred inflows	<u><u>\$ 1,610,381</u></u>	<u><u>1,422,778</u></u>	<u><u>1,397,854</u></u>
<b>Net position:</b>			
Net investment in capital assets	\$ 451,338	386,303	416,707
Restricted, nonexpendable	81,449	76,516	71,584
Restricted, expendable	109,884	87,655	104,323
Unrestricted deficit	<u>(100,205)</u>	<u>(127,834)</u>	<u>(199,193)</u>
Total net position	<u><u>\$ 542,466</u></u>	<u><u>422,640</u></u>	<u><u>393,421</u></u>

Assets included in the statement of net position are classified as current or noncurrent. Current assets consist primarily of cash and cash equivalents, investments, and patient receivables, net of allowance for doubtful accounts. Of these amounts, cash and cash equivalents, investments, and patient receivables, net comprise approximately 44%, 23%, and 19%, respectively, of current assets at March 31, 2024. Noncurrent assets consist primarily of restricted investments, capital assets, and lease receivables. The increase in total assets and deferred outflows is primarily attributed to capital assets purchased from Ascension Providence and an increase in investment value.

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Total assets and deferred outflows of the University as of March 31 is as follows:



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

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

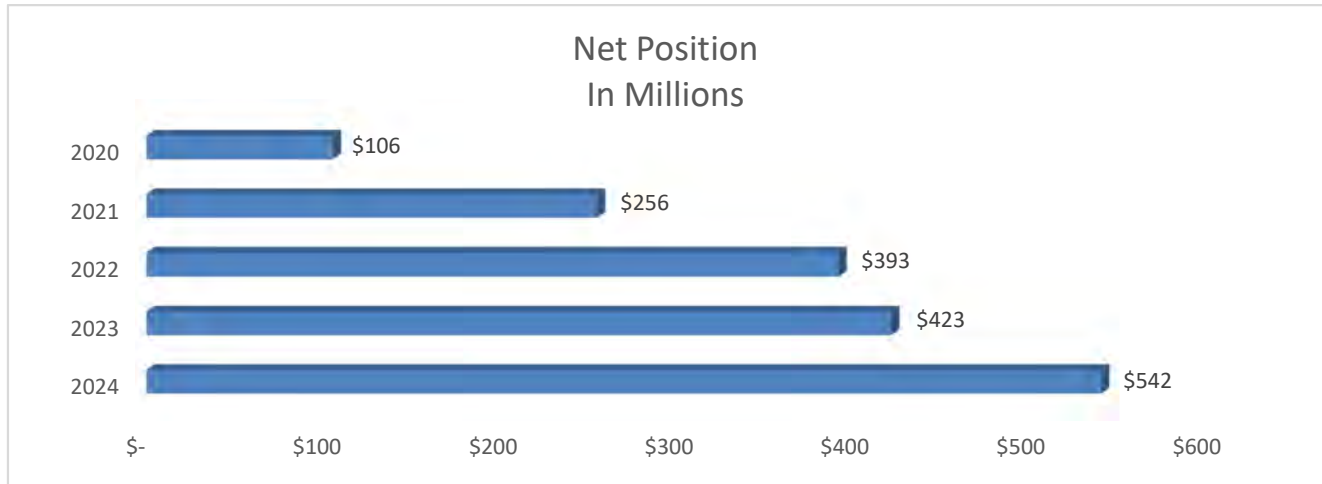
Restricted nonexpendable net position consists primarily of the University's permanent endowment funds. In accordance with the policies of the University and donor agreements, the earnings from these funds may be expended, but the corpus may not be expended and must remain intact with the University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

Restricted expendable net position is subject to externally imposed restrictions governing their use. The funds are restricted primarily for debt service, capital projects, student loans, and scholarship purposes.

Unrestricted deficit of net position represents amounts not invested in capital assets or not subject to externally imposed stipulations. Even though these funds are not legally restricted, the majority of the University's unrestricted net position has been internally designated for various projects, all supporting the mission of the University. Unrestricted net position includes funds for various academic and research programs, auxiliary operations (including student housing and dining services), student programs, capital projects, and general operations. Also included in unrestricted net position at March 31, 2024 and 2023 is the impact of the net pension liability recorded pursuant to the requirements of GASB Statement No. 68 and the impact of the net OPEB liability recorded pursuant to the requirements of GASB Statement No. 75.

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Net position of the University as of March 31 is as follows:



All categories of restricted net position collectively increased by approximately \$27,162,000 between March 31, 2024 and 2023, primarily due to market increases on investments. Unrestricted deficit increased from \$(127,834,000) to \$(100,205,000) between March 31, 2024 and 2023. A summary of unrestricted net position (deficit) at March 31, 2024, 2023, and 2022 is summarized as follows (in thousands):

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Unrestricted deficit related to net pension liability	\$ (299,641)	(375,984)	(271,729)
Unrestricted deficit related to net OPEB liability	(166,955)	(53,421)	(229,496)
Unrestricted net position related to other activity	366,391	301,571	302,032
Unrestricted net position (deficit)	<u>\$ (100,205)</u>	<u>(127,834)</u>	<u>(199,193)</u>

*Statement of Revenues, Expenses, and Changes in Net Position*

Changes in total University net position are based on the activity presented in the statement of revenues, expenses, and changes in net position. The purpose of this statement is to present the changes in net position resulting from operating and nonoperating revenues earned by the University, and operating and nonoperating expenses incurred by the University, as well as any other revenues, expenses, gains, and losses earned or incurred by the University.

Generally, operating revenues have the characteristics of exchange transactions and are received or accrued for providing goods and services to the various customers and constituencies of the University. These include patient service revenues (net of provision for bad debts), tuition and fees (net of scholarship allowances), most noncapital grants and contracts, revenues from auxiliary activities, and sales and services of educational activities (primarily athletic activities). Operating expenses are those expenses paid or incurred to acquire or produce the goods and services provided in return for the operating revenues and to carry out the mission of the University.

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Nonoperating revenues have the characteristics of nonexchange transactions because, generally, no goods or services are provided. Such transactions include investment income, state appropriations, gifts, and other contributions. State appropriations are required by GASB to be classified as nonoperating revenues. Nonoperating expenses are those expenses required in the operation and administration of the University, but not directly incurred to acquire or produce the goods and services provided in return for operating revenues. Such nonoperating expenses include interest on the University's indebtedness, losses related to the disposition of capital assets, transfers to affiliates to fund operations, and transfers to intergovernmental agencies related to medical expenditures.

The condensed schedules of revenues, expenses, and changes in net position for the six months ended March 31, 2024, 2023, and 2022 follow (in thousands):

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

	<b>2024</b>	<b>2023</b>	<b>2022</b>
Operating revenues:			
Tuition and fees, net	\$ 74,941	72,047	73,803
Patient service revenues, net	448,947	388,845	340,212
Federal, state, and private grants and contracts	28,191	25,114	20,374
Other	47,153	39,451	40,989
	599,232	525,457	475,378
Operating expenses:			
Salaries and benefits	356,281	312,027	273,547
Supplies and other services	231,073	219,915	187,487
Other	68,752	51,188	42,691
	656,106	583,130	503,725
Operating loss	(56,874)	(57,673)	(28,347)
Nonoperating revenues and expenses:			
State appropriations	75,187	70,370	64,548
Net investment income	46,795	30,549	(5,692)
Other, net	(31,564)	(5,925)	5,409
Net nonoperating revenues	90,418	94,994	64,265
Income before capital appropriations, capital contributions and grants, and additions to endowment	33,544	37,321	35,918



**UNIVERSITY OF SOUTH ALABAMA**  
(A Component Unit of the State of Alabama)  
Management's Discussion and Analysis (Unaudited)  
March 31, 2024 and 2023

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

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Capital appropriations, contributions and grants, and additions to endowment	\$ 15,683	24,131	18,544
Increase in net position	49,227	61,452	54,462
Beginning net position	493,239	361,188	338,959
Cumulative effect of change in account principle	—	—	(7,064)
Beginning balance, as adjusted	493,239	361,188	331,895
Ending net position	<u>\$ 542,466</u>	<u>422,640</u>	<u>386,357</u>

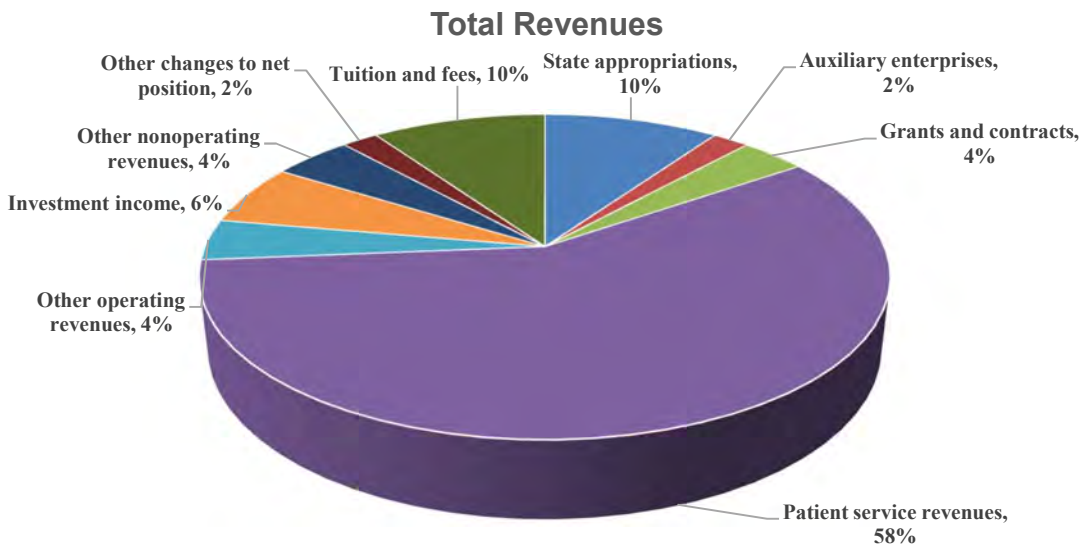
In 2022, the University adopted the provisions of GASB Statement No. 87, *Leases*, which establishes a single model for lease accounting, whereby certain leases that were previously classified as operating leases are now reported on the statement of net position. GASB Statement No. 87 required the University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

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

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 (A Component Unit of the State of Alabama)  
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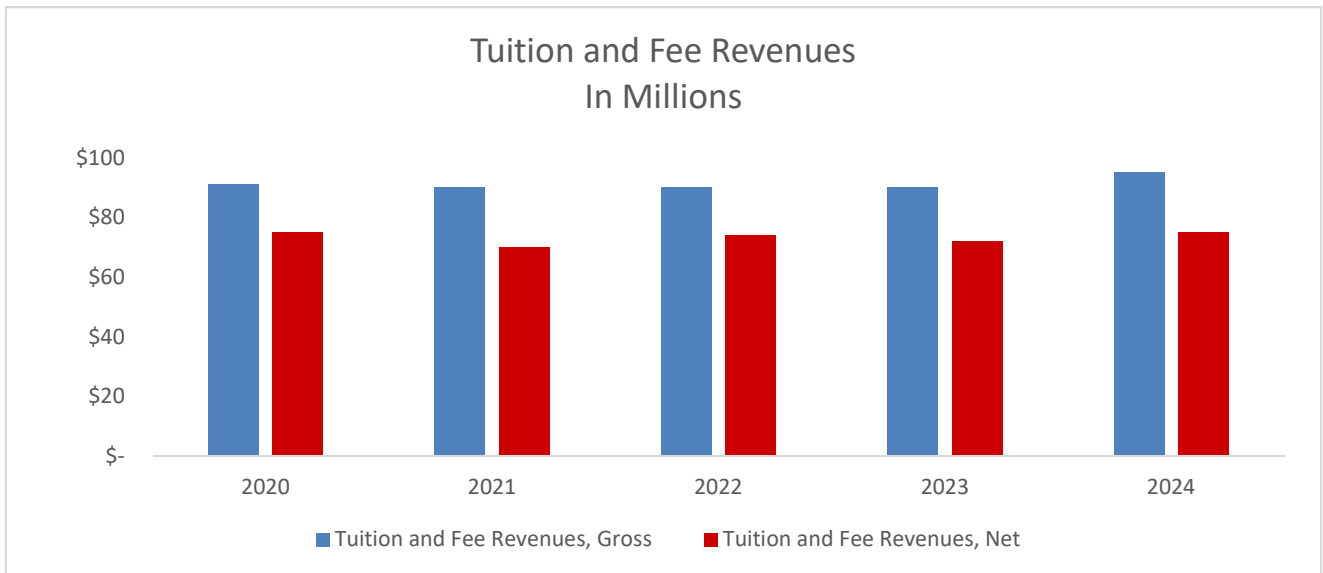
For both the six months ended March 31, 2024 and 2023, approximately 58% of total revenues of the University were related to net patient service revenues. Excluding patient service revenues, the largest component of total University revenues were state appropriations in 2024, which represented approximately 10%, and tuition and fees charged to students in 2023, which represented approximately 11%. In 2024, tuition and fees represented approximately 10% of total University revenues, and in 2023 state appropriations represented approximately 10%, while grants and contracts (federal, state, and private) represented approximately 4% in both 2024 and 2023.

A summary of University revenues for the six months ended March 31, 2024 is presented as follows:



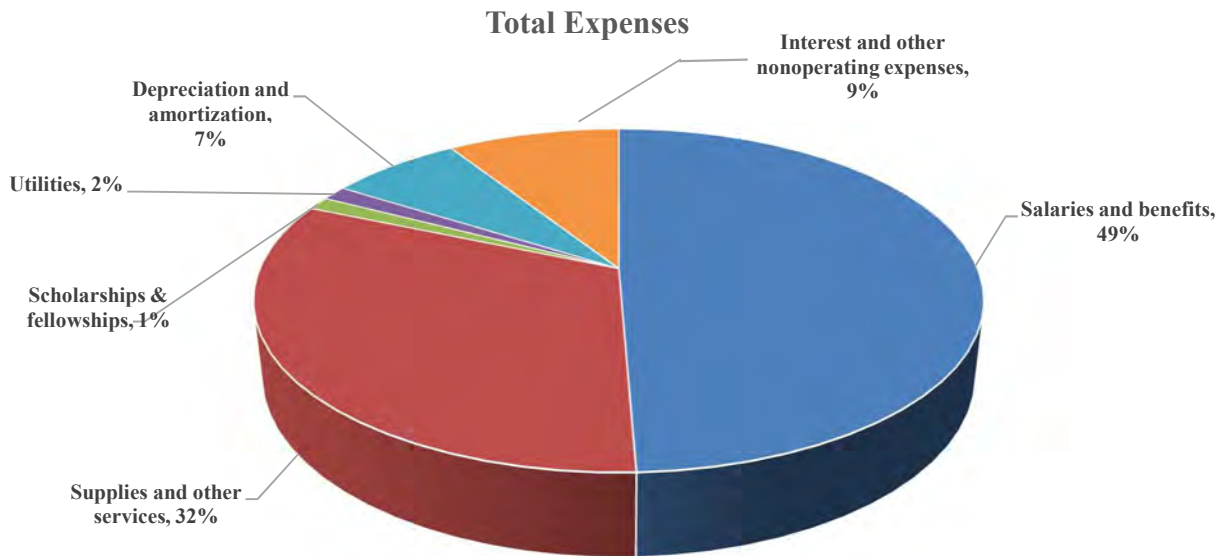
**UNIVERSITY OF SOUTH ALABAMA**  
 (A Component Unit of the State of Alabama)  
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 March 31, 2024 and 2023

Tuition revenues have generally remained steady in recent years. After experiencing several years of declining enrollment, the University had increased enrollment in the fall of 2022 and the fall of 2023. Enrollment increased approximately 2% between Fall 2022 and Fall 2023. Tuition and fees, gross and net of scholarship allowances, for the six months ended March 31 are presented as follows:



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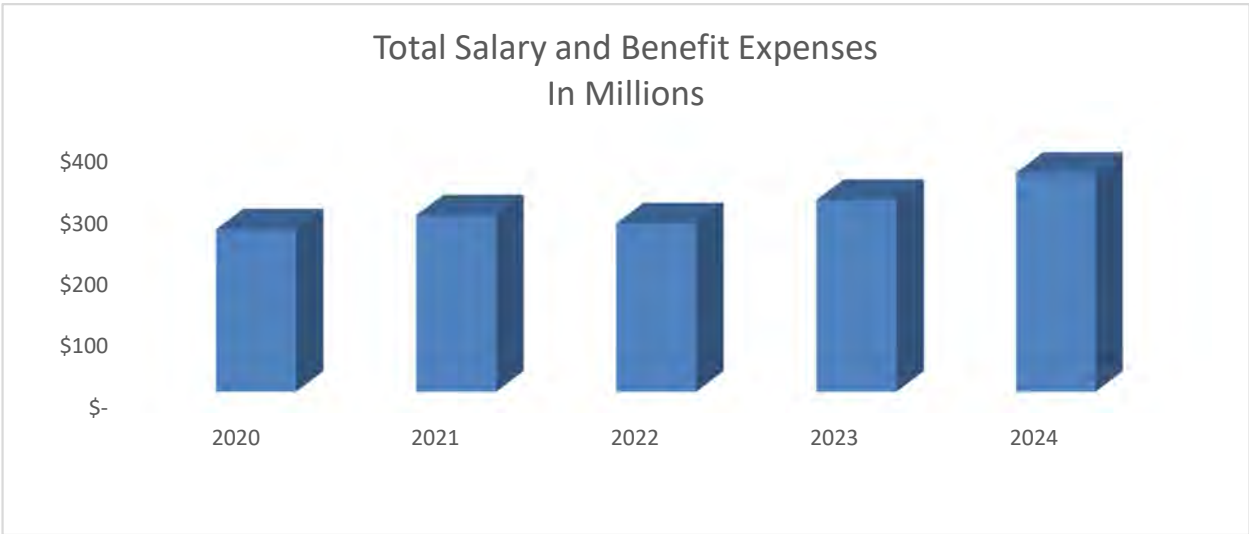
University expenses are presented using their natural expense classifications. A summary of University expenses for the six months ended March 31, 2024 is presented as follows:



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

**UNIVERSITY OF SOUTH ALABAMA**  
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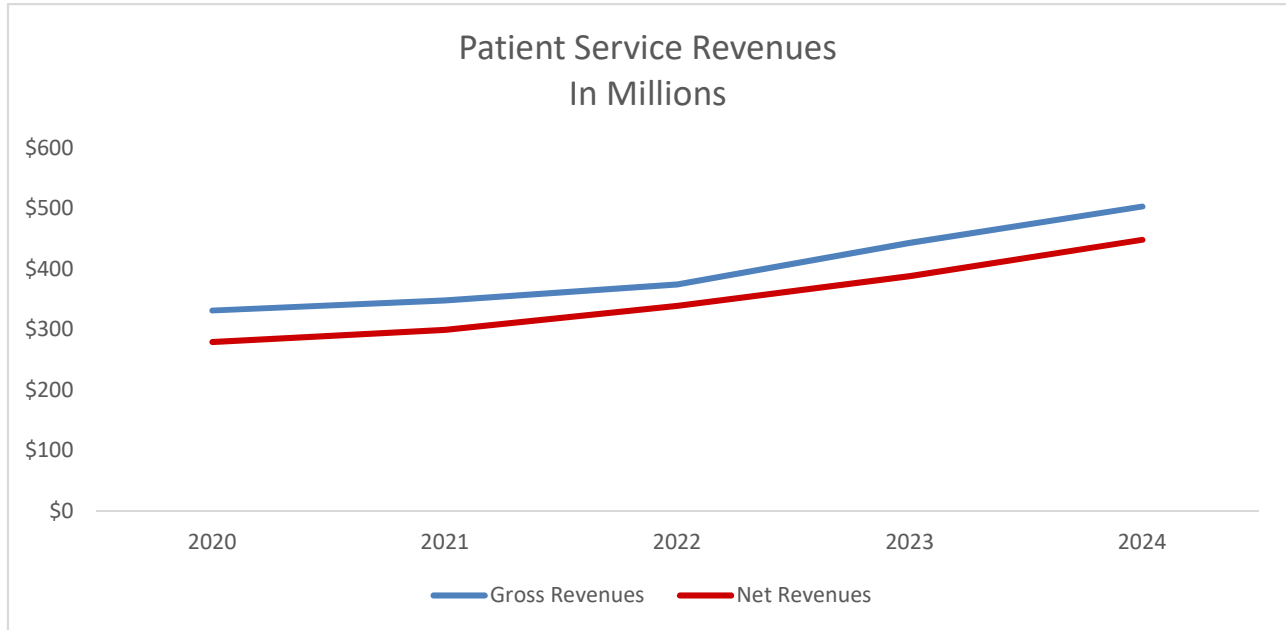
For the six months ended March 31, 2024 and 2023, approximately 49% and 51% of the University's total expenses were salaries and benefits.



For the six months ended March 31, 2024 and 2023, the University reported an operating loss of approximately \$56,874,000 and \$57,673,000. The operating loss is offset by state appropriations, which, as mentioned earlier, are reported as nonoperating revenues. After considering all nonoperating revenues and expenses, including capital appropriations, capital contributions and grants, and additions to the endowment, the total increase in net position was approximately \$49,227,000 and \$61,452,000 for the six months ended March 31, 2024 and 2023.

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(A Component Unit of the State of Alabama)  
Management's Discussion and Analysis (Unaudited)  
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USA Health represents a significant portion of total University revenues. Operating patient service revenues, gross and net, for the six months ended March 31 are presented as follows:



**Statement of Cash Flows**

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

**Capital Assets and Debt Administration**

Total capital asset additions for the University were approximately \$149,247,000 for the six months ended March 31, 2024. Significant construction projects that remain in progress as of March 31, 2024 include the Science Laboratory building renovation, new Central Energy Plant, the demolition of Alpha Hall South and East, utilities improvements in preparation for the new College of Medicine Building, Education and Outreach building renovation, and Dining Hall renovation. Major projects completed and placed into service in fiscal year 2024 include the campus storm shelter and 3D printer lab. Major projects completed and placed into service in fiscal year 2023 include Gamma 0-4 HVAC upgrade, Greek housing renovations, outdoor pool repairs, quantum cell service, Football Fieldhouse roof repairs, and the North Drive utilities project. At March 31, 2024, the University had outstanding commitments of approximately \$30,928,000 for various capital projects. Additional information regarding the University's capital assets is included in note 5.

On March 5, 2021, the Financial Conduct Authority announced that the final publication date for US London Interbank Offered Rate (LIBOR) was June 30, 2023. Loans maturing after the end of LIBOR were reviewed to determine if appropriate language, referred to as fallback language, was used to provide for the replacement of

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

In April 2023, the University of South Alabama Health Care Authority (HCA), a component of the University, entered into an agreement with Gulf Coast Health System to acquire an acute care hospital, its ancillary-related healthcare delivery businesses, and related facilities effective October 1, 2023. This acquisition is referred to as Ascension Providence. In April 2023, the University delivered up to \$80,000,000 University Facilities Revenue Bond (Draw-Down Loan), Series 2023-A, and up to \$20,000,000 Taxable University Facilities Revenue Bond (Draw-Down Loan), Series 2023-B. The bond proceeds, along with internal contributions from the University, financed this acquisition. The draw down facility allows the University, from time to time through April 15, 2025, to request funds from the 2023-A totaling up to \$80,000,000 (2023-A Advances) and from the 2023-B totaling up to \$20,000,000 (2023-B Advances). The principal balance, which will be paid with proceeds from a long-term bond issuance, will be due on April 19, 2025. At March 31, 2024, the outstanding principal for 2023-A is \$67,020,000 and 2023-B is \$16,635,000.

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

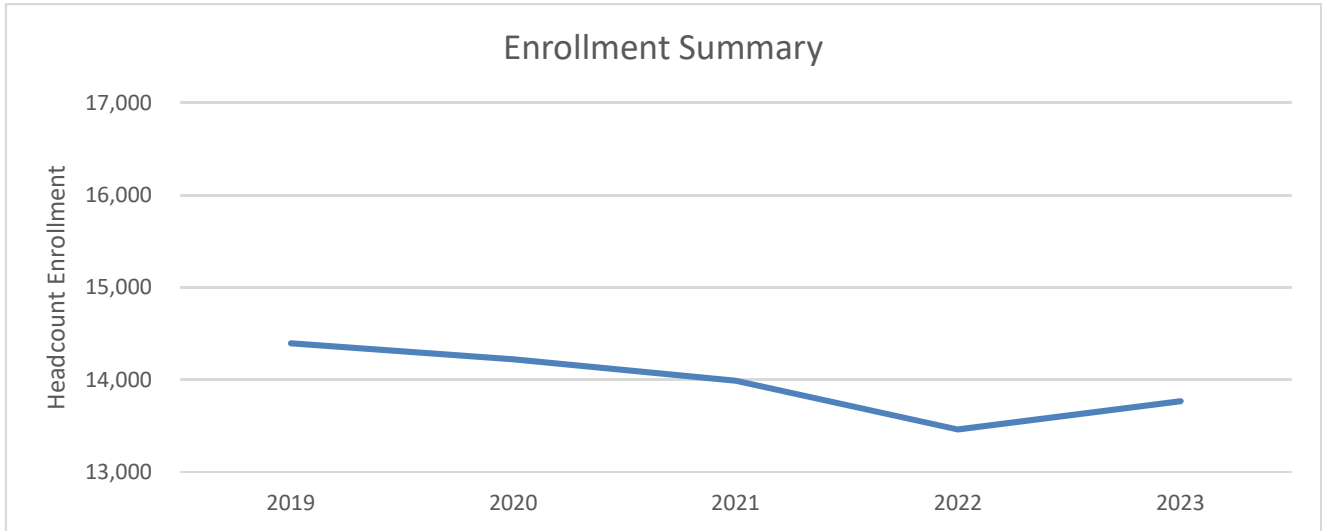
The University's credit rating is A1 (Negative) as rated by Moody's Investors Service and A+ (Stable) as rated by Standard and Poor's Global Ratings. Moody's Investors Services revised the University's outlook to negative from stable and affirmed its A1 issuer and revenue bond ratings in July 2023. Standard and Poor's Global Ratings affirmed the University's current rating in February 2023. Additional information regarding the University's debt is included in note 8.

**Economic Outlook**

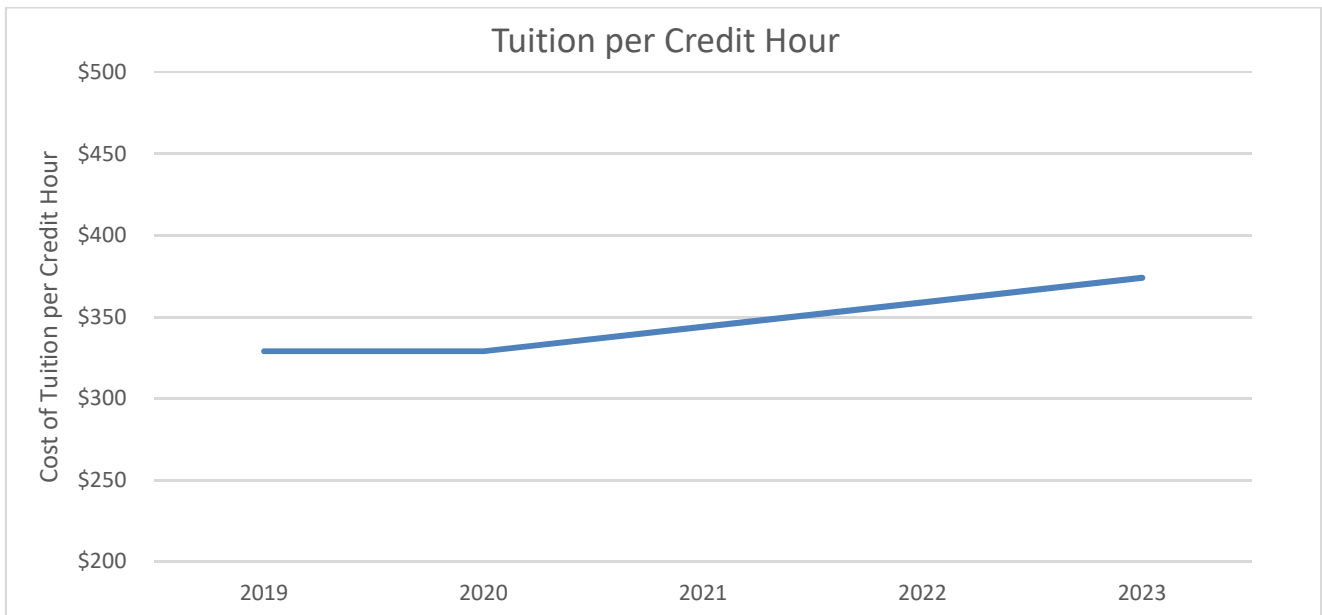
While tuition and fee rates per credit hour have increased over the past five years, there have been declines in enrollment from 2019 through 2022. After experiencing several years of declining enrollment, the University had

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



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

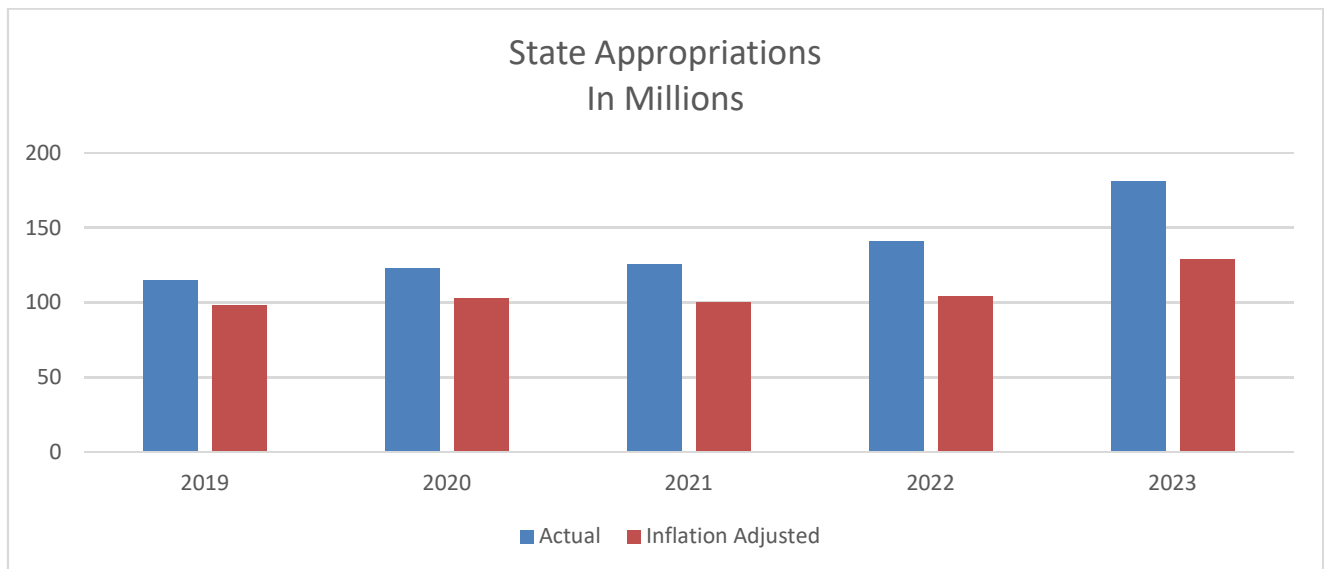




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A state appropriation in the amount of approximately \$150,375,000 and \$140,714,000 was authorized for the years ended September 31, 2024 and 2023, respectively. Additional appropriations of approximately \$40,463,000 were received in fiscal year 2023 for capital project improvements and equipment. While no announcement has been made, the University is aware that reductions in fiscal year 2024 appropriations are possible.

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



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

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

The University has taken all necessary steps to ensure that the University takes full advantage of the Coronavirus Aid, Relief, and Economic Security Act of 2020 (the CARES Act). As of March 31, 2024, the University (including USA Health) has been awarded \$107,384,000 in CARES Act and other funding from federal and state sources for COVID-19 relief. Of this amount, \$1,928,000 and \$0 was awarded in the six months ended March 31, 2024 and 2023. Of the \$107,384,000 total funds awarded, \$1,564,000 and \$5,319,000 has been recognized as nonoperating revenue in the statements of revenues, expenses, and changes in net position for the six months ended March 31, 2024 and 2023 .

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**Requests for Information**

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

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

Statement of Net Position

March 31, 2024 and 2023

(In thousands)

	<b>2024</b>	<b>2023</b>
<b>Current assets:</b>		
Cash and cash equivalents	\$ 169,243	166,564
Investments	88,098	39,819
Patient receivables (net of allowance for doubtful accounts of \$95,930 in 2024 and \$134,204 in 2023)	72,743	56,715
Accounts receivable, other	35,293	28,194
Notes receivable, net	1,415	1,421
Prepaid expenses, inventories, and other	17,323	18,417
Lease receivable, current portion	2,393	706
Total current assets	386,508	311,836
<b>Noncurrent assets:</b>		
Restricted cash and cash equivalents	12,226	28,747
Restricted investments	293,730	274,932
Investments	68,222	90,092
Other noncurrent assets and accounts receivable	41,173	28,182
Lease receivable, less current portion	79,464	1,315
Capital assets, net	1,010,838	867,610
Total noncurrent assets	1,505,653	1,290,878
Total assets	1,892,161	1,602,714
<b>Deferred outflows</b>		
	260,686	242,704
Total assets and deferred outflows	2,152,847	1,845,418
<b>Current liabilities:</b>		
Accounts payable and accrued liabilities	90,901	67,604
Unrecognized revenues	56,881	56,312
Deposits	3,424	3,485
Current portion of other long-term liabilities	4,062	4,937
Current portion lease and subscription obligations	22,503	8,628
Current portion of long-term debt	101,436	19,900
Total current liabilities	279,207	160,866
<b>Noncurrent liabilities:</b>		
Long-term debt, less current portion	397,595	420,239
Lease and subscription obligations, less current portion	35,630	20,400
Other long-term liabilities, less current portion	75,653	82,148
Net pension liability	349,710	375,894
Net other postemployment benefits liability	78,808	53,421
Total noncurrent liabilities	937,396	952,102
Total liabilities	1,216,603	1,112,968
<b>Deferred inflows</b>		
	393,778	309,810
Total liabilities and deferred inflows	1,610,381	1,422,778
<b>Net position:</b>		
Net investment in capital assets	451,338	386,303
Restricted, nonexpendable:		
Scholarships	47,654	43,186
Other	33,795	33,330
Restricted, expendable:		
Scholarships	37,333	28,567
Other	72,551	59,088
Unrestricted deficit	(100,205)	(127,834)
Total net position	\$ 542,466	422,640

See accompanying notes to basic financial statements.

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

Statement of Revenues, Expenses, and Changes in Net Position

Six months ended March 31, 2024 and 2023

(In thousands)

	<b>2024</b>	<b>2023</b>
Operating revenues:		
Tuition and fees (net of scholarship allowances of \$19,639 in 2024 and \$17,949 in 2023)	\$ 74,941	72,047
Patient service revenues (net of provision for bad debts of \$55,033 in 2024 and \$54,687 in 2023)	448,947	388,845
Federal grants and contracts	15,498	11,110
State grants and contracts	4,438	6,811
Private grants and contracts	8,255	7,193
Auxiliary enterprises (net of scholarship allowances of \$607 in 2024 and \$555 in 2023)	15,686	13,534
Other operating revenues	31,467	25,917
Total operating revenues	599,232	525,457
Operating expenses:		
Salaries and benefits	356,281	312,027
Supplies and other services	231,073	219,915
Scholarships and fellowships	8,843	7,464
Utilities	9,756	9,133
Depreciation and amortization	50,153	34,591
Total operating expenses	656,106	583,130
Operating loss	(56,874)	(57,673)
Nonoperating revenues (expenses):		
State appropriations	75,187	70,370
Net investment income	46,795	30,549
Interest expense	(10,600)	(9,167)
Other nonoperating revenues	34,083	22,700
Other nonoperating expenses	(55,047)	(19,458)
Net nonoperating revenues	90,418	94,994
Income before capital appropriations, capital contributions and grants, and additions to endowment	33,544	37,321
Other changes in net position		
Capital appropriations	7,160	4,697
Capital contributions and grants	4,506	13,679
Additions to endowment	4,017	5,755
Total other changes in net position	15,683	24,131
Increase in net position	49,227	61,452
Net position:		
Beginning of year	493,239	361,188
End of year	\$ 542,466	422,640

See accompanying notes to basic financial statements.

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

Statement of Cash Flows

Six months ended March 31, 2024 and 2023

(In thousands)

	<b>2024</b>	<b>2023</b>
Cash flows from operating activities:		
Receipts related to tuition and fees	\$ 54,363	53,731
Receipts from and on behalf of patients and third-party payers	425,889	356,020
Receipts from grants and contracts	32,802	24,749
Receipts related to auxiliary enterprises	13,496	11,837
Payments to suppliers and vendors	(244,283)	(215,124)
Payments to employees and related benefits	(378,218)	(348,835)
Payments for scholarships and fellowships	(8,843)	(7,463)
Other operating receipts (expenses)	(56,136)	40,952
Net cash used in operating activities	(160,930)	(84,133)
Cash flows from noncapital financing activities:		
State appropriations	75,207	70,390
Endowment gifts	4,017	5,755
Agency funds received	1,514	1,551
Agency funds disbursed	(655)	(1,286)
Student loan program disbursements	(58,364)	(54,258)
Student loan program receipts	58,237	54,269
Other nonoperating revenues	113,635	30,669
Other nonoperating expenses	(54,358)	(25,543)
Net cash provided by noncapital financing activities	139,233	81,547
Cash flows from capital and related financing activities:		
Capital contributions and grants	4,506	13,679
Purchases of capital assets	(116,011)	(30,620)
Proceeds from sales of capital assets	89	59
Principal payments on capital debt	(30,224)	(16,748)
Interest payments on capital debt	(15,896)	(6,125)
Net cash used in capital and related financing activities	(157,536)	(39,755)
Cash flows from investing activities:		
Interest and dividends on investments	17,450	6,638
Purchases of investments	(36,179)	(33,623)
Proceeds from sales of investments	21,461	16,036
Net cash (used in) provided by investing activities	2,732	(10,949)
Net decrease in cash and cash equivalents	(176,501)	(53,290)
Cash and cash equivalents (unrestricted and restricted):		
Beginning of year	357,970	248,601
End of year	\$ 181,469	195,311

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

Statement of Cash Flows

Six months ended March 31, 2024 and 2023

(In thousands)

	<b>2024</b>	<b>2023</b>
Reconciliation of operating loss to net cash used in operating activities:		
Operating loss	\$ (56,874)	(57,673)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation and amortization	50,153	34,591
Changes in assets and liabilities, net:		
Student receivables	1,312	(9,466)
Net patient receivables	(24,393)	(6,107)
Grants and contracts receivables	3,874	1,504
Other receivables	(105,218)	(1,301)
Prepaid expenses, inventories, and other	(893)	(1,373)
Accounts payable and accrued liabilities	(5,116)	(31,125)
Unrecognized revenues	(23,775)	(13,183)
Net cash used in operating activities	\$ (160,930)	(84,133)
Reconciliation of cash and cash equivalents to the statement of net position:		
Cash and cash equivalents classified as current assets	\$ 169,243	166,564
Restricted cash and cash equivalents classified as noncurrent assets	12,226	28,747
Total cash and cash equivalents	\$ 181,469	195,311
Noncash investing, noncapital financing, and capital and related financing transactions:		
Net increase in fair value of investments recognized as a component of investment gains	\$ 35,444	4,308
Payments on behalf of the University by the Alabama Public School and College Authority reducing purchases of capital assets	7,160	4,697
Addition of lease and subscription obligations	18,025	2,064
Increase in accounts payable related to capital assets	4,377	1,666
Loss on disposals of capital assets	(86)	(115)
Decrease in lease receivable related to interest income	158	44

See accompanying notes to basic financial statements.

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

Consolidated Statement of Financial Position

December 31, 2023 and 2022

(In thousands)

	<b>2023</b>	<b>2022</b>
<b>Assets</b>		
Cash and cash equivalents	\$ 1,492	1,933
Investments:		
Equity securities	231,711	194,699
Timber and mineral properties	176,902	173,980
Real estate	7,152	9,018
Other	5,814	5,809
Other assets	637	655
Total assets	\$ 423,708	386,094
<b>Liabilities and Net Assets</b>		
Liabilities:		
Other liabilities	\$ 585	511
Total liabilities	585	511
Net assets:		
Without donor restrictions	60,248	61,143
With donor restrictions	362,875	324,440
Total net assets	423,123	385,583
Total liabilities and net assets	\$ 423,708	386,094

See accompanying notes to basic financial statements.

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

Consolidated Statement of Activities and Changes in Net Assets

Six months ended December 31, 2023

(In thousands)

	<b>Without donor restrictions</b>	<b>With donor restrictions</b>	<b>Total</b>
Revenues, gains, losses, and other support:			
Net realized and unrealized gains on investments	\$ 2,327	14,491	16,818
Rents, royalties, and timber sales	2,261	43	2,304
Interest and dividends	774	798	1,572
Gifts	—	7	7
Other income	3	—	3
Required match of donor contributions	(4)	4	—
Interfund interest	(447)	447	—
Net assets released from program restrictions	6,494	(6,494)	—
Total revenues, gains, losses, and other support	11,408	9,296	20,704
Expenditures:			
Program services:			
Faculty support	1,698	—	1,698
Scholarships	580	—	580
Other academic programs	6,938	—	6,938
Total program service expenditures	9,216	—	9,216
Management and general	1,562	—	1,562
Other investment expense	500	—	500
Depletion and depreciation expense	2,072	—	2,072
Total expenditures	13,350	—	13,350
Change in net assets	(1,942)	9,296	7,354
Net assets – beginning of year	62,190	353,579	415,769
Net assets – end of year	\$ 60,248	362,875	423,123

See accompanying notes to basic financial statements.



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

Consolidated Statement of Activities and Changes in Net Assets

Six months ended December 31, 2022

(In thousands)

	<b>Without donor restrictions</b>	<b>With donor restrictions</b>	<b>Total</b>
Revenues, gains, losses, and other support:			
Net realized and unrealized gains on investments	\$ 954	3,284	4,238
Rents, royalties, and timber sales	2,547	67	2,614
Interest and dividends	610	913	1,523
Gifts	—	35	35
Required match of donor contributions	(4)	4	—
Interfund interest	(312)	312	—
Other income	2	—	2
Net assets released from program restrictions	6,097	(6,097)	—
Total revenues, gains, losses, and other support	9,894	(1,482)	8,412
Expenditures:			
Program services:			
Faculty support	1,460	—	1,460
Scholarships	590	—	590
Other academic programs	4,589	—	4,589
Total program service expenditures	6,639	—	6,639
Management and general	1,400	—	1,400
Other investment expense	542	—	542
Depletion and depreciation expense	2,846	—	2,846
Total expenditures	11,427	—	11,427
Change in net assets	(1,533)	(1,482)	(3,015)
Net assets – beginning of year	62,676	325,922	388,598
Net assets – end of year	\$ 61,143	324,440	385,583

See accompanying notes to basic financial statements.

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

Statement of Net Position

March 31, 2024 and 2023

(In thousands)

	<b>2024</b>	<b>2023</b>
<b>Assets:</b>		
<b>Current assets:</b>		
Cash and cash equivalents	\$ 1,744	1,958
Lease receivable, current portion (net of allowance for doubtful accounts of \$124 in 2024 and \$53 in 2023)	2,265	2,833
Prepaid expenses and other current assets	59	55
Accrued interest receivable	58	51
<b>Total current assets</b>	<b>4,126</b>	<b>4,897</b>
<b>Noncurrent assets:</b>		
Capital assets, net	17,990	18,619
Lease receivable, less current portion	12,302	8,887
<b>Total noncurrent assets</b>	<b>30,292</b>	<b>27,506</b>
Deferred outflows	534	684
<b>Total assets and deferred outflows</b>	<b>34,952</b>	<b>33,087</b>
<b>Liabilities:</b>		
<b>Current liabilities:</b>		
Deposits, other current liabilities, and accrued expenses	179	167
Unrecognized rent revenue	283	338
Notes payable, current portion	1,041	1,207
<b>Total current liabilities</b>	<b>1,503</b>	<b>1,712</b>
<b>Noncurrent liabilities:</b>		
Notes payable, less current portion	16,442	17,483
<b>Total noncurrent liabilities</b>	<b>16,442</b>	<b>17,483</b>
Deferred inflows	14,099	11,346
<b>Total liabilities and deferred inflows</b>	<b>\$ 32,044</b>	<b>30,541</b>
<b>Net position:</b>		
Net investment in capital assets	\$ 918	423
Unrestricted	1,990	2,123
<b>Total net position</b>	<b>\$ 2,908</b>	<b>2,546</b>

See accompanying notes to basic financial statements.

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

Statement of Revenues, Expenses, and Changes in Net Position

Six months ended March 31, 2024 and 2023

(In thousands)

	<b>2024</b>	<b>2023</b>
Operating revenues	\$ 1,908	2,205
Operating expenses:		
Building management and operating expenses	631	587
Depreciation and amortization	688	651
Legal and administrative fees	233	240
Insurance	43	35
Total operating expenses	1,595	1,513
Operating income	313	692
Nonoperating revenues (expenses):		
Interest expense	(415)	(442)
Interest income	44	31
Other	214	193
Net nonoperating expenses	(157)	(218)
Increase in net position	156	474
Net position:		
Beginning of year	2,752	2,072
End of year	\$ 2,908	2,546

See accompanying notes to basic financial statements.

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

Statement of Net Position

March 31, 2024 and 2023

(In thousands)

	<u>2024</u>	<u>2023</u>
Current assets:		
Cash and cash equivalents	\$ 2,362	4,931
Restricted cash and cash equivalents	558	—
Patient receivables (net of allowance for doubtful accounts of approximately \$20,647 in 2024 and \$2,384 in 2023)	67,786	2,943
Accounts receivable, other	8,319	369
Notes receivable, net	706	696
Inventories	814	84
Lease receivable, current portion	763	309
Other current assets	501	520
Total current assets	<u>81,809</u>	<u>9,852</u>
Noncurrent assets:		
Capital assets, net	120,279	43,862
Investments	453	458
Lease receivable, less current portion	3,831	2,915
Total noncurrent assets	<u>124,563</u>	<u>47,235</u>
Total assets	<u>\$ 206,372</u>	<u>57,087</u>
Current liabilities:		
Accounts payable and accrued liabilities	\$ 32,075	6,328
Accrued salaries and wages	7,992	2,046
Deferred revenue	20	—
Lease and subscription obligations, current portion	2,471	1,086
Long-term debt, current portion	176	139
Total current liabilities	<u>42,734</u>	<u>9,599</u>
Noncurrent liabilities:		
Lease and subscription obligations, less current portion	81,849	3,183
Long-term debt, less current portion	21,578	21,754
Total noncurrent liabilities	<u>103,427</u>	<u>24,937</u>
Deferred inflows	<u>4,506</u>	<u>3,180</u>
Total liabilities and deferred inflows	<u>\$ 150,667</u>	<u>37,716</u>
Net position:		
Net investment in capital assets	\$ 14,203	17,522
Restricted	558	—
Unrestricted	40,944	1,849
Total net position	<u>\$ 55,705</u>	<u>19,371</u>

See accompanying notes to basic financial statements.

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

Statement of Revenues, Expenses, and Changes in Net Position

Six months ended March 31, 2024 and 2023

(In thousands)

	<u>2024</u>	<u>2023</u>
Operating revenues:		
Patient service revenues (net of provision for bad debts of \$19,570 in 2024 and \$644 in 2023)	\$ 151,682	23,144
Other operating revenues	19,269	5,576
Total operating revenues	<u>170,951</u>	<u>28,720</u>
Operating expenses:		
Salaries and benefits	81,281	24,660
Building and equipment expenses	7,362	2,812
Medical and surgical supplies	42,585	2,305
Other expenses	46,960	11,788
Depreciation and amortization	3,704	2,228
Total operating expenses	<u>181,892</u>	<u>43,793</u>
Operating loss	<u>(10,941)</u>	<u>(15,073)</u>
Nonoperating revenues (expenses):		
Investment income	97	71
Support from University of South Alabama	54,724	19,100
Interest expense	(2,606)	(533)
Total nonoperating revenues, net	<u>52,215</u>	<u>18,638</u>
Increase in net position	41,274	3,565
Net position at beginning of period	<u>14,431</u>	<u>15,806</u>
Net position at end of period	\$ <u><u>55,705</u></u>	\$ <u><u>19,371</u></u>

See accompanying notes to basic financial statements.

**UNIVERSITY OF SOUTH ALABAMA**  
(A Component Unit of the State of Alabama)  
Notes to Basic Financial Statements (Unaudited)  
March 31, 2024 and 2023

**(1) Summary of Significant Accounting Policies**

**(a) Reporting Entity**

On May 3, 1963, the Governor of Alabama signed enabling legislation creating the University of South Alabama (the University). The accompanying basic financial statements present the financial position and activities of the University, which is a component unit of the State of Alabama.

The financial reporting entity, as defined by Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, and amended by GASB Statement No. 39, *Determining Whether Certain Organizations Are Component Units*, GASB Statement No. 61, *The Financial Reporting Entity: Omnibus*, and GASB Statement No. 80, *Blending Requirements for Certain Component Units*, consists of the primary government and all of its component units. Component units are legally separate organizations for which the primary government is financially accountable. In addition, the primary government may determine, through exercise of management's professional judgment, that the inclusion of an organization that does not meet the financial accountability criteria is necessary in order to prevent the reporting entity's financial statements from being misleading. In such instances, that organization is included as a component unit. Accordingly, the basic financial statements include the accounts of the University, as the primary government, and the accounts of the entities discussed below as component units.

GASB Statement No. 61 amended GASB Statements No. 14 and No. 39 and provides criteria for determining whether certain organizations should be reported as component units based on the nature and significance of their relationship with the primary government. Such criteria include the appointment of a voting majority of the board of the organization, the ability to impose the will of the primary government on the organization, and the financial benefits/burden between the primary government and the potential component unit. The statement also clarifies reporting and disclosure requirements for those organizations. Based on these criteria as of March 31, 2024, the University reports University of South Alabama Foundation (USA Foundation), USA Research and Technology Corporation (the Corporation), and University of South Alabama Health Care Authority (HCA) as discretely presented component units. Each of these entities issue separate audited financial statements, which can be obtained by contacting Kristen Roberts, Chief Financial Officer, University of South Alabama Administration Building, Suite 353, Mobile, Alabama 36688.

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

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

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

### **(b) Professional Liability and General Liability Trust Funds**

The medical malpractice liability of the University is maintained and managed in its separate PLTF in which the University, HCM, SAMSF, and HCA are the only participants. In accordance with the bylaws of the PLTF, the president of the University is responsible for appointing members of the PLTF policy committee. Additionally, the general liability of the University, HCM, SAMSF, the Corporation, and HCA is maintained and managed in its GLTF for which the University is responsible. The PLTF and GLTF are separate legal entities, which are governed by the University Board of Trustees through the University president. As such, PLTF and GLTF are reported as blended component units (see note 19 for further discussion of, and disclosure for, these entities).

### **(c) USA HealthCare Management, LLC**

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

### **(d) USA Health Billing Limited Liability Companies**

Over the last few years, the University formed the USA Health Physician Billing Services, LLC; USA Health Hospital Billing Services, LLC; USA Health Anesthesia Billing Services, LLC; USA Health Reference Lab Billing Services, LLC; USA Health MCI Business Services, LLC; USA Health Children's and Women's Provider Based Clinics, LLC; and USA Health Community Providers, LLC as limited liability companies, whereby the University is the sole member. These companies were created to assist with the complex patient and insurance billing of USA Health, a division of the University that includes two hospitals, a free-standing emergency department, a cancer treatment center, and various health clinics. Based on GASB requirements, the University, as the primary government, includes these limited liability companies as blended component units. All significant transactions between the University and its blended component units have been eliminated.

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**(e) *University of South Alabama Health Care Authority,***

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

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

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

During fiscal year 2022, HCA obtained equity interest in a multimember limited liability company, USA Fairhope Physician Investors, LLC (FPI). FPI was initially considered as a component unit under the provisions of GASB Statement Nos. 14 and 61. Amendment 1 to the initial agreement was executed during fiscal year 2023, removing HCA's control of the entity and ability to impose its will on the entity. The change resulted in HCA's relationship with FPI shifting from a component unit to an investment in a joint venture. HCA's capital account balance is presented on the March 31, 2024 and 2023 statement of net position as a noncurrent investment.

Since inception, HCA's operations have been partially funded by the University, with total support amounting to \$54,724,000 during the six months ended March 31, 2024 and \$19,100,000 during the six months ended March 31, 2023. This support is reported in nonoperating expenses on the University's statement of revenues, expenses, and changes in net position. Due to the significance of the relationship between the University and HCA, HCA is considered a component unit of the University. The accompanying statement of net position and statement of revenues, expenses, and changes in net position for HCA as of and for the six months ended March 31, 2024 and 2023 are discretely presented.



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**(f) *University of South Alabama Foundation***

USA Foundation is a not-for-profit corporation that was organized for the purpose of promoting education, scientific research, and charitable purposes, and to assist in developing and advancing the University in furthering, improving, and expanding its properties, services, facilities, and activities. Because of the significance of the relationship between the University and USA Foundation, USA Foundation is considered a component unit of the University. The Board of Directors of USA Foundation is not appointed or controlled by the University. The University receives distributions from USA Foundation primarily for scholarship, faculty, and other support. Total distributions received or accrued by the University for the six months ended March 31, 2024 and 2023 were \$7,343,000 and \$6,501,000, respectively, and are included primarily in other nonoperating revenues and capital contributions and grants in the University's statement of revenues, expenses, and changes in net position. Additionally, in fiscal year 2023, USA Foundation donated a 63-acre parcel of land on Dauphin Island, Alabama, which has an estimated value of approximately \$1,000,000. This land donation is included in capital assets, net on the statement of net position and the gift revenue is in nonoperating revenues on the statement of revenues, expenses, and changes in net position for the University. USA Foundation presents its financial statements in accordance with standards issued by the Financial Accounting Standards Board (FASB). USA Foundation is reported in separate financial statements because of the difference in the financial reporting framework since USA Foundation follows FASB rather than GASB. USA Foundation has a June 30 fiscal year-end, which differs from the University's September 30 fiscal year-end. In accordance with GASB Statement No. 14 and GASB Statement No. 61, the University has included USA Foundation's statements for the six months ended December 31, 2023 and 2022 in the University's financial statements as of March 31, 2024 and 2023. The accompanying consolidated statement of financial position and consolidated statement of activities and changes in net assets for USA Foundation as of and for the six months ended December 31, 2023 and 2022 are discretely presented.

**(g) *USA Research and Technology Corporation***

In June 2002, the University's Board of Trustees approved the formation of the Corporation. The Corporation is a not-for-profit corporation that exists for the purpose of furthering the educational and scientific mission of the University by developing, attracting, and retaining technology and research industries in Alabama that will provide professional and career opportunities to the University's students and faculty. Due to the significance of the relationship between the University and the Corporation, the Corporation is considered a component unit of the University. The Corporation presents its financial statements in accordance with GASB. The accompanying statement of net position and statement of revenues, expenses, and changes in net position for the Corporation as of and for the six months ended March 31, 2024 and 2023 are discretely presented.

**(h) *Measurement Focus and Basis of Accounting***

For financial reporting purposes, the University is considered a special purpose governmental agency engaged only in business-type activities, as defined by GASB Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis for State and Local Governments*, as amended by GASB Statement No. 35, *Basic Financial Statements and Management's Discussion and Analysis for Public Colleges and Universities*. Accordingly, the University's basic financial statements

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have been presented using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred.

**(i) Use of Estimates**

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

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

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

Cash and cash equivalents are defined as petty cash, demand accounts, certificates of deposit, and any short-term investments that take on the character of cash. These investments have maturities of less than three months at the time of purchase and include repurchase agreements and money market accounts. Restricted cash and cash equivalents share the same definitions and maturities of unrestricted cash and cash equivalents but are designated by external parties for specified purposes such as collateral requirements, designated gifts, or bond proceeds.

**(k) Investments and Investment Income**

The University reports the fair value of investments using the three-level hierarchy established under GASB Statement No. 72, *Fair Value Measurement and Application*. The fair value of alternative investments (low-volatility, multistrategy funds of funds) and certain private equity partnerships do not have readily ascertainable market values and the University values these investments in accordance with valuations provided by the general partners or fund managers of the underlying partnerships or companies, typically based on net asset value (NAV) of the partnership or commingled vehicle. Because some of these investments are not readily marketable, the estimated fair value is subject to uncertainty and, therefore, may differ from the fair value that would have been used had a ready market for the investment existed. Investments received by gift are recorded at fair value at the date of receipt. Changes in the fair value of investments are reported in net investment income.

**(l) Derivatives**

The University has adopted the provisions of GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*. GASB Statement No. 53 establishes a framework for accounting and financial reporting related to derivative instruments, requiring the fair value of derivatives to be recognized in the basic financial statements. At March 31, 2024, the University had one hedging derivative instrument in the form of an interest rate swap in effect. In accordance with hedge accounting, the change in fair values of the interest rate swap is reported as a change in deferred inflows and outflows and the fair value of the interest rate swap is recognized in other long-term

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

**(m) Deferred Outflows and Inflows of Resources**

Deferred outflows of resources consist of employer contributions to the Teacher's Retirement System of Alabama and the Public Education Employees Health Insurance Plan subsequent to the plan's measurement dates, changes in proportion and differences between employer contributions and proportionate share of contributions related to the OPEB plan, changes in actuarial and other assumptions related to the pension plan, changes in the fair value of the interest rate swap, and the loss on the defeasement of certain bond amounts.

Deferred inflows of resources consist of the proportionate share of the differences between expected and actual experience related to the pension plan, net difference between projected and actual earnings on pension and OPEB plan investments, changes of assumptions in the OPEB plan, changes in proportion and differences between employer contributions and proportionate share of contributions in pension and OPEB plans, changes in the fair value of the interest rate swap, gain on the refunding of certain bond amounts, and the value of contractual rights to lease revenue in future reporting periods.

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

Bond premiums, discounts, and loss on extinguishment costs associated with the issuance of certain bond series are capitalized and amortized over the life of the respective bond series on a straight-line basis.

**(o) Accounts Receivable**

Patient receivables primarily result from hospital and ambulatory patient service revenues. Accounts receivable, other includes amounts due from students, the federal government, state and local governments, or private sources in connection with reimbursement of allowable expenditures made pursuant to the University's grants and contracts. Accounts and patient receivables are recorded net of estimated uncollectible amounts.

**(p) Lease Receivable**

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

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**(q) Inventories**

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

**(r) Capital Assets**

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

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

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

Certain buildings are componentized for depreciation purposes.

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

The University evaluates impairment in accordance with GASB Statement No. 42, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries*. For the six months ended March 31, 2024 and 2023, no impairments were identified.

**(s) Unrecognized Revenues**

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

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**(t) Cost Sharing Multiple-Employer Pension Plan**

Employees of the University are covered by a cost sharing multiple-employer defined benefit pension plan (the Plan) administered by the Teachers' Retirement System of Alabama (TRS). The TRS financial statements are prepared using the economic resources measurement focus and accrual basis of accounting. Contributions are recognized as revenues when earned, pursuant to Plan requirements. Benefits and refunds are recognized as expenses when due and payable in accordance with the terms of the Plan. Expenses are recognized when the corresponding liability is incurred, regardless of when the payment is made. Investments are reported at fair value. Financial statements are prepared in accordance with requirements of the GASB. Under these requirements, the Plan is considered a component unit of the State of Alabama and is included in the State's Annual Comprehensive Financial Report.

**(u) Postemployment Benefits Other Than Pensions (OPEB)**

Employees of the University are covered by a cost sharing multiple-employer other postemployment benefit plan administered by the Alabama Retired Education Employees Health Care Trust (Trust). The Trust's financial statements are prepared using the economic resources measurement focus and accrual basis of accounting. This includes for purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Trust, and additions to/deductions from the Trust's fiduciary net position. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions are recognized when due pursuant to plan requirements. Benefits are recognized when due and payable in accordance with the terms of the Plan. In accordance with GASB, the Trust is considered a component unit of the State of Alabama and is included in the State's Annual Comprehensive Financial Report.

**(v) Classification of Net Position**

The University's net position is classified as follows:

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

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

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

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

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

**(w) *Scholarship Allowances and Student Financial Aid***

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

**(x) *Donor-Restricted Endowments***

The University is subject to the "Uniform Prudent Management of Institutional Funds Act" (UPMIFA) of the Code of Alabama. This law allows the University, unless otherwise restricted by the donor, to spend net appreciation, realized and unrealized, of the endowment assets. The law also allows the University to appropriate for expenditure or accumulate to an endowment fund such amounts as the University determines to be prudent for the purposes for which the endowment fund was established. The University's endowment spending policy provides that 4.5% of the five-year invested net asset moving average value (inclusive of net realized and unrealized gains and losses), as measured at September 30, is available annually for spending. The University's policy is to retain the endowment net interest and dividend income and net realized and unrealized appreciation with the endowment after distributions allowed by the spending policy have been made. These amounts, unless otherwise directed by the donor, are included in restricted expendable net position.

**(y) *Classification of Revenues***

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

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

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

**(z) Gifts and Pledges**

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

**(aa) Grants and Contracts**

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

**(bb) Patient Service Revenues**

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

**(cc) Compensated Absences**

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

**(dd) Recently Adopted Accounting Pronouncements**

In 2023, the University adopted the provisions of GASB Statement No. 91, *Conduit Debt Obligations*. The objective of this statement is to clarify the definition of conduit debt obligations, establish that conduit debt is not a liability of the issuer, establish standards for reporting additional commitments and voluntary commitments extended by issuer, and improve note disclosures. There was no significant impact to the financial statements as a result of adoption.

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

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

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

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

**(2) Income Taxes**

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

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

**(3) Cash and Cash Equivalents**

Pursuant to the Security for Alabama Funds Enhancement Act, funds on deposit may be placed in an institution designated as a qualified public depository (QPD) by the State of Alabama. QPD institutions pledge securities to a statewide collateral pool administered by the State Treasurer's office. Such financial institutions contribute to this collateral pool in amounts proportionate to the total amount of public fund deposits at their respective institutions. The securities are held at the Federal Reserve Bank and are designated for the State of Alabama. Additional collateral was not required for University funds on deposit with QPD institutions. At September 30, 2023 and 2022, the net public deposits subject to collateral



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requirements for all institutions participating in the pool totaled approximately \$17.6 billion and \$16.8 billion. The University had cash and cash equivalents, including restricted cash and cash equivalents, in the pool of \$181,469,000 and \$195,311,000 at March 31, 2024 and 2023, respectively.

At March 31, 2024, restricted cash and cash equivalents consist of \$1,484,000 related to cash included in the PLTF and GLTF to pay insurance liability claims, \$8,234,000 related to restricted donations related to certain capital projects, \$1,014,000 related to endowment funds, and \$1,494,000 related to collateral requirements of the interest rate swaps.

At March 31, 2023, restricted cash and cash equivalents consist of \$3,835,000 related to cash included in the PLTF and GLTF to pay insurance liability claims, \$15,791,000 of unspent proceeds from the issuance of University bonds for capital purchases as outlined in the bond indenture, \$8,153,000 related to restricted donations related to certain capital projects, \$968,000 related to endowment funds.

**(4) Investments**

**(a) *University of South Alabama***

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

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

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

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Investments and restricted investments of the University, by type, at fair value at March 31, 2024 and 2023 (in thousands) are as follows:

	2024	2023
Commingled equity funds	\$ 128,423	104,595
Commingled fixed income funds	50,365	50,246
Managed income alternative investments	39,121	38,897
Marketable debt securities	13,344	15,945
Marketable equity securities	62,820	58,424
Private credit alternative fixed income investments	7,370	4,656
Private equity alternative investments	21,039	18,602
Private real estate	500	-
Private REIT alternative real estate investments	5,197	5,719
Real estate	8,479	8,479
U.S. federal agency notes	96,700	90,681
U.S. treasury securities (low-volatility, multistrategy funds of funds)	16,692	8,599
	\$ 450,050	404,843

At March 31, 2024 and 2023, restricted investments consist of endowment funds, funds held in the PLTF and GLTF to pay insurance liability claims, and funds related to collateral requirements of the interest rate swaps.

At March 31, 2024 and 2023, \$40,916,000 and \$29,106,000, respectively, of cumulative increase in fair value of investments of donor-restricted endowments was recognized and is included in restricted expendable net position in the accompanying statement of net position.

The University invests in several private equity and private credit funds. At March 31, 2024 and 2023, the University had outstanding capital commitments to those funds of \$25,660,000 and \$20,341,000.

(i) *Credit Risk and Concentration of Credit Risk*

**Nonendowment Cash Pool Investment Policy**

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

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

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**Endowment Fund Investment Policy**

The University Investment Policies limit investment in fixed income securities to securities with a minimum “BAA” rating, at the time of purchase, by both Moody’s and Standard and Poor’s. Money Market Funds selected shall contain securities whose credit rating at the absolute minimum would be rated investment grade by Standard and Poor’s and/or Moody’s. Investment in fixed income securities within the fixed income portfolio shall be restricted to only investment grade bonds rated “BAA” or higher. Any investment in below investment grade bonds shall be considered an equity or fixed income alternative investment.

Additionally, the University Investment Policies require that not more than 5% of the Endowment Fund assets of the University be allocated to an individual investment manager and no more than 25% of the Endowment Fund assets be allocated to a “Funds of Funds” or multimanager fund.

The University’s exposure to credit risk and concentration of credit risk at March 31, 2024 and 2023 is as follows:

	<b>2024</b>	
	<b>Credit rating</b>	<b>Percentage of total investments</b>
Blackrock Credit Strategies Income Fund	Various	0.3%
Common Fund Bond Fund	Various	3.8%
Federal Farm Credit Banks Funding Corporation	AAA	3.3%
Federal Home Loan Banks	AAA	10.5%
Federal Home Loan Mortgage Corporation	AAA	6.8%
Federal National Mortgage Association	AAA	0.9%
Marketable debt securities	Various	3.0%
PIMCO Pooled Bond Fund	Various	7.1%
U.S. Treasury securities	AAA	3.7%

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	<b>2023</b>	
	<b>Credit rating</b>	<b>Percentage of total investments</b>
Blackrock Credit Strategies Income Fund	Various	0.2 %
Common Fund Bond Fund	Various	4.6
Federal Farm Credit Banks Funding Corporation	AAA	2.9
Federal Home Loan Banks	AAA	11.7
Federal Home Loan Mortgage Corporation	AAA	6.8
Federal National Mortgage Association	AAA	1.0
Marketable debt securities	Various	3.9
PIMCO Pooled Bond Fund	Various	7.6
U.S. Treasury securities	AAA	2.1

(ii) *Interest Rate Risk*

At March 31, 2024 and 2023, the maturity dates of the University's fixed income investments are as follows (in thousands):

		<b>2024</b>				
		<b>Years to maturity</b>				
	<b>Fair value</b>	<b>Less than 1</b>	<b>1-5</b>	<b>6-10</b>	<b>More than 10</b>	
U.S. Treasury securities	\$ 16,692	1,503	10,241	4,653	295	
U.S. federal agency notes	96,700	48,457	42,162	181	5,900	
Marketable debt securities	13,344	4,508	7,454	1,382	—	
Commingled fixed income funds	50,365	—	28,540	4,744	17,081	
	\$ 177,101	54,468	88,397	10,960	23,276	

		<b>2023</b>				
		<b>Years to maturity</b>				
	<b>Fair value</b>	<b>Less than 1</b>	<b>1-5</b>	<b>6-10</b>	<b>More than 10</b>	
U.S. Treasury securities	\$ 8,599	874	4,187	3,538	—	
U.S. federal agency notes	90,681	15	84,438	186	6,042	
Marketable debt securities	15,945	4,666	6,391	4,693	195	
Commingled fixed income funds	50,246	—	27,624	4,157	18,465	
	\$ 165,471	5,555	122,640	12,574	24,702	

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

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

*(iii) Custodial Credit Risk*

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

*(iv) Mortgage-Backed Securities*

The University, from time to time, invests in mortgage-backed securities such as the Federal Home Loan Mortgage Corporation (FHLMC), the Federal National Mortgage Association (FNMA), and other government sponsored enterprises of the United States government. The University invests in these securities to increase the yield and return on its investment portfolio given the available alternative investment opportunities.

*(v) Fair Value Measurement*

Fair value measurements represent the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The University measures and records its investments using fair value measurement guidelines established by GASB Statement No. 72. These guidelines prioritize the inputs of valuation techniques used to measure fair value are as follows:

- Level 1: Quoted prices for identical investments in active markets
- Level 2: Observable inputs other than quoted market prices
- Level 3: Unobservable inputs.

The level in the fair value hierarchy that determines the classification of an asset or liability depends on the lowest-level input that is significant to the fair value measurement. Observable inputs are derived from quoted market prices for assets or liabilities traded on an active market where there is sufficient activity to determine a readily determinable market price. Investments that are not traded on an active exchange and do not have a quoted market price are classified as unobservable inputs. The University's assets that have unobservable inputs consist of the investment in real estate, with fair value based on an independent third-party appraisal performed by qualified appraisers specializing in real estate investments, and of investments in private capital, with fair value determined by the investment managers and primarily utilizes management assumptions and best estimates after considering internal and external factors. Other assets included in the University's investment portfolio with unobservable inputs are the shares or units in certain partnerships or other commingled funds that do not have readily determinable fair values. For these funds, fair value is estimated using the NAV reported by the investment managers as a practical expedient to fair value. Such investments have not been categorized within the fair value

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

The following tables summarize the fair value measurements for all investment assets and liabilities carried at fair value at March 31, 2024 and 2023 (in thousands):

Description	Asset fair value measurements at March 31, 2024			
	Level 1	Level 2	Level 3	Total
U.S. treasury securities	\$ 16,692			16,692
U.S. federal agency notes		96,700		96,700
Commingled equity funds	126,048	2,375		128,423
Commingled fixed income funds	46,205	4,160		50,365
Marketable equity securities	62,820			62,820
Marketable debt securities	13,344			13,344
Private credit alternative fixed income	7,370			7,370
Private equity alternative investments			18,929	18,929
Private real estate			500	500
Private REIT alternative real estate investments	5,197			5,197
Real estate			8,479	8,479
Total investments at fair value	\$ <u>277,676</u>	<u>103,235</u>	<u>27,908</u>	408,819
Investments measured at NAV:				
Private equity funds				2,110
Managed income alternative investments (low-volatility, multistrategy funds of funds)				39,121
Total investments			\$	<u>450,050</u>

Description	Liability fair value measurements at March 31, 2024			
	Level 1	Level 2	Level 3	Total
Interest rate exchange agreements	\$ —	13,848	—	13,848

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Description	Asset fair value measurements at March 31, 2023			
	Level 1	Level 2	Level 3	Total
U.S. treasury securities	\$ 8,599	-	-	8,599
U.S. federal agency notes	-	90,681	-	90,681
Commingled equity funds	102,216	2,379	-	104,595
Commingled fixed income funds	46,616	3,630	-	50,246
Marketable equity securities	58,424	-	-	58,424
Marketable debt securities	15,945	-	-	15,945
Private credit alternative fixed income	4,656	-	-	4,656
Private equity alternative investments	-	-	16,460	16,460
Private REIT alternative real estate investments	5,719	-	-	5,719
Real estate	-	-	8,479	8,479
Total investments at fair value	\$ 242,175	96,690	24,939	363,804
Investments measured at NAV:				
Private equity funds				2,142
Managed income alternative investments (low-volatility, multistrategy funds of funds)				38,897
Total investments			\$	404,843

Description	Liability fair value measurements at March 31, 2023			
	Level 1	Level 2	Level 3	Total
Interest rate exchange agreements	\$ 117	18,758	—	18,875

A roll-forward schedule for Level 3 financial instruments for the six months ended March 31, 2024 and 2023 is as follows (in thousands):

	2024	2023
Beginning balance	\$ 25,533	\$ 16,379
Purchases	2,298	8,430
Net realized/unrealized gains	327	278
Sales	(250)	(148)
Ending balance	\$ 27,908	\$ 24,939

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**(b) Health Care Authority**

HCA holds a 2.5% equity interest in USA Fairhope Physician Investors, LLC (FPI), a multimember limited liability company that was formed to invest in the entity that developed and is now leasing an ambulatory surgical center. HCA's capital account balance in FPI is considered an investment in a joint venture, pursuant to GASB Statements Nos. 14 and 61. A distribution in the amount of approximately \$5,000 was received in January 2024 reducing HCA's capital account balance presented on the statement of net position as an investment from \$15,000 to \$10,000 for the six months ended March 31, 2024.

HCA holds a 51% equity interest in USA BC ASC Holdco, LLC (USA BC ASC Holdco), a multimember limited liability company formed to invest in USA Baldwin County ASC, LLC (USA BC ASC), a limited liability company formed to develop, own, and operate the Ambulatory Surgery Center on the Mapp Campus. For the six months ended March 31, 2024, HCA's capital account balance is \$443,000 and is presented on the statement of net position as an investment. HCA has received no distributions or allocations of gains or losses to date and there is no financial activity reported for USA BC ASC Holdco or USA BC ASC.



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**(5) Capital Assets**

**(a) University of South Alabama**

A summary of the University's capital asset activity for the six months ended March 31, 2024 is as follows (in thousands):

	<b>2024</b>				<b>Ending balance</b>
	<b>Beginning balance</b>	<b>Additions</b>	<b>Transfers</b>	<b>Reductions</b>	
Capital assets not being depreciated or amortized:					
Land and other	\$ 32,402			—	32,402
Construction in progress	93,769	31,857	(55)	—	125,571
Valuation in progress, Providence	—	89,310		—	89,310
	<u>126,171</u>	<u>121,167</u>	<u>(55)</u>	<u>—</u>	<u>247,283</u>
Capital assets being depreciated or amortized:					
Land improvements	76,842	—	—	—	76,842
Buildings, fixed equipment, and infrastructure	1,049,483	199	(180)	(182)	1,049,320
Other equipment	242,077	4,055	235	(4,390)	241,977
Library materials	97,346	5			97,351
Right-of-use assets	80,146	23,821		(7,712)	96,255
	<u>1,545,894</u>	<u>28,080</u>	<u>55</u>	<u>(12,284)</u>	<u>1,561,745</u>
Less accumulated depreciation and amortization for:					
Land improvements	(37,622)	(1,955)			(39,577)
Buildings, fixed equipment, and infrastructure	(425,862)	(19,106)	119	142	(444,707)
Other equipment	(190,405)	(14,629)	(119)	4,346	(200,807)
Library materials	(75,683)	(2,112)			(77,795)
Right-of-use assets	(27,820)	(12,349)		4,865	(35,304)
	<u>(757,392)</u>	<u>(50,151)</u>	<u>—</u>	<u>9,353</u>	<u>(798,190)</u>
Capital assets being depreciated, net	<u>788,502</u>	<u>(22,071)</u>	<u>55</u>	<u>(2,931)</u>	<u>763,555</u>
Capital assets, net	<u>\$ 914,673</u>	<u>99,096</u>	<u>—</u>	<u>(2,931)</u>	<u>1,010,838</u>

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A summary of the University's capital asset activity for the six months ended March 31, 2023 is as follows (in thousands):

	<b>2023</b>				
	<b>Adjusted beginning balance</b>	<b>Additions</b>	<b>Transfers</b>	<b>Reductions</b>	<b>Ending balance</b>
Capital assets not being depreciated or amortized:					
Land and other	\$ 32,261	98	—	—	32,359
Construction in progress	68,240	15,197	(15,374)	—	68,063
	<u>100,501</u>	<u>15,295</u>	<u>(15,374)</u>	<u>—</u>	<u>100,422</u>
Capital assets being depreciated or amortized:					
Land improvements	76,801	8,511	—	—	85,312
Buildings, fixed equipment, and infrastructure	1,013,480	580	14,742	(65)	1,028,737
Other equipment	235,963	3,984	632	(3,798)	236,781
Library materials	92,340	—	—	—	92,340
Right-of-use assets	40,234	2,029	—	(1,571)	40,692
	<u>1,458,818</u>	<u>15,104</u>	<u>15,374</u>	<u>(5,434)</u>	<u>1,483,862</u>
Less accumulated depreciation and amortization for:					
Land improvements	(34,155)	(1,892)	—	—	(36,047)
Buildings, fixed equipment, and infrastructure	(397,002)	(15,446)	—	59	(412,389)
Other equipment	(176,004)	(9,871)	—	3,689	(182,186)
Library materials	(71,812)	(2,016)	—	—	(73,828)
Right-of-use assets	(8,360)	(5,435)	—	1,571	(12,224)
	<u>(687,333)</u>	<u>(34,660)</u>	<u>—</u>	<u>5,319</u>	<u>(716,674)</u>
Capital assets being depreciated, net	<u>771,485</u>	<u>(19,556)</u>	<u>15,374</u>	<u>(115)</u>	<u>767,188</u>
Capital assets, net	<u>\$ 871,986</u>	<u>(4,261)</u>	<u>—</u>	<u>(115)</u>	<u>867,610</u>

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A summary of the University's net right-of-use assets, which are included in capital assets on the statement of net position, activity categorized by classification for the six months ended March 31, 2024 and 2023 are as follows (in thousands):

	<b>2024</b>	<b>2023</b>
Right-of-use assets:		
Automobile	\$ 15	15
Buildings	8,946	7,956
Equipment	32,971	26,801
Office space	10,658	5,920
Software	43,665	—
	96,255	40,692
Less accumulated amortization for right-of-use assets:		
Automobile	(15)	(9)
Buildings	(3,312)	(1,886)
Equipment	(13,243)	(8,656)
Office space	(3,412)	(1,673)
Software	(15,322)	—
	(35,304)	(12,224)
Right-of-use assets, net	\$ 60,951	28,468

Depreciation and amortization of capital assets for the six months ended March 31, 2024 and 2023 was \$50,151,000 and \$34,660,000, respectively, for the University. In addition, the University amortized bond costs of issuance for total depreciation and amortization of \$50,153,000 and \$34,951,000 for the six months ended March 31, 2024 and 2023.

The University purchased Ascension Providence, on behalf of HCA, from Gulf Coast Health System on October 1, 2023. For the six months ended March 31, 2024, the University had capital asset additions of \$89,310,000 related to the acquisition. The University has contracted with an independent certified public accounting firm to appraise the acquired asset. Upon completion, the assets will be transferred to the appropriate capital asset category.

At March 31, 2024 and 2023, the University had commitments of approximately \$30,928,000 and \$29,850,000 related to various construction projects.

For the six months ended March 31, 2024 and 2023, the University received \$7,160,000 and \$4,697,000 in capital grants from the Alabama Public School and College Authority (APSCA) for the site preparation and construction of the new College of Medicine facility.

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**(b) USA Research and Technology Corporation**

Changes in capital assets for the six months ended March 31, 2024 and 2023 are as follows (in thousands):

	2024				Ending balance
	Beginning balance	Additions	Transfers	Reductions	
Capital assets not being depreciated or amortized:					
Land	\$ 223	—	—	—	223
Construction in progress	114	—	(87)	(1)	26
	<u>337</u>	<u>—</u>	<u>(87)</u>	<u>(1)</u>	<u>249</u>
Capital assets being depreciated or amortized:					
Land improvements	1,985	—	—	—	1,985
Buildings	28,788	49	—	—	28,837
Tenant improvements	2,717	432	84	—	3,233
Other equipment	408	3	3	—	414
Computer software	56	—	—	—	56
Lease commissions	406	51	—	—	457
Right-of-use assets	3	—	—	—	3
	<u>34,363</u>	<u>535</u>	<u>87</u>	<u>—</u>	<u>34,985</u>
Less accumulated depreciation or amortization for:					
Land improvements	(1,783)	(47)	—	—	(1,830)
Buildings	(12,511)	(395)	—	—	(12,906)
Tenant improvements	(1,600)	(198)	—	—	(1,798)
Other equipment	(362)	(5)	—	—	(367)
Computer software	(24)	(8)	—	—	(32)
Lease commissions	(275)	(35)	—	—	(310)
Right-of-use assets	(1)	—	—	—	(1)
	<u>(16,556)</u>	<u>(688)</u>	<u>—</u>	<u>—</u>	<u>(17,244)</u>
Capital assets being depreciated or amortized, net	<u>17,807</u>	<u>(153)</u>	<u>87</u>	<u>—</u>	<u>17,741</u>
Capital assets, net	<u>\$ 18,144</u>	<u>(153)</u>	<u>—</u>	<u>(1)</u>	<u>17,990</u>

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	<b>2023</b>				<b>Ending balance</b>
	<b>Beginning balance</b>	<b>Additions</b>	<b>Transfers</b>	<b>Reductions</b>	
Capital assets not being depreciated or amortized:					
Land	\$ 223	—	—	—	223
Construction in progress	20	—	—	—	20
	<u>243</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>243</u>
Capital assets being depreciated or amortized:					
Land improvements	1,985	—	—	—	1,985
Buildings	28,642	92	—	—	28,734
Tenant improvements	2,653	98	—	—	2,751
Other equipment	390	—	—	—	390
Computer software	41	—	—	—	41
Lease commissions	362	46	—	—	408
Right-of-use assets	—	—	—	—	—
	<u>34,073</u>	<u>236</u>	<u>—</u>	<u>—</u>	<u>34,309</u>
Less accumulated depreciation or amortization for:					
Land improvements	(1,689)	(47)	—	—	(1,736)
Buildings	(11,732)	(389)	—	—	(12,121)
Tenant improvements	(1,283)	(170)	—	—	(1,453)
Other equipment	(356)	(7)	—	—	(363)
Computer software	(11)	(5)	—	—	(16)
Lease commissions	(211)	(33)	—	—	(244)
Right-of-use assets	—	—	—	—	—
	<u>(15,282)</u>	<u>(651)</u>	<u>—</u>	<u>—</u>	<u>(15,933)</u>
Capital assets being depreciated or amortized, net	<u>18,791</u>	<u>(415)</u>	<u>—</u>	<u>—</u>	<u>18,376</u>
Capital assets, net	<u>\$ 19,034</u>	<u>(415)</u>	<u>—</u>	<u>—</u>	<u>18,619</u>

Depreciation and amortization expense totaled \$688,000 and \$651,000 for the six months ended March 31, 2024 and 2023.

Construction projects that remain in progress at March 31, 2024 include improvements to heating, ventilation, and air conditioning systems in Buildings I, II, and III. At March 31, 2024, the Corporation had outstanding commitments of approximately \$14,000.

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The Corporation's net right-of-use assets ending balance categorized by classification for the six months ended March 31, 2024 and 2023 are as follows (in thousands):

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

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A summary of HCA's capital assets activity for the six months ended March 31, 2024 is as follows (in thousands):

	<b>Adjusted Beginning balance</b>	<b>Additions</b>	<b>Transfers</b>	<b>Reductions</b>	<b>Ending balance</b>
Capital assets not being depreciated:					
Construction in progress	\$ 556	99	(7)	(547)	101
Works of art	1	—	—	—	1
	<u>557</u>	<u>99</u>	<u>(7)</u>	<u>(547)</u>	<u>102</u>
Capital assets being depreciated:					
Buildings	33,054	—	—	(4)	33,050
Leasehold improvements	5,333	11	—	—	5,344
Equipment	4,266	—	7	—	4,273
Computer software	139	—	—	—	139
Right-of-use assets	13,741	75,584	—	(149)	89,176
	<u>56,533</u>	<u>75,595</u>	<u>7</u>	<u>(153)</u>	<u>131,982</u>
Less accumulated depreciation for:					
Buildings	(1,045)	(624)	—	—	(1,669)
Leasehold improvements	(582)	(273)	—	—	(855)
Equipment	(2,323)	(245)	—	—	(2,568)
Computer software	(78)	(16)	—	—	(94)
Right-of-use assets	(4,155)	(2,546)	—	82	(6,619)
	<u>(8,183)</u>	<u>(3,704)</u>	<u>—</u>	<u>82</u>	<u>(11,805)</u>
Capital assets being depreciated, net	<u>48,350</u>	<u>71,891</u>	<u>7</u>	<u>(71)</u>	<u>120,177</u>
Capital assets, net	<u>\$ 48,907</u>	<u>71,990</u>	<u>—</u>	<u>(618)</u>	<u>120,279</u>

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A summary of HCA's net right-of-use assets, which are included in capital assets on the statement of net position, categorized by classification for the six months ended March 31, 2024 follows (in thousands):

Right-of-use assets:	
Buildings	\$ 87,279
Equipment	1,874
Software	23
	89,176
Less accumulated amortization for right-of-use assets:	
Buildings	(6,284)
Equipment	(327)
Software	(8)
	(6,619)
Right-of-use assets, net	\$ 82,557

Depreciation and amortization of capital assets for the six months ended March 31, 2024 were approximately \$3,704,000.

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

HCA's outstanding commitments totaled approximately \$2,000 as of March 31, 2024 and were related to Daphne Family Practice clinic renovations.



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**(6) Noncurrent Liabilities**

**(a) University of South Alabama**

A summary of the University's noncurrent liability activity for the six months ended March 31, 2024 is as follows (in thousands):

	Adjusted beginning balance	Additions	Reductions	Ending balance	Less amounts due within one year	Noncurrent liabilities
Long-term debt:						
Bonds payable	\$ 518,201	—	(19,881)	498,320	101,281	397,039
Notes payable from direct borrowings	797	—	(86)	711	155	556
Lease and subscription obligations	51,347	18,025	(11,239)	58,133	22,503	35,630
Total long-term debt	570,345	18,025	(31,206)	557,164	123,939	433,225
Other noncurrent liabilities:						
Net pension liability	375,894	—	(26,184)	349,710	—	349,710
Net OPEB liability	53,421	25,387	—	78,808	—	78,808
Other long-term liabilities	70,397	17,748	(8,430)	79,715	4,062	75,653
Total other noncurrent liabilities	499,712	43,135	(34,614)	508,233	4,062	504,171
Total noncurrent liabilities	\$ 1,070,057	61,160	(65,820)	1,065,397	128,001	937,396

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A summary of the University's noncurrent liability activity for the six months ended March 31, 2023 is as follows (in thousands):

	Adjusted beginning balance	Additions	Reductions	Ending balance	Less amounts due within one year	Noncurrent liabilities
Long-term debt:						
Bonds payable	\$ 458,916	—	(19,026)	439,890	19,651	420,239
Notes payable from direct borrowings	618	—	(369)	249	249	—
Lease and subscription obligations	31,964	2,064	(5,000)	29,028	8,628	20,400
Total long-term debt	<u>491,498</u>	<u>2,064</u>	<u>(24,395)</u>	<u>469,167</u>	<u>28,528</u>	<u>440,639</u>
Other noncurrent liabilities:						
Net pension liability	237,578	138,316	—	375,894	—	375,894
Net OPEB liability	205,378	—	(151,957)	53,421	—	53,421
Other long-term liabilities	81,662	10,510	(5,087)	87,085	4,937	82,148
Total other noncurrent liabilities	<u>524,618</u>	<u>148,826</u>	<u>(157,044)</u>	<u>516,400</u>	<u>4,937</u>	<u>511,463</u>
Total noncurrent liabilities	<u>\$ 1,016,116</u>	<u>150,890</u>	<u>(181,439)</u>	<u>985,567</u>	<u>33,465</u>	<u>952,102</u>

Other long-term liabilities primarily consist of self-insurance liabilities, liabilities related to compensated absences, and the fair value of derivatives. Amounts due within one year are included in current portion of other long-term liabilities.

In 2018, the University converted a line of credit into a term loan for a period of five years, with monthly payments of \$63,000 and interest accruing at the fixed rate of 3.85% per annum. The amount outstanding at March 31, 2023 was \$249,000, and is reported as long-term debt (and current portion thereof) in the statement of net position. This loan was paid in full in July 2023.

In August 2023, the University entered into a three-year direct borrowing finance purchase agreement for the purchase of medical equipment. The purchase agreement for the equipment was for \$46,000, with a down payment of \$5,000 and thirty-six monthly payments of \$1,000. After thirty-six monthly payments of \$1,000, the equipment will become property of the University. The amount outstanding at March 31, 2024 is \$35,000, and is reported as long-term debt (and current portion thereof) in the statement of net position.

In September 2023, the University entered into a five-year direct borrowing finance purchase agreement for the purchase of software and equipment. The full amount of the purchase agreement is \$756,000, with monthly payments in the amount of \$14,000 through June 1, 2028. At the end of the scheduled payments, the equipment and software will become property of the University. The amount outstanding at March 31, 2024 is \$676,000, and is reported as long-term debt (and current portion thereof) in the statement of net position.

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*Lease and Subscription Obligations*

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

The University leases various automobiles, buildings, equipment, office space, and software subscriptions under leases expiring at various dates through 2038. Aggregate future minimum lease and subscription payments under noncancelable agreements as of March 31, 2024, by fiscal year, are as follows (in thousands):

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 11,831	1,269	13,100
2025	18,804	1,989	20,793
2026	10,013	1,222	11,235
2027	6,819	778	7,597
2028	5,645	458	6,103
2029 – 2033	4,998	361	5,359
2034 – 2038	23	3	26
Lease and subscription obligations \$	<u>58,133</u>	<u>6,080</u>	<u>64,213</u>

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

The University has commitments under leases and subscriptions for which the lease term has not commenced in the amount of \$13,219,000 as of March 31, 2024.

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

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**(b) USA Research and Technology Corporation**

Changes in noncurrent liabilities for the six months ended March 31, 2024 and 2023 are as follows (in thousands):

March 31, 2024						
	Beginning balance	Additions	Reductions	Ending balance	Less amounts due within one year	Noncurrent liabilities
Notes payable	\$ 17,989	—	(506)	17,483	1,041	16,442

March 31, 2023						
	Beginning balance	Additions	Reductions	Ending balance	Less amounts due within one year	Noncurrent liabilities
Notes payable	\$ 19,379	—	(689)	18,690	1,207	17,483

**(i) Notes Payable**

Notes payable from direct borrowings consisted of the following at March 31, 2024 and 2023 (in thousands):

2024	
PNC Bank promissory note, 4.38%, payable through 2028	\$ 10,476
Hancock Whitney promissory note, 3.08%, payable through 2031	7,007
	\$ 17,483
2023	
PNC Bank promissory note, 4.38%, payable through 2028	\$ 10,994
Hancock Whitney promissory note, 3.08%, payable through 2031	7,491
University of South Alabama promissory note, 3%, payable through 2023	205
	\$ 18,690

The promissory note payable to PNC Bank has a 10-year term and amortization is based on a 10-year term. The promissory note payable is secured by an interest in tenant leases for Buildings II and III and an interest in income received from rental of Buildings II and III. The Corporation

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agreed to not transfer or encumber the buildings or its leasehold interest in the real estate on which the buildings stand.

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

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

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

*(ii) Debt Service on Long-Term Obligations*

At March 31, 2024, total future debt service by year is as follows (in thousands):

	Debt service on notes payable		
	Principal	Interest	Total
2024	\$ 516	333	849
2025	1,061	637	1,698
2026	1,101	597	1,698
2027	1,144	554	1,698
2028	9,028	424	9,452
2029-2031	4,633	286	4,919
Total	\$ 17,483	2,831	20,314

*(iii) Derivative Transaction*

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

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The swap was terminated on June 20, 2018 as part of a transaction refunding the Wells Fargo loan with the proceeds of a loan from PNC Bank. The fee paid by the Corporation to Wells Fargo to terminate the swap was \$1,478,000. Pursuant to GASB Statement No. 65, the fee is reported in deferred outflows on the statement of net position and amortized to interest expense according to the percentage of annual interest paid on the loan from PNC Bank to the total interest to be paid on that loan over the 118 months that were remaining on the Wells Fargo loan when the swap was terminated. As of March 31, 2024, and 2023, the unamortized balance in deferred outflows was \$534,000 and \$684,000, respectively.

**(c) Health Care Authority**

A summary of HCA's noncurrent liability activity for the six months ended March 31, 2024 is as follows (in thousands):

	<u>Adjusted Beginning balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending balance</u>	<u>Less amounts due within one year</u>	<u>Noncurrent liabilities</u>
Long-term debt	\$ 21,834	—	(80)	21,754	176	21,578
Lease and subscription obligations	10,063	75,584	(1,327)	84,320	2,471	81,849
Total noncurrent liabilities	<u>\$ 31,897</u>	<u>75,584</u>	<u>(1,407)</u>	<u>106,074</u>	<u>2,647</u>	<u>103,427</u>

**Long-Term Debt**

HCA entered into an agreement with Family Medical Investments, LLC to construct a medical office building on the Mapp Campus. Construction began in 2021 and was completed in October 2022. The agreement commenced upon construction completion for an initial 15-year period plus two options to extend for consecutive 5-year terms. HCA began making monthly payments at a 4.79% interest rate in October 2022 to Family Medical Investments, LLC. The total balance of principal payments outstanding at March 31, 2024 is \$21,754,000. Upon conclusion of the agreement term, HCA will obtain ownership of the building.

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At March 31, 2024 future debt service for long-term debt by fiscal year is as follows (in thousands):

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 81	520	601
2025	195	1,034	1,229
2026	236	1,024	1,260
2027	280	1,011	1,291
2028	326	997	1,323
2029-2033	2,448	4,683	7,131
2034-2038	4,163	3,905	8,068
2039-2043	6,479	2,649	9,128
2044-2047	7,546	790	8,336
Total	<u>\$ 21,754</u>	<u>16,613</u>	<u>38,367</u>

*Lease and Subscription Obligations*

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

HCA has entered into agreements to lease various buildings and equipment and to utilize various software subscriptions under lease and subscription obligations expiring at various dates through 2032.

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Aggregate future minimum lease payments under noncancelable agreements as of March 31, 2024, by fiscal year, are as follows (in thousands):

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 1,248	2,053	3,301
2025	76,205	2,829	79,034
2026	1,984	242	2,226
2027	1,989	160	2,149
2028	971	97	1,068
2029–2032	1,923	100	2,023
	<u>\$ 84,320</u>	<u>5,481</u>	<u>89,801</u>

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

HCA has \$4,500,000 in known lease or subscription commitments as of March 31, 2024 related to USA Health Providence Hospital for which the term has not yet commenced.

*Other Noncurrent Liabilities*

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

**(7) Deferred Outflows and Inflows**

**(a) University of South Alabama**

Deferred outflows of resources are consumption of net assets that are applicable to a future reporting period. In 2016, the University issued its Series 2016 Bond. The proceeds from this series were used to partially defease the Series 2008 Bonds resulting in a loss of the difference between the acquisition price of the new debt and the net carrying amount of the old debt. In accordance with GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, this loss was recorded as a deferred outflow and is being amortized over the remaining life of the Series 2016 Bonds. Additionally, in accordance with GASB Statements Nos. 68 and 75, changes in assumptions, changes in the proportion of total net liabilities relative to other plan participants, differences between employer contributions and the proportionate share of contributions, and employer contribution subsequent to the measurement date of the net pension liability but prior to the end of the fiscal year are presented as a deferred outflow of resources.



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The components of deferred outflows of resources as of March 31, 2024 and 2023 are summarized below (in thousands):

	<b>2024</b>	<b>2023</b>
Loss on refunding of 2016 bonds	\$ 4,917	5,304
Pension	86,436	122,755
OPEB	169,333	114,645
	\$ 260,686	242,704

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

The components of deferred inflows of resources as of March 31, 2024 and 2023 are summarized below (in thousands):

	<b>2024</b>	<b>2023</b>
Gain on refunding of 2016 Series B, C & D bonds	\$ 2,875	3,102
Interest rate swaps	16,508	14,791
Pension	36,367	29,230
OPEB	257,480	260,679
Leases	80,548	2,008
	\$ 393,778	309,810

**(b) Health Care Authority**

HCA's deferred inflows of resources for the six months ended March 31, 2024 and 2023 were attributable to leases and totaled \$4,506,000 and \$3,180,000, respectively. In accordance with GASB Statement No. 87, the deferred inflow of resources attributable to leases is recognized on a straight-line basis over the respective lease terms. HCA had no deferred outflows of resources to record for the six months ended March 31, 2024 and 2023.

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**(8) Bonds Payable**

Bonds payable consisted of the following at March 31, 2024 and 2023 (in thousands):

	<u>2024</u>	<u>2023</u>
University Facilities Revenue Capital Improvement Bonds, Series 2013-A, 2.83% payable through August 2033	\$ 18,218	19,776
University Facilities Revenue Capital Improvement Bonds, Series 2013-B, 2.83% payable through August 2033	4,555	4,944
University Facilities Revenue Capital Improvement Bonds, Series 2013-C, 2.78% payable through August 2028	3,799	4,499
University Facilities Revenue Refunding Bonds, Series 2014-A, variable rate payable at 68% of SOFR compounded in arrears plus 0.11448%, plus 0.73%, payable through March 2024	—	8,455
University Facilities Revenue Capital Improvement Bonds, Series 2015, 2.47% payable through August 2030	2,625	3,000
University Facilities Revenue Refunding Bonds, Series 2016-A, 3.00% to 5.00% payable through November 2037	67,985	71,300
University Facilities Revenue Refunding Bonds, Series 2016-B, variable rate payable at 79% of one month compounded SOFR, plus 0.72% payable through December 2036, pursuant to the right of the holder to cause all principal to be due after December 1, 2026	20,000	20,000
University Facilities Revenue Refunding Bonds, Series 2016-C, variable rate payable at 79% of one month compounded SOFR, plus 77% payable through December 2036,		
University Facilities Revenue Refunding Bonds, Series 2016-D, variable rate payable at 79% of one month compounded SOFR, plus .83%. payable through December 2036	35,000	35,000
pursuant to the right of the holder to cause all principal to be due after December 1, 2026	45,000	45,000
University Facilities Revenue Bonds, Series 2017, 2.00% to 5.00%, payable through October 2037	29,365	30,880
University Facilities Revenue Bonds, Series 2019-A, 5.00%, payable through April 2049	47,750	47,750
University Facilities Revenue Bonds, Series 2019-B, 3.09% to 4.10%, payable through April 2033	13,255	14,615
University Facilities Revenue Bonds, Series 2019-C, 1.87%, payable through April 1, 2030	11,150	12,874
University Facilities Revenue Bonds, Series 2020, 4%, payable through April 1, 2040	32,935	34,035
University Facilities Revenue Bonds, Series 2021, 4%, payable through April 1, 2041	36,655	38,045
University Facilities Revenue Bonds, Series 2021-B 1.398%, payable through August 1, 2032	12,829	14,128
University Facilities Revenue Bonds, Series 2023-A variable rate payable at 80% adjusted term SOFR plus 0.80%, or, upon determination of taxability, 1.00% payable through April 18, 2025	67,020	—
University Facilities Revenue Bonds, Series 2023-B variable rate payable at adjusted term SOFR plus 1.00% payable through April 18, 2025	16,635	—
	<u>464,776</u>	<u>404,301</u>
Plus unamortized premium	34,788	36,942
Less unamortized debt extinguishment costs	(1,244)	(1,353)
	<u>\$ 498,320</u>	<u>439,890</u>

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Substantially all student tuition and fee and auxiliary revenues secure University bonds. Additionally, security for all bonds includes USA Health Children's and Women's Hospital revenues in an amount not exceeding \$10,000,000. The Series 2013-A, 2013-B, and 2013-C Bonds began maturing in August 2014 and are redeemable beginning in June 2023. The Series 2014-A Bonds began maturing in March 2015 and were paid in full in March 2024. The Series 2015 Bonds began maturing in August 2015 and were redeemable beginning in June 2020. The Series 2016-A Bonds began maturing in November 2018 and are redeemable beginning in November 2026. The Series 2016-B, C, and D Bonds will begin maturing in December 2024 and became redeemable as of December 2017. The Series 2017 Bonds began maturing in October 2017 and are redeemable beginning in October 2027. The Series 2019-A Bonds will begin maturing in April 2033. The Series 2019-B Bonds began maturing in April 2021. Both Series 2019-A and 2019-B are both redeemable beginning in April 2029. The Series 2019-C Bonds began maturing in April 2020 and are not subject to redemption at the option of the University. Series 2020 Bonds began maturing in April 2021 and are redeemable beginning April 2030. Series 2021 Bonds began maturing in April 2022 and are redeemable beginning April 2041. The Series 2021-B Bonds began maturing in August 2022 and are not subject to redemption. The Series 2023-A and 2023-B will mature in April 2025 and were redeemable beginning April 2023.

In September 2016, the University issued its University Facilities Revenue Refunding Bonds, Series 2016- A, with a face value of \$85,605,000. The proceeds from the Series 2016-A Bonds were used to partially defease the Series 2008 Bonds. The funds were deposited into escrow trust funds to provide for the subsequent repayment of the Series 2008 Bonds when they were called in December 2018. Neither the assets of the escrow trust account nor the defeased indebtedness is included in the accompanying statement of net position. The loss on the defeasement of the Series 2008 Bonds of \$7,859,000 was recorded as a deferred outflow and is being amortized over the remaining life of the Series 2016-A Bonds. The balance of the related deferred outflow totaled \$4,917,000 at March 31, 2024. The principal outstanding on all defeased bonds is \$67,985,000 at March 31, 2024.

In December 2016, the University issued its University Facilities Revenue Refunding Bonds, Series 2016-B, C, and, with a face value totaling \$100,000,000. The proceeds refunded the remaining outstanding Series 2006 Bonds. The gain on the refunding of the Series 2006 Bonds of \$4,539,000 was recorded as a deferred inflow and is being amortized over the remaining life of the Series 2016-B, C, and Bonds. The balance of the related net deferred inflow at March 31, 2024 totaled \$2,875,000.

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

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

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

In April 2023, the University issued University Facilities Revenue Bond (Draw-Down Loan) 2023-A, which can be drawn up to \$80,000,000, and University Facilities Revenue Bond (Draw-Down Loan) 2023-B, which can be drawn upon up to \$20,000,000. An initial draw of \$485,000 was made on 2023-A at the inception of the bond. On September 27, 2023, an additional draw was made from 2023-A and 2023-B in the amounts of \$66,535,000 and \$16,635,000, respectively. The monies from both 2023-A and 2023-B can be drawn down at any time through and including April 14, 2025. The principal outstanding at March 31, 2024 for 2023-A is \$67,020,000 and the balance for 2023-B is \$16,635,000. These amounts are reported as current portion of long-term debt in the statement of net position. At March 31, 2024, the undrawn portion of 2023-A and 2023-B was \$12,980,000 and \$3,365,000, respectively.

All bond funds are restricted for capital purposes as outlined in the bond indentures. The University is subject to arbitrage restrictions on its bonded indebtedness prescribed by the U.S. Internal Revenue Service. As such, amounts are accrued as needed in the University's basic financial statements for any expected arbitrage liabilities. At March 31, 2024 and 2023, no amounts were due or recorded in the financial statements.

A summary of the University's short-term borrowing activity for the six months ended March 31, 2024 follows (in thousands):

	<b>March 31, 2024</b>			
	<b>Beginning balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending balance</b>
Short-term debt:				
Bonds payable	\$ 83,655	—	—	83,655

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

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*Debt Service on Long-Term Obligations*

Total debt service (which includes bonds and notes payable) by fiscal year is as follows at March 31, 2024 (in thousands):

	Debt service on notes and bonds				
	Bonds		Notes payable from direct borrowing		
	Principal	Interest	Principal	Interest	Total
2024	\$ 88,088	7,481	76	16	95,661
2025	21,289	12,962	158	26	34,435
2026	22,190	12,343	166	19	34,718
2027	23,095	11,701	159	11	34,966
2028	24,115	10,994	152	4	35,265
2029–2033	122,024	43,250	—	—	165,274
2034–2038	116,415	22,302	—	—	138,717
2039–2043	28,485	8,160	—	—	36,645
2044–2048	15,890	3,130	—	—	19,020
2049–2053	3,185	159	—	—	3,344
Subtotal	464,776	\$ 132,482	711	76	598,045
Plus (less):					
Unamortized bond premium	34,788		—		
Unamortized debt extinguishment costs	(1,244)		—		
Total	\$ 498,320		711		

**(9) Lease Receivables**

**(a) University of South Alabama**

The University leases land, buildings, and suites to various lessees expiring at various dates through 2073. For the six months ended March 31, 2024, the University recognized a total of \$1,183,000 of inflows of resources from leases, of which \$1,025,000 was recognized as lease revenue as other operating revenue and interest of \$158,000 was recognized as a component of investment income in the statement of revenues, expenses, and changes in net position.

For the six months ended March 31, 2023, the University recognized a total of \$422,000 of inflows of resources from leases, of which \$378,000 was recognized as lease revenue as other operating revenue and interest of \$44,000 was recognized as a component of investment income in the statement of revenues, expenses, and changes in net position.

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

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 1,213	2,016	3,229
2025	76,081	2,762	78,843
2026	1,368	177	1,545
2027	1,004	124	1,128
2028	719	83	802
2029–2033	1,454	90	1,544
2034–2038	1	4	5
2039–2043	2	3	5
2044–2048	2	3	5
2049–2053	2	3	5
2054–2058	3	2	5
2059–2063	3	2	5
2064–2068	4	1	5
2069–2073	1	—	1
Lease receivable	<u>\$ 81,857</u>	<u>5,270</u>	<u>87,127</u>

**(b) USA Research and Technology Corporation**

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

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

Under leases for Buildings I, II, and III, the Corporation must pay all operating expenses of the buildings, including utilities, janitorial, maintenance, and insurance. Tenants will reimburse the Corporation for such expenses only as the total expenses for a year increase over the total expenses for the base year of the lease (which generally is the first calendar year of the lease term). For the six months ended March 31, 2024 and 2023, the Corporation reported no operating expense reimbursement income.

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Space under lease to the University was 80,092 and 78,123 square feet at March 31, 2024 and 2023, respectively.

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

The Corporation, as lessor, had three ground leases in place at March 31, 2024. One lease is for a 40-year initial term expiring in October 2046 with two renewal options—the first for 20 years and the second for 15 years. The second lease is for a 30-year initial term expiring in October 2036 with four 5-year renewal options. The third lease has a 38.5-year initial term expiring in September 2046 with two renewal options—the first for 20 years and the second for 15 years.

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

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

For the six months ended March 31, 2024 and 2023, the Corporation recognized a total of \$1,834,000 and \$2,032,000, of inflows of resources from financing leases, of which \$1,632,000 and \$1,839,000, was recognized as lease revenue and \$202,000 and \$193,000, was recognized as interest income in other nonoperating revenues.

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

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 1,395	216	1,611
2025	1,720	382	2,102
2026	1,658	329	1,987
2027	1,489	281	1,770
2028	1,508	235	1,743
2029–2033	2,709	763	3,472
2034–2038	1,181	548	1,729
2039–2043	1,497	343	1,840
2044–2048	1,142	104	1,246
2049–2053	137	31	168
2054–2058	131	9	140
Lease receivable	<u>\$ 14,567</u>	<u>3,241</u>	<u>17,808</u>

**(c) Health Care Authority**

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

Lease receivables represent HCA's contractual right to receive cash in exchange for the right to use an asset for a specific amount of time. HCA subleases buildings, suites, and land under leases expiring at various dates through 2073. For the six months ended March 31, 2024, HCA recognized a total of \$462,000 of inflows of resources from leases, of which \$367,000 was recognized as lease revenue and \$95,000 was recognized as interest income. Lease revenue is included within other operating revenues and interest income is included within investment income on the statement of revenues, expenses, and changes in net position.



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

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 388	103	491
2025	754	176	930
2026	811	140	951
2027	865	102	967
2028	788	63	851
2029-2033	482	143	625
2034-2038	27	112	139
2039-2043	34	105	139
2044-2048	42	97	139
2049-2053	53	87	140
2054-2058	66	74	140
2059-2063	82	57	139
2064-2068	102	37	139
2069-2073	100	12	112
	<u>\$ 4,594</u>	<u>1,308</u>	<u>5,902</u>

**(10) Derivative Transactions – Interest Rate Swaps**

The University was a party to two derivatives with Wells Fargo Bank, the counterparty, until March of 2024, when one of the two derivatives, the 2014 swap, was terminated. The income associated with the derivatives is a component of investment income and the corresponding expense is a component of interest expense. The terms of the derivatives require the University to post collateral when certain criteria are met. Such amounts as of March 31, 2024 and 2023 totaled \$16,163,000 and \$21,240,000, which is included in restricted cash and investments on the statement of net position.

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

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

*Fair value:* The 2014 swap terminated in March 2024. At its inception, it had a negative fair value of approximately \$9,138,000. This amount, net of any amortization and adjustments to fair market value, was reported as a borrowing arising from the 2014 swap as other long-term liabilities in the amount of \$117,000 in the statement of net position at March 31, 2023. The change in the fair value of the swap of \$177,000, during the six months ended March 31, 2023, was reported as a change in both deferred inflow and contra liability (other long-term liabilities) in the statement of net position since the interest rate swap was a hedging derivative instrument. Net deferred inflows of resources for the 2014 interest rate swap totaled \$797,000 at March 31, 2023.

The 2016 swap had a negative fair value of approximately \$48,530,000 at its inception. This amount, net of any amortization and adjustments to fair value, is reported as a borrowing arising from the 2016 swap as other long-term liabilities in the amount of \$13,848,000 and \$18,758,000, in the statement of net position at March 31, 2024 and 2023. The change in the fair value of the swap of \$1,282,000 and \$982,000 during the six months ended March 31, 2024 and 2023, is reported as a change in both deferred inflow and contra liability (other long-term liabilities) in the statement of net position at March 31, 2024 and 2023, since the interest rate swap is a hedging derivative instrument. Net deferred inflows of resources for the 2016 swap totaled \$16,508,000 and \$13,994,000 at March 31, 2024 and 2023.

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

*Risks Associated with these Transactions*

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

*Credit risk:* As of March 31, 2024 and 2023, the University was not exposed to credit risk on the interest rate swaps because the swaps had a negative fair value. However, if interest rates change and the fair

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value of the derivatives become positive, the University would have a gross exposure to credit risk in the amount of the derivative's fair value. The counterparty was rated Aa2 by Moody's Investor Services and A+ by Standard & Poor's Ratings Services as of March 31, 2024.

*Termination risk:* The University may be required to terminate the 2016 swap based on certain standard default and termination events, such as failure to make payments, breach of agreements, and bankruptcy. As of the current date, no events of termination have occurred.

*Derivative payments and hedged debt:* As interest rates fluctuate, variable rate debt interest and net derivative payments will fluctuate. The 2016 swap hedges the 2016-BCD variable rate bonds making them synthetically fixed. Using interest rates as of March 31, 2024, we forecast the following debt service requirements.

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

	Variable rate note		Interest rate swap, net	Total
	Principal	Interest		
2024	\$ —	1,378	1,393	2,771
2025	5,600	2,440	2,937	10,977
2026	5,885	2,210	2,849	10,944
2027–2031	34,285	8,551	11,363	54,199
2032–2036	44,025	3,863	5,246	53,134
2037–2040	10,205	64	205	10,474
Total	\$ 100,000	18,506	23,993	142,499

**(11) Patient Service Revenues**

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

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

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

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

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

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

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

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

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

USA Health qualifies as a Medicaid essential provider and, therefore, also receives supplemental payments based on formulas established by the Alabama Medicaid Agency. There can be no certainty that USA Health will continue to qualify for future participation in this program or that the program will not ultimately be discontinued or materially modified. For the year ended September 30, 2023, the University received supplemental payments from this program in the amount of \$87,279,000.

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

**Other** – USA Health has entered into payment agreements with certain commercial insurance carriers, health maintenance organizations, and preferred provider organizations. The basis for payments to USA Health under these agreements includes discounts from established charges and prospectively determined daily and case rates.

The composition of patient service revenues for the six months ended March 31, 2024 and 2023 follows (in thousands):

	<b>2024</b>	<b>2023</b>
Gross patient service revenues	\$ 1,117,525	1,028,345
Less:		
Provision for contractual and other adjustments	(613,545)	(584,813)
Provision for bad debts	(55,033)	(54,687)
	<u>\$ 448,947</u>	<u>388,845</u>

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**(12) Defined-Benefit Cost-Sharing Pension Plan**

Employees of the University are covered by a cost-sharing, multiple-employer defined-benefit pension plan administered by the TRS.

**(a) Plan Description**

The TRS was established in September 1939, under the provisions of Act 419 of the Legislature of 1939 for the purpose of providing retirement allowances and other specified benefits for qualified persons employed by State-supported educational institutions. The responsibility for the general administration and operation of the TRS is vested in its Board of Control. The TRS Board of Control consists of 15 trustees. The Plan is administered by the Retirement Systems of Alabama (RSA). Title 16-Chapter 25 of the Code of Alabama grants the authority to establish and amend the benefit terms to the TRS Board of Control. The Plan issues a publicly available financial report that can be obtained at [www.rsa-al.gov](http://www.rsa-al.gov).

**(b) Benefits Provided**

State law establishes retirement benefits as well as death and disability benefits and any ad hoc increase in postretirement benefits for the TRS. Benefits for TRS members vest after ten years of creditable service. Tier 1 TRS members who retire after age 60 with 10 years or more of creditable service or with twenty-five years of services (regardless of age) are entitled to an annual retirement benefit, payable monthly for life. Service and disability retirement benefits are based on a guaranteed minimum or formula method, with the member receiving payment under the method that yields the higher monthly benefit. Under the formula method, members of the TRS are allowed 2.0125% of their average final compensation (highest three of the last ten years) for each year of service.

Act 377 of the Legislature of 2012 established a new tier of benefits (Tier 2) for members hired on or after January 1, 2013. Tier 2 TRS members are eligible for retirement after 30 years of creditable service and are entitled to an annual retirement benefit, with a 2% reduction for each year under 62, payable monthly for life. Service and disability retirement benefits are based on a guaranteed minimum or formula method, with the member receiving payment under the method that yields the highest monthly benefit. Under the formula method, Tier 2 members of the TRS are allowed 1.65% of their average final compensation (highest five of the last ten years) for each year of service. Members are eligible for disability retirement if they have ten years of credible service, are currently in service, and determined by the RSA Medical Board to be permanently incapacitated from further performance of duty. Preretirement death benefits are calculated and paid to the beneficiary based on the member's age, service credit, employment status, and eligibility for retirement.

**(c) Contributions**

Covered members of the TRS contributed 5% of earnable compensation to the TRS as required by statute until September 30, 2011. From October 1, 2011 to September 30, 2012, covered members of the TRS were required by statute to contribute 7.25% of earnable compensation. Effective October 1, 2012, covered Tier 1 members of the TRS are required by statute to contribute 7.50% of earnable compensation.

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

Participating employers' contractually required contribution rates are 12.59% of annual pay for Tier 1 members and 11.57% of annual pay for Tier 2 members. These required contribution rates are a percentage of annual payroll, actuarially determined as an amount that, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, with an additional amount to finance any unfunded accrued liability. Total employer contributions to the pension plan from the University for fiscal year 2024 will be updated when available.

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

At March 31, 2024 and 2023, the University reported a liability of \$349,710,000 and \$375,894,000 for its proportionate share of the collective net pension liability. At March 31, 2024, the collective net pension liability was measured as of September 30, 2023 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of September 30, 2022. The University's proportion of the collective net pension liability is based on the employer's shares of contributions to the pension plan relative to the total employer contributions of all participating TRS employers. At the measurement date of September 30, 2023, the University's proportion of contributions to the pension plan was 2.191463%, which was a decrease of 0.227295% from its proportion measured as of September 30, 2022 of 2.418758%.

For the six months ended March 31, 2024 and 2023, the University recognized pension expense of approximately \$38,714,000 and \$33,657,000, respectively, which is included in salaries and benefits on the statement of revenues, expenses, and changes in net position.

At March, 31, 2024 and 2023, the University reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources (in thousands):

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

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

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

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

**(e) Actuarial Assumptions**

The total pension liability as of March 31, 2024 and 2023 was determined by an actuarial valuation as of September 30, 2022 and 2021, using the following actuarial assumptions, applied to all periods included in the measurement:

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

\* Net of pension plan investment expense, including inflation

\*\* Includes inflation

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

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

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

\* Includes assumed rate of inflation of 2.00%

**(f) Discount Rate**

The discount rate used to measure the total pension liability as of March 31, 2024 and 2023 was 7.45%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that the employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.



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

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

	<b>March 31, 2024</b>		
	<b>1% Decrease (6.45)%</b>	<b>Current rate (7.45)%</b>	<b>1% Increase (8.45)%</b>
University's proportionate share of collective net pension liability	\$ 456,856	349,710	259,593

	<b>March 31, 2023</b>		
	<b>1% Decrease (6.45)%</b>	<b>Current rate (7.45)%</b>	<b>1% Increase (8.45)%</b>
University's proportionate share of collective net pension liability	\$ 486,391	375,894	282,821

**(h) Pension Plan Fiduciary Net Position**

Detailed information about the pension plan's fiduciary net position is available in the separately issued RSA Annual Comprehensive Financial Report for the fiscal year ended September 30, 2023 as well as prior-year reports. The supporting actuarial information is included in the GASB Statement No. 68 Report for the TRS prepared as of September 30, 2023. The auditors' report dated January 16, 2024 on the total pension liability, total deferred outflows of resources, total deferred inflows of resources, and total pension expense for the sum of all participating entities as of September 30, 2023 along with supporting schedules is also available. The additional financial and actuarial information is available at [www.rsa-al.gov](http://www.rsa-al.gov).

**(13) Other Employee Benefits**

**(a) Other Pension Plans**

Certain employees of the University also participate in a defined-contribution pension plan. The defined-contribution pension plan covers certain academic and administrative employees, and participation by eligible employees is optional. The plan is administered by the University and the plan assets are held in annuity contracts and custodial accounts. The annuity contracts are with, and the custodial account assets are invested through investment options offered by, Teachers Insurance and Annuity Association – College Retirement Equities Fund (TIAA-CREF). Under this plan, contributions by eligible employees are matched equally by the University up to a maximum of 3% of current annual

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pay. The University contributed \$162,000 and \$178,000 representing 135 and 156 employees for the six months ended March 31, 2024 and 2023.

All employees of HCM working at least half-time are eligible to participate in a defined-contribution pension plan. The plan is administered by HCM and the plan assets are held in annuity contracts and custodial accounts. The annuity contracts are with, and the custodial account assets are invested through investment options offered by TIAA-CREF. Under this plan, contributions by eligible employees are matched equally by HCM up to a maximum of 5% of current annual pay. HCM contributed \$7,311,000 and \$4,507,000 representing 3,902 and 2,442 employees participating in this plan for the six months ended March 31, 2024 and 2023. University employees as of September 30, 2010, who later transfer to HCM, are immediately vested in the plan. All other employees do not vest until they have held employment with HCM for 36 months; at which time, they become 100% vested in the plan.

Effective April 1, 2022, HCM adopted a deferred compensation retirement plan. All nonstudent employees are eligible to defer receipt of a portion of their salary until a later date. The plan is administered by HCM and the plan assets are held in annuity contracts and custodial accounts. The annuity contracts are with, and the custodial account assets are invested through investment options offered by, TIAA-CREF. Under this plan, contributions by eligible employees are not matched by HCM. During the six months ended March 31, 2024, 121 employees participated in this plan. All eligible employees are fully vested in their accounts under this plan immediately upon contributing.

**(b) *Compensated Absences***

Regular University employees accumulate vacation and sick leave and hospital and clinical employees accumulate paid time off. These are subject to maximum limitations, at varying rates depending upon their employee classification and length of service. Upon separation of employment, employees who were hired before January 1, 2012 are paid all unused accrued vacation at their regular rate of pay up to a maximum of two times their annual accumulation rate. Employees hired after January 1, 2012 are not eligible for payment of unused accrued vacation or PTO hours upon separation of employment. Employees acquired through the Providence purchase were able to transfer their current PTO balances to the University. This transferred PTO is eligible for payout. The accompanying statement of net position includes accruals for vacation pay and paid time off of approximately \$11,265,000 and \$11,807,000 at March 31, 2024 and 2023, respectively. The accrual is included in other long-term liabilities (and current portion thereof) in the accompanying financial statements. No accrual is recognized for sick leave benefits since no terminal cash benefit is available to employees for accumulated sick leave.

**(14) Other Postemployment Benefit Plans**

Retirees of the University are covered by the Public Education Employees Health Insurance Plan (PEEHIP), which is a cost-sharing, multiple-employer defined-benefit OPEB plan administered by the TRS.

**(a) *Plan Description***

The Alabama Retiree Health Care Funding Act of 2007 authorized and directed the Public Education Employees Health Insurance Board (Board) to create an irrevocable trust to fund postemployment healthcare benefits to retirees participating in PEEHIP. Active and retiree health insurance benefits are

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paid through the PEEHIP. The PEEHIP was established in 1983 pursuant to the provisions of the Code of Alabama 1975, Title 16, Chapter 25A to provide a uniform plan of health insurance for active and retired employees of state and local educational institutions and to fund benefits related to the plan. The responsibility for the general administration and operation of the PEEHIP is vested in its Board, which consists of 15 trustees. Title 16-Chapter 25 of the Code of Alabama grants the authority to establish and amend the benefit terms to the PEEHIP Board. GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, requires the reporting of the participating employers' share of net OPEB liability and the OPEB expense in the financial statements as well as enhanced financial statements note disclosures.

**(b) Benefits Provided**

PEEHIP offers a basic hospital medical plan to active members and non-Medicare eligible retirees. Active employees and non-Medicare eligible retirees who do not have Medicare eligible dependents can enroll in a health maintenance organization (HMO). In addition to or in lieu of the basic hospital medical plan or HMO, the PEEHIP offers four optional plans: Hospital Indemnity, Cancer, Dental, and Vision. Also, PEEHIP members (only active and non-Medicare eligible) may elect the Supplemental Plan as their hospital medical coverage instead of the PEEHIP Hospital Medical Plan. This Supplemental Plan provides secondary benefits to the member's primary plan provided by another employer.

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

**(c) Contributions**

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

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

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

At March 31, 2024 and 2023, the University reported a liability of \$78,808,000 and \$82,148,000, for its proportionate share of the net OPEB liability. At March 31, 2024, the net OPEB liability was measured as of September 30, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of September 30, 2022. The University's proportion of the net OPEB liability was based on a projection of the University's long-term share of contributions to the

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OPEB plan relative to the projected contributions of all participating employers, actuarially determined. At the measurement date of September 30, 2023, the University's proportion of contributions to the OPEB plan was 4.099978%, which was an increase of 1.034118% from its proportion measured as of September 30, 2022 of 3.065860%.

For the six months ended March 31, 2024 and 2023, the University recognized OPEB contra-expense of approximately \$(25,596,000) and \$(25,190,000), which is included in salaries and benefits on the statement of revenues, expenses, and changes in net position.

At March 31, 2024 and 2023, the University reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources (in thousands):

	<b>2024</b>	
	<b>Deferred outflows of resources</b>	<b>Deferred inflows of resources</b>
Differences between expected and actual experience	\$ 1,541	124,356
Changes of assumptions	66,393	77,962
Net difference between projected and actual earnings on OPEB plan investments	2,692	—
Changes in proportion and differences between employer contributions and proportionate share of contributions	92,326	55,162
Employer contributions subsequent to the measurement date	*	—
	<u>\$ *</u>	<u>257,480</u>
	<b>2023</b>	
	<b>Deferred outflows of resources</b>	<b>Deferred inflows of resources</b>
Differences between expected and actual experience	\$ 2,450	108,013
Changes of assumptions	43,332	77,758
Net difference between projected and actual earnings on OPEB plan investments	6,718	—
Changes in proportion and differences between employer contributions and proportionate share of contributions	56,285	74,908
Employer contributions subsequent to the measurement date	*	—
	<u>\$ *</u>	<u>260,679</u>

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

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

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

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**(e) Actuarial Assumptions**

The total OPEB liability as of March 31, 2024 and 2023 was determined by an actuarial valuation performed as of September 30, 2022, using the following actuarial assumptions, applied to all periods included in the measurement:

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

\* Includes 2.75% wage inflation

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

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

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

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

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

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

\* Geometric mean, includes 2.50% inflation

**(f) Discount Rate**

The discount rate used to measure the total OPEB liability at March 31, 2024 and 2023 was 7.00%. The projection of cash flows used to determine the discount rate assumed that plan contributions will be made at the current contribution rates. Each year, the State specifies the monthly employer rate that participating employers must contribute for each active employee, which is currently \$800 per non-university active member. 11.051% of the employer contributions were used to assist in funding retiree benefit payments in fiscal year 2023, and 15.257% of the employer contributions were used to assist in funding retiree benefit payments in 2022. It is assumed that the 11.051% will increase or decrease at the same rate as expected benefit payments for the closed group until reaching an employer rate of 20.000%, at which point, based on budget projections, the monthly employer rate will increase to \$940 starting in 2027 and with inflation at 2.5% starting in 2028. The long-term expected rate of return on OPEB plan investments will be determined based on the allocation by the asset class and by the mean and variance of real returns. The discount rate determination will use a municipal bond rate to the extent the trust is projected to run out of money before all benefits are paid. Therefore, the projected future benefit payments for all current plan members were projected through 2121.

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

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

	<b>March 31, 2024</b>		
	<b>1% Decrease (3.50)%</b>	<b>Current rate (4.50)%</b>	<b>1% Increase (5.50)%</b>
University's proportionate share of collective net OPEB liability	\$ 59,735	78,808	101,965

	<b>March 31, 2023</b>		
	<b>1% Decrease (3.50)%</b>	<b>Current rate (4.50)%</b>	<b>1% Increase (5.50)%</b>
University's proportionate share of collective net OPEB liability	\$ 40,509	53,421	69,256

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

	<b>March 31, 2024</b>		
	<b>1% Decrease (6.00)%</b>	<b>Current rate (7.00)%</b>	<b>1% Increase (8.00)%</b>
University's proportionate share of collective net OPEB liability	\$ 97,288	78,808	63,079

	<b>March 31, 2023</b>		
	<b>1% Decrease (6.00)%</b>	<b>Current rate (7.00)%</b>	<b>1% Increase (8.00)%</b>
University's proportionate share of collective net OPEB liability	\$ 66,047	53,421	42,822



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**(h) OPEB Plan Fiduciary Net Position**

Detailed information about the OPEB plan's fiduciary net position is available in the Alabama Retired Education Employees' Health Care Trust's financial statements for the fiscal year ended September 30, 2023 and 2022. The supporting actuarial information is included in the GASB Statement No. 75 Report for PEEHIP prepared as of September 30, 2023 and 2022. Additional financial and actuarial information is available at [www.rsa-al.gov](http://www.rsa-al.gov).

**(15) Risk Management**

The University, HCM, SAMSF, and HCA participate in the PLTF; and the University, HCM, SAMSF, the Corporation, and HCA participate in the GLTF. An independent trustee administers both funds. These trust funds are revocable and use contributions by the University and HCA, together with earnings thereon, to pay liabilities arising from the performance of its employees, trustees, and other individuals acting on behalf of the University. Any risk related to the payment of claims is the responsibility of the PLTF and GLTF. If the trust funds are ever terminated, appropriate provision for payment of related claims will be made and any remaining balance may be distributed to the participating entities in proportion to contributions made.

As discussed in note 1, the PLTF and GLTF are blended component units of the University and, as such, are included in the financial statements of the University for the six months ended March 31, 2024 and 2023. Claims and expenses are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Those losses include an estimate of claims that have been incurred but not reported and the future costs of handling claims. These liabilities are generally based on actuarial valuations and are reported at their present value.

The University, HCM, and HCA each participate in a separate self-insured health plan administered by unaffiliated entities. Administrative fees paid by the University for such services were approximately \$1,018,000 for the six months ended March 31, 2024. Contributions by the University and its employees, together with earnings thereon, are used to pay liabilities arising from healthcare claims. It is the opinion of University administration that plan assets are sufficient to meet future plan obligations.

The changes in the total self-insurance liabilities for the six months ended March 31, 2024 and 2023 for the PLTF, GLTF, and health plan are summarized as follows (in thousands):

	<u>2023</u>	<u>2022</u>
Balance, beginning of year	\$ 46,186	50,015
Liabilities incurred and other additions	62,532	23,145
Claims, administrative fees paid, and other reductions	<u>(46,613)</u>	<u>(19,303)</u>
Balance, end of year	<u>\$ 62,105</u>	<u>53,857</u>

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

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**(16) Other Related Parties and Related-Party Transactions**

During the six months ended March 31, 2024 and 2023, the University had certain related-party transactions with affiliates as described below.

South Alabama Medical Science Foundation (SAMSF) is a not-for-profit corporation that exists for the purpose of promoting education and research at the University. SAMSF had total assets of \$12,161,000 and \$11,312,000, net assets of \$12,139,000 and \$11,312,000, and total revenues of \$522,000 and \$839,000, for the six months ended March 31, 2024 and 2023, respectively. During the six months ended March 31, 2024 and 2023, SAMSF made contributions in the amount of \$51,000 and \$269,000, respectively, to support clinical trials and research at the University. Contributions from SAMSF are presented as private grants and contract revenues on the statement of revenues, expenses, and changes in net position for the University.

Jaguar Athletic Fund (JAF) is a not-for-profit corporation that was organized for the purpose of providing support for the athletic programs and student-athletes at the University. For the six months ended March 31, 2024 and 2023, JAF had total assets of \$1,812,000 and \$2,160,000, net assets of \$1,811,000 and 2,160,000, and total revenues of \$958,000 and \$1,264,000. JAF did not make any contributions to the University for the six months ended March 31, 2024 or 2023.

Gulf Coast TotalCare (Gulf Coast) is an Alabama not-for-profit corporation created for the purpose of operating a community-led network to coordinate the healthcare of Medicaid patients in Southwest Alabama. For the six months ended March 31, 2024 and 2023, Gulf Coast had total assets of \$1,538,000 and \$1,497,000, net assets of \$498,000 and \$448,000, and total revenues of \$4,214,000 and \$4,351,000, respectively. For the six months ended March 31, 2024 and 2023, HCM (a blended component unit of the University) charged six months ended March 31, 2024 and 2023 Gulf Coast a management fee of \$461,000 and \$522,000, respectively, to cover management and administrative expenses for Gulf Coast operations. For the six months ended March 31, 2023, HCM transferred \$350,000 to Gulf Coast due to increased expenses related to COVID-19. The management fee and transfer are presented as other operating revenue and supplies and services, respectively, on the statement of revenues, expenses, and changes in net position for the University.

The University of South Alabama Foundation for Research and Commercialization (FRAC) is an Alabama not-for-profit corporation created for the purpose of promoting and advancing the University's educational, research, and service missions. For the six months ended March 31, 2024 and 2023, FRAC had total assets of \$51,000 and \$55,000, net assets of \$51,000 and \$55,000, and total revenues of \$9,000 and \$5,000, respectively. FRAC has royalty sharing agreements in place with the University and inventors in which each party receives a designated percentage of licensing income generated from intellectual property. For the six months ended March 31, 2024, FRAC distributed \$3,000 to the University.

USA Presidential 1963 Fund is an Alabama not-for-profit corporation created for promoting charitable, scientific, literary, or educational initiatives that benefit and support of the University. This not-for-profit corporation had no financial activity for the six months ended March 31, 2024 or 2023.

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**(17) Commitments and Contingencies**

**(a) Grants and Contracts**

At March 31, 2024, the University had been awarded approximately \$146,920,000 in grants and contracts for which resources had not been received and for which reimbursable expenditures had not been made for the purposes specified. These awards, which represent commitments of sponsors to provide funds for research or training projects, have not been reflected in the accompanying basic financial statements, as the eligibility requirements of the awards have not been met. Advances, if any, are included in unrecognized revenues and include amounts received from grant and contract sponsors that have not been expended under the terms of the agreements and, therefore, have not yet been included in revenues in the accompanying basic financial statements. Federal awards are subject to audit by federal agencies. The University's management believes any potential adjustment from such audits will not be material.

**(b) Litigation**

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

**(c) Rent Supplement Agreements**

The University has entered into two irrevocable rent supplement agreements with the Corporation and a financial institution. The agreements require that, in the event the Corporation fails to maintain a debt service coverage ratio of one to one with respect to all of its outstanding indebtedness, the University will pay to the Corporation any and all rent amounts necessary to cause the Corporation's net operating income to be equal to the Corporation's annual debt service obligations (see note 6). As of September 30, 2023, no amounts were payable pursuant to these agreements.

**(d) USA Research and Technology Corporation Leases**

The University has commitments under lease receivables with the Corporation. Space under lease to the University was 80,092 and 78,123 square feet at March 31, 2024 and 2023, respectively. See note 9 for additional details.

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**(18) Functional Expense Information**

Operating expenses by functional classification for the six months ended March 31, 2024 are as follows (in thousands).

	<b>2024</b>
Instruction	\$ 60,686
Research	17,965
Public service	6,628
Academic support	17,174
Student services	23,444
Institutional support	4,182
Operation and maintenance of plant	3,514
Scholarships	8,519
USA Health	453,677
Auxiliary enterprises	10,164
Depreciation and amortization	50,153
	\$ 656,106

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**(19) Blended Component Units**

As more fully described in note 1, HCM, PLTF, and GLTF are reported as blended component units. Required combining financial information of the aggregate blended component units as of and for the six months ended March 31, 2024 and 2023 as follows (in thousands):

	<u>2024</u>	<u>2023</u>
Current assets	\$ 15,594	14,196
Noncurrent assets	<u>63,552</u>	<u>59,183</u>
Total assets	<u>79,146</u>	<u>73,379</u>
Current liabilities	23,419	16,596
Noncurrent liabilities	<u>50,063</u>	<u>52,031</u>
Total liabilities	<u>73,482</u>	<u>68,627</u>
Net position	<u>\$ 5,664</u>	<u>4,752</u>
Operating revenues	\$ 238,968	194,204
Operating expenses	<u>(246,087)</u>	<u>(199,356)</u>
Operating loss	(7,119)	(5,152)
Nonoperating revenues	<u>7,667</u>	<u>5,377</u>
Change in net position	<u>\$ 548</u>	<u>225</u>

**(20) Recently Issued Accounting Pronouncements**

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

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

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

**(21) COVID-19 Pandemic**

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

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Notes to Basic Financial Statements (Unaudited)  
March 31, 2024 and 2023

The CARES Act was signed into law on March 27, 2020 and was designed to provide economic relief to Higher Education Institutions and other entities for a number of situations including the provision of direct financial support for students in need, reimbursement for the costs incurred as a result of moving instruction online, to provide relief funds for healthcare providers for purposes of covering costs incurred and lost revenues due to the pandemic. Through March 31, 2024 the University (including USA Health) has been awarded \$107,384,000 in CARES Act, and other funding from federal and state sources for COVID-19 relief. Of this amount, \$1,928,000 and \$0 was awarded in the six months ended March 31, 2024 and 2023. Of the \$107,384,000 total funds awarded, \$1,564,000 and \$5,319,000 has been received and recognized as nonoperating revenue in the statements of revenues, expenses, and changes in net position for the six months ended March 31, 2024 and 2023, respectively.

**UNIVERSITY OF SOUTH ALABAMA  
BOARD OF TRUSTEES**



**LONG-RANGE PLANNING  
COMMITTEE**

**UNIVERSITY OF SOUTH ALABAMA  
BOARD OF TRUSTEES**

**Long-Range Planning Committee**

**March 14, 2024**

**1:56 p.m.**

A meeting of the Long-Range Planning Committee of the University of South Alabama (USA) Board of Trustees was duly convened by Ms. Chandra Brown Stewart, Chair, on Thursday, March 14, 2024, at 1:56 p.m. in the Board Room of the Frederick P. Whiddon Administration Building. Meeting attendance was open to the public.

Members: Chandra Brown Stewart, Ron Jenkins, Judge Lewis, Lenus Perkins, Steve Stokes and Jim Yance were present.

Member Absent: Mike Windom.

Other Trustees: Alexis Atkins, Tom Corcoran, Luis Gonzalez, Ron Graham, Arlene Mitchell and Jimmy Shumock.

Administration & Guests: Owen Bailey, Jim Berscheidt, Joél Billingsley, Jo Bonner, Lynne Chronister, Angela Coleman, Kristin Dukes, Joel Erdmann, Monica Ezell, Charlie Guest, Buck Kelley, Andi Kent, Nick Lawkis, John Marymont, Mike Mitchell, Kristen Roberts, Donna Streeter (Faculty Senate), Margaret Sullivan, Peter Susman and Christina Wassenaar (Faculty Senate).

Following the attendance roll call, **Item 28**, Ms. Brown Stewart called for consideration of the minutes for a meeting held on December 7, 2023, **Item 29**. On motion by Mr. Yance, seconded by Capt. Jenkins, the Committee voted unanimously to adopt the minutes.

Ms. Brown Stewart called on Provost Kent, who introduced Dr. Angela Coleman, Associate Vice President for Institutional Effectiveness, for a report on strategic planning, **Item 30**. Dr. Coleman updated the group on the University's Institutional Planning and Assessment Committee (IPAC), which she noted was recently appointed with broad internal and external representation. She stated the IPAC would meet soon, as well as during the fall semester, and advised that the foundational work would entail establishing how recommendations on the strategic priorities might be processed for advancement to the Leadership and Board of Trustees for approval.

There being no further business, the meeting was adjourned at 1:59 p.m.

Respectfully submitted:

Chandra Brown Stewart, Chair



**UNIVERSITY OF SOUTH ALABAMA  
BOARD OF TRUSTEES**



**COMMITTEE OF THE WHOLE**

**UNIVERSITY OF SOUTH ALABAMA  
BOARD OF TRUSTEES**

**Committee of the Whole**

**March 14, 2024  
2:58 p.m.**

A meeting of the Committee of the Whole of the University of South Alabama (USA) Board of Trustees was duly convened by Ms. Arlene Mitchell, Chair *pro tempore*, on Thursday, March 14, 2024, at 2:58 p.m. in the Board Room of the Frederick P. Whiddon Administration Building. Meeting attendance was open to the public.

Members: Alexis Atkins, Chandra Brown Stewart, Tom Corcoran, Luis Gonzalez, Ron Graham, Ron Jenkins, Bill Lewis, Arlene Mitchell, Lenus Perkins, Jimmy Shumock, Steve Stokes and Jim Yance were present.

Members Absent: Scott Charlton, Steve Furr, Kay Ivey and Mike Windom.

Administration & Guests: Owen Bailey, Jim Berscheidt, Joél Billingsley, Jo Bonner, Lynne Chronister, Kristin Dukes, Joel Erdmann, Monica Ezell, Charlie Guest, Buck Kelley, Andi Kent, Nick Lawkis, John Marymont, Mike Mitchell, Kristen Roberts, Donna Streeter (Faculty Senate), Margaret Sullivan, Peter Susman and Christina Wassenaar (Faculty Senate).

Following the attendance roll call, **Item 31**, Chair Mitchell called for consideration of the minutes for a meeting held on December 7, 2023, **Item 32**. On motion by Mr. Corcoran, seconded by Ms. Atkins, the Committee voted unanimously to adopt the minutes.

In accordance with the provisions of the Alabama Open Meetings Act, Chair Mitchell made a motion to convene an executive session for an anticipated duration of one hour for the purpose of discussing pending or threatened litigation, as well as preliminary negotiations involving a matter of trade or commerce, **Item 33**. She stated that Ms. Dukes had submitted the required written declaration for the minutes and that adjournment of the meeting would be in effect upon the conclusion of the executive session. Mr. Corcoran seconded and, at 3:01 p.m., the Committee voted unanimously to convene an executive session, as recorded below. The executive session began at 3:07 p.m.:

**AYES:**

- Ms. Atkins
- Ms. Brown Stewart
- Mr. Corcoran
- Mr. Gonzalez
- Mr. Graham
- Capt. Jenkins
- Judge Lewis

Committee of the Whole  
March 14, 2024  
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AYES continued:

- Ms. Mitchell
- Mr. Perkins
- Mr. Shumock
- Dr. Stokes
- Mr. Yance

There being no further business, the meeting was adjourned at 3:36 p.m.

Respectfully submitted:

Arlene Mitchell, Chair *pro tempore*

**RESOLUTION**

**BOARD OF TRUSTEES MEETING SCHEDULE FOR 2024-2025**

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

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

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

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