

**UNIVERSITY OF SOUTH ALABAMA  
BOARD OF TRUSTEES MEETINGS  
WHIDDON ADMINISTRATION BUILDING – PRESIDENT’S OFFICE (STE. 130), BOARD ROOM  
JUNE 5, 2025  
1:30 P.M.**

**AUDIT COMMITTEE MEETING – RON GRAHAM, CHAIR**

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

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

- 4 Roll Call
- 5 Approve: [Minutes](#)
- 6 Report: [Endowment and Investment Performance](#)
- 7 Report: Development and Alumni Relations

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

- 8 Roll Call
- 9 Approve: [Minutes](#)
- 10 Recommendation to Approve: [USA Health Hospitals Medical Staff Appointments and Reappointments for February, March and April 2025](#)
- 11 Recommendation to Approve: [USA Health Hospitals Medical Staff Bylaws and Associated Documents Revisions](#)
- 12 Recommendation to Approve: [Nomination of Candidates for the Mobile County Hospital Board of Directors](#)
- 13 Report: USA Health and Whiddon College of Medicine

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

- 14 Roll Call
- 15 Approve: [Minutes](#)
- 16 Recommendation to Approve: Tenure and Promotion
- 17 Recommendation to Approve: Academic Infrastructure and Technology Fee, College of Medicine Tuition, and Housing and Dining Rates for 2025-2026
- 18 Report: Academic Affairs
- 19 Report: [Speech, Expressive Activities and Use of University Space, Facilities and Grounds Report](#)
- 20 Report: Student Affairs
- 21 Report: Research and Economic Development
- 22 Report: Community Engagement

**BUDGET AND FINANCE COMMITTEE MEETING – LENUS PERKINS, CHAIR**

- 23 Roll Call
- 24 Approve: [Minutes](#)
- 25 Report: [Quarterly Financial Statements for the Six Months Ended March 31, 2025](#)
- 26 Report: University Facilities

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

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

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

- 30 Roll Call
- 31 Approve: [Minutes](#)
- 32 Recommendation to Approve: [Revised Bylaws of the Board of Trustees of the University of South Alabama](#)
- 33 Recommendation to Approve: [Board of Trustees Meeting Schedule for 2025-2026](#)
- 34 Approve: Executive Session

**JUNE 6, 2025  
10:30 A.M.**

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

- 1 Roll Call
- 2 Approve: [Minutes](#)
- 3 Approve: [Revised Bylaws of the Board of Trustees of the University of South Alabama](#)
- 4 Approve: [Board of Trustees Meeting Schedule for 2025-2026](#)
- 5 Report: University President
- 6 Report: Faculty Senate President
- 7 Report: Student Government Association President
- 8 Approve: Consent Agenda Items:
  - [USA Health Hospitals Medical Staff Appointments and Reappointments for February, March and April 2025](#)
  - [USA Health Hospitals Medical Staff Bylaws and Associated Documents Revisions](#)
  - [Nomination of Candidates for the Mobile County Hospital Board of Directors](#)
- 9 Report: Audit Committee
- 10 Report: Development, Endowment and Investments Committee
- 11 Report: Health Affairs Committee
- 12 Report: Academic Excellence and Student Success Committee
- 13 Approve: Tenure and Promotion
- 14 Approve: Academic Infrastructure and Technology Fee, College of Medicine Tuition, and Housing and Dining Rates for 2025-2026
- 15 Report: Budget and Finance Committee
- 16 Report: Long-Range Planning Committee
- 17 Report: Nominating Committee
- 18 Approve: Election of Officers
- 19 Approve: Commendation of Mrs. Arlene Mitchell for Service as Chair Pro Tempore

# **UNIVERSITY OF SOUTH ALABAMA BOARD OF TRUSTEES**



## **MEETING SCHEDULE**

### **THURSDAY, JUNE 5, 2025:**

<b>1:30 p.m.</b>	<b>Committee Meetings (consecutive)</b>	<b>Whiddon Administration Bldg. President's Office (Ste. 130), Board Room</b>
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### **FRIDAY, JUNE 6, 2025:**

<b>10:30 a.m.</b>	<b>Board of Trustees Meeting</b>	<b>Whiddon Administration Bldg. President's Office (Ste. 130), Board Room</b>
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# 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**
- Chandra Brown Stewart
- Steven P. Furr, M.D.
- James H. Shumock
- James A. Yance

#### DEVELOPMENT, ENDOWMENT AND INVESTMENTS COMMITTEE:

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

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

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

#### EVALUATION AND COMPENSATION COMMITTEE:

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

#### AUDIT COMMITTEE:

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

#### HEALTH AFFAIRS COMMITTEE:

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

#### BUDGET AND FINANCE COMMITTEE:

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

#### LONG-RANGE PLANNING COMMITTEE:

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

**UNIVERSITY OF SOUTH ALABAMA  
BOARD OF TRUSTEES**



**MEETING AGENDA  
AND MINUTES**

**UNIVERSITY OF SOUTH ALABAMA  
BOARD OF TRUSTEES MEETINGS  
WHIDDON ADMINISTRATION BUILDING – PRESIDENT’S OFFICE (STE. 130), BOARD ROOM  
JUNE 5, 2025  
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- 8 Roll Call
- 9 Approve: Minutes
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- 14 Roll Call
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- 23 Roll Call
- 24 Approve: Minutes
- 25 Report: Quarterly Financial Statements for the Six Months Ended March 31, 2025
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**LONG-RANGE PLANNING COMMITTEE MEETING – CHANDRA BROWN STEWART, CHAIR**

- 27 Roll Call
- 28 Approve: Minutes
- 29 Report: Institutional Planning and Assessment

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

- 30 Roll Call
- 31 Approve: Minutes
- 32 Recommendation to Approve: Revised *Bylaws of the Board of Trustees of the University of South Alabama*
- 33 Recommendation to Approve: Board of Trustees Meeting Schedule for 2025-2026
- 34 Approve: Executive Session

**JUNE 6, 2025  
10:30 A.M.**

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

- 1 Roll Call
- 2 Approve: Minutes
- 3 Approve: Revised *Bylaws of the Board of Trustees of the University of South Alabama*
- 4 Approve: Board of Trustees Meeting Schedule for 2025-2026
- 5 Report: University President
- 6 Report: Faculty Senate President
- 7 Report: Student Government Association President
- 8 Approve: Consent Agenda Items:
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- 9 Report: Audit Committee
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- 11 Report: Health Affairs Committee
- 12 Report: Academic Excellence and Student Success Committee
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- 16 Report: Long-Range Planning Committee
- 17 Report: Nominating Committee
- 18 Approve: Election of Officers
- 19 Approve: Commendation of Mrs. Arlene Mitchell for Service as Chair Pro Tempore

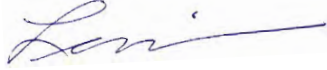


## MEMORANDUM

Board of Trustees

**DATE:** May 27, 2025

**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 13 and 14, 2025. Please review these documents for amendment or approval at the meetings on June 5 and 6, 2025.

**UNIVERSITY OF SOUTH ALABAMA  
BOARD OF TRUSTEES**

**March 14, 2025  
9:30 a.m.**

A meeting of the University of South Alabama (“USA,” “University”) Board of Trustees was duly convened by Ms. Arlene Mitchell, Chair *pro tempore*, on Friday, March 14, 2025, at 9:30 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, Scott Charlton,  
Luis Gonzalez, Ron Graham, Meredith Hamilton, Ron Jenkins,  
Bill Lewis, Arlene Mitchell, Lenus Perkins, Jimmy Shumock,  
Steve Stokes, Mike Windom and Jim Yance.

Members Absent: Steve Furr and Kay Ivey.

Administration & Guests: Todd Andel, Owen Bailey, Jim Berscheidt, Joél Billingsley,  
Jo Bonner, Kristin Dukes, Joel Erdmann, Monica Ezell,  
Charlie Guest, Buck Kelley, Andi Kent, Spence Larche,  
Nick Lawkis, John Marymont, Mike Mitchell, Gary Montgomery  
(BSU), Hank Rader (SGA), Kristen Roberts, Margaret Sullivan,  
Joe Shewmake, Shubha Singh (Southerners), Peter Susman,  
Gabrielle Tumbleston (Southerners), Paige Vitulli (NAA),  
Christina Wassenaar (Faculty Senate) and Bri Wilson (Southerners).

Upon calling the meeting to order and following the attendance roll call, **Item 1**, Chair Mitchell thanked everyone for being present and congratulated Mr. Perkins for being recognized by the USA National Alumni Association (“NAA”) with a *Distinguished Alumni Award* during the Distinguished Alumni and Service Awards (“DASA”) ceremony held on March 13. She called for consideration of the minutes for a Board of Trustees meeting held on December 5, 2024, **Item 2**. On motion by Ms. Atkins, seconded by Mr. Shumock, the Board voted unanimously to adopt the minutes.

Chair Mitchell called on President Bonner to deliver the President’s Report, **Item 3**. President Bonner also extended congratulations to Mr. Perkins for his *Distinguished Alumni Award*. With reference to recruiting trips, he stated prospective students are challenged to envision the vast opportunities possible through becoming a Jaguar and earning a degree from USA, as exemplified by Mr. Perkins’ story during the DASA event. He recognized Ms. Paige Vitulli, NAA Vice President, as well as Ms. Shubha Singh, Ms. Bri Wilson and Ms. Gabrielle Tumbleston, Southerner ambassadors.

President Bonner shared highlights for the 2025 spring semester. Among the topics he discussed were the unprecedented snowfall and efforts by main campus and USA Health staff to provide for the safety and care of the University community and patients; the Jaguar Marching Band’s (“JMB”) participation in the Conde Cavaliers parade; the men’s basketball team’s Sun Belt Conference (“SBC”) Championship victory and Coach Riley being named the SBC’s *Joe Gottfried*

*Coach of the Year*; and Mr. Spence Larche's appointment as General Counsel for the University. He invited everyone to be present for an interactive discussion led by Mr. John Boehner, former U.S. Speaker of the House, on March 25 at the MacQueen Alumni Center, and gave background on Mr. Boehner.

President Bonner turned to Provost Kent for additional remarks on University news and initiatives. Provost Kent acknowledged Mr. Perkins for his recognition by the NAA and also recognized Chair Mitchell for being honored by the United Way of Southwest Alabama, together with her late husband, Mr. Mayer Michell, for their philanthropic impact in the Mobile community over decades. Among the other topics she discussed were the JMB Complex project; the College of Education and Professional Studies graduates chosen as *Teacher of the Year* for Mobile County who were in contention for Alabama *Teacher of the Year*; online program expansion as a strategy for growing enrollment; U.S. News & World Reports' ranking of USA's online Nursing programs as among the best online programs nationwide; the increasing demand for campus housing; and the appointment of Dr. Allen Parrish as Vice President for Research and Economic Development effective April 1, 2025.

President Bonner joined Provost Kent in recognizing Mr. Gary Montgomery, Mr. Hank Rader and Dr. Christina Wassenaar for their service as president of the Black Student Union, Student Government Association ("SGA") and Faculty Senate ("Senate"), respectively, for the 2024-2025 academic year. Each was presented a certificate of appreciation.

Chair Mitchell called for a report from the President of the Faculty Senate, **Item 4**. Dr. Wassenaar conveyed appreciation for the level of engagement between the Senate and the Board of Trustees and University Leadership. She shared a firsthand account of participating in the student recruitment bus trips, and then discussed the activities of the Senate, which she noted included consideration of faculty workloads, ongoing collaboration with Auburn University and providing input for the proposed amended *University of South Alabama Strategic Priorities 2024-2029*.

Chair Mitchell called for a report from the Student Government Association, **Item 5**. Mr. Rader, SGA President, detailed some of the SGA's accomplishments over the academic year, inclusive of an initiative established to greet students "where they are;" growth in the number of students and groups engaging in SGA meetings; projects funded, such as the *Out of the Darkness* suicide prevention walk; and the acquisition of spirit gear for the *Battle of the Belt* USA vs. Troy football game, and he conveyed pride for the opportunity to confer the victory belt to the Jags. He thanked everyone for their continued support of the student body.

Chair Mitchell appointed Judge Lewis, Mr. Shumock, Dr. Stokes and Mr. Yance to serve on a Nominating Committee charged with developing a proposed slate of Board officers to recommend to the Board for an election at the annual meeting in June, **Item 6**. She added that she would chair the Nominating Committee.

Chair Mitchell called for a vote on the consent agenda resolutions as follows, **Item 7**, all of which were unanimously recommended for Board approval by the respective committees that met on March 13, 2025. (To view additional documents authorized, refer to Appendix A.) The Board voted unanimously to approve the resolutions:

**RESOLUTION**  
**AUTHORITY TO SELL ALCOHOL AT SELECT LOCATIONS ON CAMPUS**

**WHEREAS**, the University of South Alabama (the "University") complies with and upholds all federal state, and local laws that regulate and prohibit the possession, use, and distribution of alcohol, prescription drugs not prescribed by medical personnel, and/or illicit drugs, and

**WHEREAS**, students, faculty, staff, and employees are hereby notified of the University's alcoholic beverages policy and are expected to adhere to the guidelines set forth by the University, and

**WHEREAS**, the University already contracts with Aramark Educational Services, LLC, to serve and/or sell alcoholic beverages at several venues on the University's main campus, specifically Hancock Whitney Stadium (football and special events), located at 500 Stadium Drive, Mobile, AL 36688; the Faculty Club, located at 6350 Fincher Road, Mobile, AL 36688; the Mitchell Center (basketball and special events), located at 5950 Old Shell Road, Mobile, AL 36608, as well as the outdoor areas immediately surrounding the Mitchell Center; the MacQueen Alumni Center, located at 100 Alumni Drive, Mobile, AL 36688; Moulton Tower and Alumni Plaza, located at 5985 USA South Drive, Mobile, AL 36688; the Laidlaw Performing Arts Center, located at 5751 USA South Drive, Mobile, AL 36688; the Health Sciences Building, located at 5721 USA North Drive, Mobile, AL 36688; the USA Technology and Research Park, located at 650 Clinic Drive, Mobile, AL 36688 and 775 North University Boulevard, Mobile, AL 36608; the Alfred and Lucille Delchamps Archeology Museum, located at 6050 USA South Drive, Mobile, AL 36688; the Mitchell Cancer Institute, located at 1660 Springhill Avenue, Mobile, AL 36604; the Strada Patient Care Center, located at 1601 Center Street, Mobile, AL 36604; Shelby Hall, located at 150 Student Services Drive, Mobile AL 36688; the Seamen's Bethel Theatre, located at 5920 USA South Drive, Mobile AL 36688; the SGA Pavilion, located at 6431 John Counts Drive, Mobile, AL 36688; Stanky Field (baseball), located at 70 Jaguar Boulevard, Mobile, AL 36688; and Jaguar Field (softball), located at 6080 Old Shell Road, Mobile, AL 36688, and

**WHEREAS**, the University desires to extend Aramark's authority to serve and/or sell alcohol at the following location: USA Technology and Research Park, located at 600 Clinic Drive, Mobile, AL 36688, and

**WHEREAS**, the Board of Trustees has been vested with full management and control over the University pursuant to Section 16-55-1 of the Code of Alabama, 1975,

**THEREFORE, BE IT RESOLVED**, the Board of Trustees of the University of South Alabama hereby authorizes the University to contract with Aramark Educational Services, LLC, to obtain the necessary and specific license(s) to serve and/or sell alcoholic beverages at the above-described locations.

**RESOLUTION  
USA HEALTH HOSPITALS MEDICAL STAFF APPOINTMENTS AND REAPPOINTMENTS  
FOR NOVEMBER AND DECEMBER 2024 AND JANUARY 2025**

**WHEREAS**, the Medical Staff appointments and reappointments for November and December 2024 and January 2025 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  
SABBATICAL AWARDS**

**WHEREAS**, in accordance with University policy, proposals for sabbatical awards from the following faculty have been reviewed and recommended by the respective faculty committees and departmental chair, the Dean of the College of Education and Professional Studies, the Executive Vice President and Provost, and the University President,

- Yvette Getch, Ph.D., Counseling and Instructional Science
- Rebecca Giles, Ph.D., Leadership and Teacher Education

**THEREFORE, BE IT RESOLVED**, the University of South Alabama Board of Trustees approves the sabbatical awards for Fall 2025 through Spring 2026 as recommended.

Chair Mitchell called for a report from the Audit Committee, **Item 8**. Mr. Graham, Committee Chair, indicated that a Committee meeting was held on March 13, 2025, and presented a summation on the reports presented.

Chair Mitchell called for a report from the Development, Endowment and Investments Committee, **Item 9**. Mr. Yance, Committee Chair, advised of a Committee meeting held on March 13, 2025, and briefed the Board on the proceedings. He stated that the resolution following, **Item 10**, was unanimously recommended for Board approval. On motion by Mr. Shumock, seconded by Mr. Gonzalez, the Board voted unanimously to approve the resolution:

**RESOLUTION  
EVALUATION OF THE UNIVERSITY'S NON-ENDOWMENT LONG TERM FUND  
INVESTMENT POLICY STATEMENT**

**WHEREAS**, the Southern Association of Colleges and Schools Commission on Colleges requires that investment policy statements be evaluated regularly, and

**WHEREAS**, the University of South Alabama (the "University") Board of Trustees has previously approved the University's endowment fund and non-endowment fund investment policy statements,

**THEREFORE, BE IT RESOLVED**, the Board of Trustees of the University of South Alabama hereby approves the Development, Endowment and Investments Committee's recommendation to adopt the revised non-endowment long term fund investment policy statement.

Chair Mitchell called for a report from the Health Affairs Committee, **Item 11**. Mr. Shumock, Committee Chair, noted a Committee meeting took place on March 13, 2025, and provided an overview on the business that occurred.

Chair Mitchell called for a report from the Academic Excellence and Student Success Committee, **Item 12**. Judge Windom, Committee Chair, stated a Committee meeting was held on March 13, 2025, and shared a synopsis of the proceedings. He added that the Committee voted unanimously to recommend Board approval of **Item 13** as follows. On motion by Capt. Jenkins, seconded by Dr. Stokes, the Board voted unanimously to approve the resolution:

**RESOLUTION  
TENURE**

**WHEREAS**, in accordance with University policy, an application for tenure from Lisa A. Moreno-Walton, M.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 14, 2025,

**THEREFORE, BE IT RESOLVED**, the Board of Trustees of the University of South Alabama hereby grants tenure to Lisa A. Moreno-Walton, M.D., as recommended.

Chair Mitchell called for a report from the Budget and Finance Committee, **Item 14**. Mr. Perkins, Committee Chair, said that the Committee met on March 13, 2025, and gave a recap of the work accomplished. He presented the **Item 15** and **Item 16** resolutions following, both having been unanimously recommended for Board approval by the Committee. On motion by Ms. Atkins, seconded by Mr. Shumock, the Board voted unanimously to approve **Item 15**:

**RESOLUTION  
SALE OF REAL PROPERTY TO BENDER CLINICS, LLC**

**WHEREAS**, the University of South Alabama (the "University") is the owner of certain real property located in Providence Park, Mobile County, Alabama, and legally described as Lot 4 of Providence Park, POB West, North Addition, Resubdivision of Lot 3A, according to the plat thereof recorded in Instrument No. 2021063287 of the records in the office of the Judge of Probate, Mobile County, Alabama (the "Property"), and

**WHEREAS**, Bender Clinics, LLC, an Alabama limited liability company (the "Purchaser"), currently owns certain real property adjacent to and contiguous with the Property, and

**WHEREAS**, the Purchaser holds a right of first refusal to purchase the Property, which was triggered by the University's acquisition of Providence Hospital, and

**WHEREAS**, the University and Purchaser have executed a Purchase and Sale Agreement, dated January 15, 2025 (the "PSA"), in which the University agreed to sell and assign, and the Purchaser agreed to purchase and assume, the Property, together with certain easements and use rights applicable to the Property (collectively, the "Transaction"), and

**WHEREAS**, the consummation of the Transaction is deemed to be in the best interests of the University, and

**THEREFORE, BE IT RESOLVED**, that the Board of Trustees of the University of South Alabama hereby authorizes (1) the sale of the Property pursuant to the terms of the PSA, and (2) Mr. Trae Catrett, Director, Tax Accounting & Special Projects; Mr. Owen Bailey, Chief Executive Officer of USA Health and Senior Associate Vice President for Medical Affairs; or Ms. Kristen Roberts, Chief Financial Officer, to execute and file any and all documents they may deem appropriate or necessary in furtherance of the sale of the Property, in part or in whole, to the Purchaser per the terms of the PSA.

On motion by Judge Windom, seconded by Mr. Shumock, the Board voted unanimously to approve **Item 16**:

**RESOLUTION  
SALE OF REAL PROPERTY AT THE BROOKLEY COMPLEX**

**WHEREAS**, the University of South Alabama (the "University") owns approximately 50 acres of real property in Mobile County, Alabama, said property having been deeded to the University by the University of South Alabama Foundation (the "Property"), and

**WHEREAS**, the University executed a Purchase and Sale Agreement with Burton Property Group (the "PSA") to sell the Property and to use the proceeds of the sale for the furtherance of the construction of the Frederick P. Whiddon College of Medicine, and

**WHEREAS**, the consummation of the sale is deemed to be in the best interests of the University,

**THEREFORE, BE IT RESOLVED**, the Board of Trustees of the University of South Alabama hereby authorizes (1) the sale of the Property pursuant to the terms of the PSA, and (2) the President of the University of South Alabama and/or the Chief Financial Officer to execute and file any and all documents they may deem appropriate or necessary in furtherance of the sale of the Property, in part or in whole, to Burton Property Group per the terms of the PSA.

Chair Mitchell called for a report from the Long-Range Planning Committee, **Item 17**. Ms. Brown Stewart, Committee Chair, shared that a Committee meeting occurred on March 13, 2025, and provided an account of the business completed. She presented **Item 18** as follows, noting the Committee recommended it for approval by the Board. Chair Mitchell called for a vote, and the Board unanimously approved the resolution:

**RESOLUTION  
UPDATE OF UNIVERSITY OF SOUTH ALABAMA STRATEGIC PRIORITIES 2024 - 2029**

**WHEREAS**, the University is dedicated to its vision of being a leading comprehensive public university internationally recognized for educational, research, and healthcare excellence as well as for its positive intellectual, cultural, and economic impact on those it serves while ensuring compliance with enforceable federal regulations, and

**WHEREAS**, the University desires to align its current vision, mission, and core values statements with the evolving federal guidelines and policies, and

**WHEREAS**, an Ad Hoc Committee, following the committee's charge to analyze executive orders and agency communications to determine future implications, recommended that the Institutional Planning and Assessment Committee review and revise the University Strategic Priorities 2024 – 2029, and

**WHEREAS**, the Institutional Planning and Assessment Committee is charged with overseeing and guiding the direction, structure, and use of the University's strategic priorities, guiding and reviewing the progress of the University on advancing its strategic priorities, considering and offering recommendations for continuous advancement of our campus values, and ensuring that the University's mission and vision are periodically reviewed for alignment with the University's strategic direction, and reviewing and evaluating the University's indicators of success, and

**WHEREAS**, the Institutional Planning and Assessment Committee recommends an update to the University Strategic Priorities 2024 - 2029 to align our core values and strategic priorities with federal guidance,

**THEREFORE, BE IT RESOLVED**, the Board of Trustees of the University of South Alabama hereby authorizes the University administration to update the University Strategic Priorities 2024 - 2029 to reflect these considerations.

Concerning **Item 19** as follows, Mr. Gonzalez, President Bonner, Provost Kent and Ms. Sullivan were joined by Mr. Joe Shewmake, alumnus and donor, and Dr. Todd Andel, Dean of the School of Computing. Ms. Sullivan discussed Mr. Shewmake's background and support of students through endowed scholarships, together with his late wife, Mrs. Audrey Shewmake. Mr. Gonzalez read the resolution, and Mr. Shewmake addressed the Board, sharing insight on the inspiration for his giving. President Bonner commended the Shewmakes for being exemplars of positive change in the lives of students. On motion by Mr. Perkins, seconded by Mr. Shumock, the Board voted unanimously to approve the resolution:

**RESOLUTION  
COMMENDATION OF MR. JOE SHEWMAKE**

**WHEREAS**, Mr. Joe Shewmake has demonstrated unwavering support for the University of South Alabama (the "University") over many years through his impactful contributions to scholarships for undergraduate students, and

**WHEREAS**, Mr. Shewmake graduated from the University of South Alabama in 1970 with a Bachelor of Science degree in Mathematics and went on to a rewarding 27-year career in information systems with International Paper Company and later with Scott Paper Company, and in 1997 he became the owner and operator of a wholesale distribution business from which he retired in 2013, and

**WHEREAS**, Mr. Shewmake attributes the foundation of his successful business career to his University of South Alabama education and was inspired to extend similar opportunities to future generations of students through endowed scholarships, and

**WHEREAS**, Mr. Shewmake's deep commitment to philanthropy led him and his late wife, Mrs. Audrey Shewmake, to establish and enhance multiple scholarship endowments, including the *Joe and Audrey Shewmake Endowed Scholarship* and the *Joe and Audrey*

*Shewmake Computing Scholarship*, and, in 2024, led Mr. Shewmake to establish the *Joe and Audrey Shewmake Mathematics Scholarship*,

**THEREFORE, BE IT RESOLVED** that the Board of Trustees of the University of South Alabama extends its deepest appreciation and admiration to Mr. Joe Shewmake for his extraordinary generosity; celebrates the enduring legacy of philanthropy that Mr. and Mrs. Shewmake created for the University; and gratefully commends Mr. Shewmake for his selfless commitment to ensuring future students receive the educational foundation needed for happy and productive lives.

President Bonner invited Mrs. Kristin Dukes, recent retiree, to join him, Judge Lewis and Provost Kent, and he shared perspective on Mrs. Dukes' career of many years that culminated with her role as General Counsel, conveying his gratitude for her expert guidance and affinity for the University. Judge Lewis read **Item 20** as follows and, on motion by Judge Windom, seconded by Mr. Graham, the Board voted unanimously to approve the resolution. Mrs. Dukes shared heartfelt words reflective of her time at the University and the close relationships forged:

**RESOLUTION  
COMMENDATION OF MRS. KRISTIN DANIELS DUKES**

**WHEREAS**, the University of South Alabama wishes to recognize the outstanding service of Mrs. Kristin Daniels Dukes throughout her seventeen-year career with the University, and

**WHEREAS**, Mrs. Dukes began her journey with South in November of 2007 as Associate University Attorney, after a career in private practice handling a variety of issues, including litigation, employment law, contracts, and business law, and

**WHEREAS**, Mrs. Dukes was named General Counsel in January of 2020, assuming responsibility and oversight for all legal issues involving USA, and

**WHEREAS**, during Mrs. Dukes' tenure as General Counsel, she carefully navigated the University through the Covid-19 pandemic and the transition from President Tony Waldrop to President Jo Bonner, among many other accomplishments that are, unfortunately, subject to attorney-client privilege, and

**WHEREAS**, Mrs. Dukes was a dedicated employee, handling multiple complex issues for both the University and USA Health, doing so with a wealth of knowledge, patience, and grace, as well as her patented self-deprecating sense of humor, and

**WHEREAS**, Mrs. Dukes was very involved in the legal community as a member of the Alabama Bar Association, the Mobile County Bar Association, the Women's Section of the Mobile Bar Association, the Paul W. Brock Inn of Court, the National Association for College and University Attorneys, and USA's Women United, a subgroup of the United Way of Southwest Alabama, and

**WHEREAS**, Mrs. Dukes has retired and is living her best life, spending time with her family, doting on her first grandchild, traveling, and playing pickleball,

Board of Trustees  
March 14, 2025  
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**THEREFORE, BE IT RESOLVED**, the Board of Trustees of the University of South Alabama extends its heartfelt appreciation to Mrs. Kristin Daniels Dukes for her voluminous contributions to the University of South Alabama and offers her and her husband, Mr. Gil Dukes, best wishes in their future endeavors.

There being no further business, the meeting was adjourned at 10:47 a.m.

Attest to:

Respectfully submitted:

Lenus M. Perkins, Secretary

Arlene Mitchell, Chair pro tempore

**UNIVERSITY OF SOUTH ALABAMA  
BOARD OF TRUSTEES**



**AUDIT COMMITTEE**

**UNIVERSITY OF SOUTH ALABAMA  
BOARD OF TRUSTEES**

**Audit Committee**

**March 13, 2025  
1:30 p.m.**

A meeting of the Audit Committee of the University of South Alabama (“USA,” “University”) Board of Trustees was duly convened by Mr. Ron Graham, Chair, on Thursday, March 13, 2025, at 1:32 p.m. in the Board Room of the Frederick P. Whiddon Administration Building. Meeting attendance was open to the public.

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

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

Administration & Guests: Owen Bailey, Jim Berscheidt, Joél Billingsley, Jo Bonner, Joel Erdmann, Monica Ezell, Charlie Guest, Justin Headley (Warren Averett), Buck Kelley, Andi Kent, Sarah Beth Magette (Warren Averett), Spence Larche, Nick Lawkis, John Marymont, Mike Mitchell, Paul Perry (Warren Averett), Kristen Roberts, Margaret Sullivan, Peter Susman and Christina Wassenaar (Faculty Senate).

Following the attendance roll call, **Item 1**, Mr. Graham called for consideration of the minutes for a meeting held on December 4, 2024, **Item 2**. On motion by Capt. Jenkins, seconded by Ms. Atkins, the Committee voted unanimously to adopt the minutes.

Mr. Graham called on Ms. Roberts to address the KPMG audit reports for the fiscal year ended September 30, 2024, **Item 3**. Ms. Roberts advised that the provisional audit reports discussed by the KPMG engagement team with members of the Board in January were subsequently finalized without revision and that an unmodified opinion on the reports was issued by KPMG.

Ms. Roberts presented **Item 4**, the KPMG report on intercollegiate athletics for the fiscal year ended September 30, 2024. She stated that the report issued, which concentrates on compliance with agreed-upon procedures of the NCAA (National Collegiate Athletic Association), was clean and did not contain exceptions.

Mr. Graham called on Mr. Susman to present **Item 5**, a report on the activities of the Office of Internal Audit (OIA). Mr. Susman recognized Ms. Sarah Beth Magette of Warren Averett, OIA Acting Director, who introduced Mr. Paul Perry and Mr. Justin Headley, new members of the engagement team whose focus is on information technology risk assessment. Mr. Perry and Mr. Headley discussed their professional qualifications, and Mr. Headley and Ms. Magette gave

Audit Committee

March 13, 2025

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an update on the audit engagements underway for the general University and USA Health sectors, as well as those impending, to fulfil the OIA Audit Plan for fiscal year 2025. Mr. Graham expressed confidence in the Warren Averett team's cybersecurity and information technology infrastructure oversight.

There being no further business, the meeting was adjourned at 1:42 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 13, 2025**

**1:42 p.m.**

A meeting of the Development, Endowment and Investments Committee of the University of South Alabama (“USA,” “University”) Board of Trustees was duly convened by Mr. Jim Yance, Chair, on Thursday, March 13, 2025, at 1:42 p.m. in the Board Room of the Frederick P. Whiddon Administration Building. Meeting attendance was open to the public.

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

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

Administration & Guests: Owen Bailey, Jim Berscheidt, Joél Billingsley, Jo Bonner, Colby Dalrymple, Joel Erdmann, Monica Ezell, Charlie Guest, Buck Kelley, Andi Kent, Spence Larche, Nick Lawkis, Chris Lawrey, John Marymont, Mike Mitchell, Kristen Roberts, Peter Shields, Margaret Sullivan, Peter Susman, Jewel Towles, Drew Underwood 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 4, 2024, **Item 7**. On motion by Mr. Shumock, seconded by Judge Windom, the committee voted unanimously to adopt the minutes.

Mr. Yance called on Ms. Roberts, who introduced Mr. Drew Underwood, Executive Director of Treasury Management, for a report on endowment and investment performance for the first quarter of fiscal year 2025, **Item 8**. Mr. Underwood shared insight on investment allocations across three asset types, progress toward achieving the strategic initiatives outlined at the previous meeting, additional objectives, and the fiscal-year-to-date investment return of .2 percent, which he noted outperformed the blended benchmark performing at -0.9 percent.

Mr. Underwood introduced Dr. Chris Lawrey, Associate Professor at the Mitchell College of Business and Director of the Jaguar Investment Fund (“JIF”), USA’s student-led investment fund. Dr. Lawrey shared a brief history on the JIF, noting that a second fund, the USA Fund, was established in May 2021. Dr. Lawrey turned the presentation over to members of the USA Fund management team, Ms. Jewel Towles, Mr. Peter Shields and Mr. Colby Dalrymple, for an overview.

Ms. Roberts presented **Item 9**, a resolution authorizing the *Investment Policy Statement for the University of South Alabama Non-Endowment Long Term Fund*. (To view resolutions, policies

and other documents authorized, refer to the minutes for the Board of Trustees meeting held on March 14, 2025.) Ms. Roberts explained that the resolution pertained to unrestricted investments made by the University to generate cash flow and improve liquidity, and she outlined the primary updates of the document recommended. On motion by Mr. Shumock, seconded by Dr. Charlton, the Committee voted unanimously to recommend approval of the resolution by the Board of Trustees.

Mr. Yance called on Ms. Sullivan to present **Item 10**, a resolution authorizing the sale of alcohol at select locations on campus. Ms. Sullivan pointed out that the resolution proposed would expand the campus locations approved for alcohol sales to include 600 Clinic Drive, where the Stokes School of Marine and Environmental Sciences is located and fundraising events are held. On motion by Judge Windom, seconded by Mr. Shumock, the Committee voted unanimously to recommend approval of the resolution by the Board of Trustees.

Ms. Sullivan introduced **Item 11**, a resolution acknowledging Mr. Joe Shewmake and his late wife, Mrs. Audrey Shewmake, for their generosity in founding scholarships and commending Mr. Shewmake for a recent gift to establish the *Joe and Audry Shewmake Mathematics Scholarship*. She provided background on Mr. Shewmake, an alumnus and retired businessman, and discussed the Shewmakes' contributions to the University. On motion by Dr. Stokes, seconded by Mr. Gonzalez, the Committee voted unanimously to recommend approval of the resolution by the Board of Trustees.

Ms. Sullivan delivered a report on the activities of the division of Development and Alumni Relations, **Item 12**, advising of close to \$20 million in new gifts and commitments secured thus far for fiscal year 2025 through March 7. She provided an update on the \$400 million capital campaign, noting more than \$309 million in new gifts and commitments recorded during the campaign's quiet phase since October 1, 2020, and that the public phase would begin once the campaign reached the \$340 million mark. She also discussed the ongoing travel initiative for connecting with alumni and friends nationwide, as well as the fundraising and networking activities held locally thus far in 2025 and scheduled into June.

There being no further business, the meeting was adjourned at 2:00 p.m.

Respectfully submitted:

James A. Yance, Chair

# **University of South Alabama Endowment Fund Investment Performance Summary**

**Fiscal Year 2025**

## **USA Endowment Fund Performance - Fiscal Year to Date October 1, 2024 to March 31, 2025**

- The USA Endowment Fund declined by 0.3%, while the blended benchmark declined by 1.4%.

## **USA Endowment Fund Manager Performance - Fiscal Year to Date October 1, 2024 to March 31, 2025**

**Individual Manager versus Benchmark performance:**

- Mutual Funds (USA Treasury and N.D. Pitman) declined by 1.5%, while their blended benchmark declined 1.9%.
- Gerber Taylor Hedge gained 3.5%, while its blended benchmark gained 0.6%.
- Gerber Taylor International declined by 6.4%, while its benchmark declined by 1.8%.
- Hancock Whitney declined by 2.7%, while its benchmark declined by 1.8%.
- Commonfund declined by 0.6%, while its benchmark declined by 0.4%.
- JP Morgan declined by 3.0%, while its benchmark declined by 6.3%.
- Jaguar Investment Fund (Student Investment Fund) declined by 0.3%, while its benchmark declined by 2.0%.

**UNIVERSITY OF SOUTH ALABAMA  
BOARD OF TRUSTEES**



**HEALTH AFFAIRS  
COMMITTEE**

**UNIVERSITY OF SOUTH ALABAMA  
BOARD OF TRUSTEES**

**Health Affairs Committee**

**March 13, 2025  
2:00 p.m.**

A meeting of the Health Affairs Committee of the University of South Alabama (“USA,” “University”) Board of Trustees was duly convened by Mr. Jimmy Shumock, Chair, on Thursday, March 13, 2025, at 2:00 p.m. in the Board Room of the Frederick P. Whiddon Administration Building. Meeting attendance was open to the public.

Members: Chandra Brown Stewart, Scott Charlton, Meredith Hamilton, Jimmy Shumock, Steve Stokes and Jim Yance were present.

Member Absent: Steve Furr.

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

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

Following the attendance roll call, **Item 13**, Mr. Shumock called for consideration of the minutes for a meeting held on December 4, 2024, **Item 14**. On motion by Mr. Yance, seconded by Dr. Charlton, the Committee voted unanimously to adopt the minutes.

Mr. Shumock called on Mr. Bailey to present **Item 15**, a resolution authorizing the USA Health Hospitals medical staff appointments and reappointments for November and December 2024 and January 2025. (To view resolutions, policies and other documents authorized, refer to the minutes for the Board of Trustees meeting held on March 14, 2025.) On motion by Mr. Yance, seconded by Dr. Stokes, the Committee voted unanimously to recommend approval of the resolution by the Board of Trustees.

With regard to a report on the activities of USA Health and the Whiddon College of Medicine (“WCOM”), **Item 16**, Mr. Bailey shared that Dr. Ashley Williams Hogue, Assistant Professor of Surgery and Director of USA Health’s Center for Healthy Communities, was recently named among the *Women Who Shape the State by This Is Alabama* for 2025. He also advised that the *Doc Rock* benefit held in January was recently designated *Best Philanthropic Event of the Year* by *Business Alabama* for 2025.

Dr. Marymont introduced Dr. Chris Davies, Professor and Associate Dean for Research at the WCOM, who presented an overview on the significant impact to institutions of higher education and medical schools should an executive order be upheld in court requiring the National Institutes

of Health to cap funding of the indirect costs for sponsored projects, known as facilities and administrative costs, to a 15-percent rate across-the-board. Dr. Davies shared a chart demonstrating the fiscal impact to the WCOM and other institutions should the directive proceed. Dr. Marymont stated the WCOM was taking steps to mitigate a possible shortfall in federal funding.

There being no further business, the meeting was adjourned at 2:16 p.m.

Respectfully submitted:

James H. Shumock, Chair



## MEMORANDUM

USA Health

DATE: May 8, 2025

TO: Jo Bonner  
President

FROM: Owen Bailey, Chief Executive Officer

SUBJECT: Board Meeting Documents

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

Resolution – USA Health Hospitals Medical Staff Appointments and Reappointments for February, March and April 2025

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

Resolution – USA Health Hospitals Medical Staff Bylaws/Associated Documents

- Summary of Bylaws/Associated Documents Proposed Revisions

Resolution – Nomination of Candidates for the Mobile County Hospital Board of Directors

OB/kh

Attachments

**RESOLUTION**

**USA HEALTH HOSPITALS MEDICAL STAFF APPOINTMENTS AND  
REAPPOINTMENTS FOR FEBRUARY, MARCH AND APRIL 2025**

**WHEREAS**, the Medical Staff appointments and reappointments for February, March and April 2025 for the USA Health Hospitals are recommended for Board approval by the Medical Executive Committees and the USA Health Credentialing Board,

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

**USA BOARD OF TRUSTEES REPORT  
USA HEALTH HOSPITALS MEDICAL STAFFS  
APPOINTMENTS APPROVED IN FEBRUARY, MARCH, AND APRIL 2025**

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.

Initial Appointments				USA Health University Hospital			USA Health Ambulatory Care		
Name	Type/Stat	Category	Department	Type/Stat	Category	Department	Type/Stat	Category	Department
Almonte, Casey, MD	Initial	Consulting	Radiology	Initial	Consulting	Radiology	N/A	N/A	N/A
Baker, Erin, PA	Initial Appointment	APP USA	Pediatrics	N/A	N/A	N/A	Initial Appointment	APP USA	Pediatrics
Bisset, Logan C., MD	Initial Appointment	Consulting	Radiology	Initial Appointment	Consulting	Radiology	N/A	N/A	N/A
Cannon, Victoria A., MD	Initial Appointment	Consulting	Neurology	Initial Appointment	Consulting	Neurology	N/A	N/A	N/A
Fairbrother, Erin L., MD	Initial Appointment	Contract/Locums	OBGYN	N/A	N/A	N/A	N/A	N/A	N/A
Herskovic, Ethel S., DO	Initial	Consulting	Radiology	Initial	Consulting	Radiology	N/A	N/A	N/A
Kearley, Charlotte, CRNP	Initial	APP USA	Pediatrics	N/A	N/A	N/A	Initial	APP USA	Pediatrics
Kirkland, Pilar L., MD	Initial Appointment	Active USA	Anesthesiology	Initial Appointment	Active USA	Anesthesiology	N/A	N/A	N/A
Lee, Mary, CRNP	Initial Appointment	APP	Psychiatry	Initial Appointment	APP	Psychiatry	N/A	N/A	N/A
Lukenbill, Chelsea, PA	Initial Appointment	APP USA	Neurosurgery	Initial Appointment	APP USA	Neurosurgery	Initial Appointment	APP USA	Neurosurgery
McBroom, John W., MD	Initial Appointment	Contract/Locums	GYN - MCI	Initial Appointment	Contract/Locums	GYN - MCI	Initial Appointment	Contract/Locums	GYN - MCI
Moreno-Walton, Lisa A., MD	Initial Appointment	Active USA	Ped. Emerg. Med.	Initial Appointment	Active USA	Emergency Medicine	N/A	N/A	N/A
Perkins, Shayna L., CRNP	Initial Appointment	APP USA	Internal Medicine	Initial Appointment	APP USA	Internal Medicine	Initial Appointment	APP USA	Internal Medicine
Price, Rachel, CRNA	Initial Appointment	APP USA	Anesthesiology	Initial Appointment	APP USA	Anesthesiology	N/A	N/A	N/A
Roberts, Sarah E., CRNP	N/A	N/A	N/A	Initial Appointment	APP USA	Neurosurgery	Initial Appointment	APP USA	Neurosurgery
Rodriguez-Feo, Charles L., MD	Initial Appointment	Active USA	Orthopaedics	Initial Appointment	Active USA	Orthopaedics	Initial Appointment	Active USA	Orthopaedics
Seltzer, Marjorie, CRNP	N/A	N/A	N/A	Initial	APP	Family Medicine	N/A	N/A	N/A
Sessums, Price, MD	Initial	Active USA	Orthopaedics	Initial	Active USA	Orthopaedics	Initial	Active USA	Orthopaedics
Sheikh, Asad U., MD	Initial Appointment	Contract/Locums	OBGYN	Initial Appointment	Contract/Locums	OBGYN	Initial Appointment	Contract/Locums	OBGYN
Sideris, Andrew T., MD	Initial	Consulting	Radiology	Initial	Consulting	Radiology	N/A	N/A	N/A
Threlkeld, Rebecca W., CRNP	N/A	N/A	N/A	Initial Appointment	APP USA	Surgery	Initial Appointment	APP USA	Surgery
Verma, Sumeet, MD	Initial	Consulting	Radiology	Initial	Consulting	Radiology	N/A	N/A	N/A
Walden, Hannah K., CRNP	Initial Appointment	APP USA	Pediatrics	N/A	N/A	N/A	Initial Appointment	APP USA	Pediatrics
Watkins, Kayla R., CRNP	Initial	APP USA	Pediatrics	N/A	N/A	N/A	Initial	APP USA	Pediatrics
Winkler, Stuart S., MD	Initial Appointment	Contract/Locums	GYN - MCI	Initial Appointment	Contract/Locums	GYN - MCI	Initial Appointment	Contract/Locums	GYN - MCI
Young, Caroline, PA	Initial Appointment	APP USA	Ped. Emerg. Med.	N/A	N/A	N/A	N/A	N/A	N/A
Reappointments				USA Health University Hospital			USA Health Ambulatory Care		
Name	Type/Stat	Category	Department	Type/Stat	Category	Department	Type/Stat	Category	Department
Alexander, Heather L., PA	N/A	N/A	N/A	Reappointment	APP HCA/JAG	Internal Medicine	Reappointment	APP HCA/JAG	Internal Medicine
Ang, Romsel, MD	Reappointment	Consulting HCA	Internal Medicine	Reappointment	Active HCA	Internal Medicine	Reappointment	Consult. HCA/Active HCA	Internal Medicine
Baker, Thomas A., MD	N/A	N/A	N/A	Reappointment	Active HCA/JAG	Internal Medicine	Reappointment	Active HCA/JAG	Internal Medicine
Barros, Mary L., CRNP	Reappointment	APP USA	Ped. Emerg. Med.	N/A	N/A	N/A	N/A	N/A	N/A
Bishop, Haley J., CRNP	N/A	N/A	N/A	Reappointment	APP USA	Surgery	Reappointment	APP USA	Surgery
Boone, Lucas S., MD	Reappointment	Consulting	Psychiatry	Reappointment	Consulting	Psychiatry	N/A	N/A	N/A
Bouska, Linore S., CRNA	N/A	N/A	N/A	Reappointment	APP USA	Family Medicine	Reappointment	APP USA	Family Medicine
Braswell, David C., MD	N/A	N/A	N/A	Reappointment	Consulting USA	Anesthesiology	N/A	N/A	N/A
Brown, Rodney A., CRNA	Reappointment	APP USA	Anesthesiology	Reappointment	APP USA	Anesthesiology	N/A	N/A	N/A
Bryant, Kelli D., CRNP	N/A	N/A	N/A	Reappointment	APP USA	Emergency Medicine	N/A	N/A	N/A
Buschbach, Amanda M., CRNP	N/A	N/A	N/A	Reappointment	APP USA	Internal Medicine	Reappointment	APP USA	Internal Medicine
Calhoun, Allison C., MD	Reappointment	Active USA	OBGYN	Reappointment	Consulting USA	OBGYN	Reappointment	Active USA/Consult. USA	OBGYN
Carter, Keith L., MD	Reappointment	Consulting USA	Anesthesiology	Reappointment	Active USA	Anesthesiology	N/A	N/A	N/A
Cawley, Kevin M., MD	Reappointment	Consulting	Radiology	Reappointment	Consulting	Radiology	N/A	N/A	N/A
Clay, Terry B., MD	Reappointment	Active USA	Orthopaedics	Reappointment	Active USA	Orthopaedics	Reappointment	Active USA	Orthopaedics
Collins, Holley L., CRNP	Reappointment	APP USA	Pediatrics	N/A	N/A	N/A	Reappointment	APP USA	Pediatrics
Conaty, Kelly R., MD	Reappointment	Active USA	Anesthesiology	N/A	N/A	N/A	Reappointment	N/A	N/A
Detrisis, Robert B., MD	Reappointment	Consulting	Psychiatry	Reappointment	Consulting	Psychiatry	N/A	N/A	N/A
DeVan, Trinity, DA	Reappointment	APP	Surgery	Reappointment	APP	Surgery	N/A	N/A	N/A
Doria, Joseph W., MD	Reappointment	Consulting	Neurology	Reappointment	Consulting	Neurology	N/A	N/A	N/A
Duhon, Catera, RN	Reappointment	APP USA	OBGYN	Reappointment	APP USA	OBGYN	Reappointment	APP USA	OBGYN
Duhon, Catera, RN	Reappointment	APP	OBGYN (SANE)	Reappointment	APP	OBGYN (SANE)	N/A	N/A	N/A
Eberly, Gary A., MD	Reappointment	Community Staff	Pediatrics	N/A	N/A	N/A	N/A	N/A	N/A
Elliott, Kimberly A., MD	Reappointment	Active	Surgery	N/A	N/A	N/A	N/A	N/A	N/A
Engeriser, Jason L., MD	Reappointment	Consulting	Psychiatry	Reappointment	Consulting	Psychiatry	N/A	N/A	N/A
Figarola, Maria S., MD	Reappointment	Active USA	Radiology	Reappointment	Active USA	Radiology	Reappointment	Active USA	Radiology
Ford Johnson, Nina, MD	Reappointment	Community Staff	Pediatrics	N/A	N/A	N/A	N/A	N/A	N/A
Franklin, Tiffany H., CRNP	N/A	N/A	N/A	Reappointment	APP HCA/JAG	Internal Medicine	Reappointment	APP HCA/JAG	Internal Medicine
Giambrone, Melanie J., CRNP	Reappointment	APP USA	Neurosurgery	Reappointment	APP USA	Neurosurgery	Reappointment	APP USA	Neurosurgery
Giambrone, Melanie J., CRNP	Reappointment	APP USA	Surgery	Reappointment	APP USA	Surgery	Reappointment	APP USA	Surgery
Gibson, Aprile B., MD	Reappointment	Consulting	Radiology	Reappointment	Consulting	Radiology	N/A	N/A	N/A

Godoy, Guillermo, MD	Reappointment	Community Staff	Pediatrics	N/A	N/A	N/A	N/A	N/A	N/A
Grantham, Lauren C., CRNP	N/A	N/A	N/A	Reappointment	APP USA	Surgery	Reappointment	APP USA	Surgery
Graves, Mary F., PA	Reappointment	APP Non-Privileged	Internal Medicine	Reappointment	APP Non-Privileged	Internal Medicine	N/A	N/A	N/A
Harris, Edna L., CRNP	Reappointment	APP Non-Privileged	Family Medicine	Reappointment	APP Non-Privileged	Family Medicine	N/A	N/A	N/A
Harris, Jaleesa, CRNP	Reappointment	APP USA	Neurology	Reappointment	APP USA	Neurology	Reappointment	APP USA	Neurology
Hewitt, William H., MD	Reappointment	Active USA	Neurology	Reappointment	Active USA	Neurology	Reappointment	Active USA	Neurology
Hinton, Jr., John L., MD	Reappointment	Courtesy USA	Neurology	Reappointment	Active USA	Neurology	Reappointment	Court. USA/Active USA	Neurology
Holliday, Candice P., MD	Reappointment	Active USA	OBGYN	Reappointment	Active USA	OBGYN	Reappointment	Active USA	OBGYN
Holmes, Jonathan M., MD	Reappointment	Community Staff	Pediatrics	N/A	N/A	N/A	N/A	N/A	N/A
Howard, Donnelly B., MD	Reappointment	Active HCA	Internal Medicine	Reappointment	Active HCA	Internal Medicine	Reappointment	Active HCA	Internal Medicine
Hujier, Fares, MD	Reappointment	Courtesy USA	Internal Medicine	Reappointment	Active USA	Internal Medicine	Reappointment	Court. USA/Active USA	Internal Medicine
Jones, Nathaniel L., MD	Reappointment	Active USA	GYN - MCI	Reappointment	Active USA	GYN - MCI	Reappointment	Active USA	GYN - MCI
Kaulfers, Anne-Marie D., MD	Reappointment	Active USA	Pediatrics	N/A	N/A	N/A	Reappointment	Active USA	Pediatrics
Kennedy, Timothy L., MD	Reappointment	Active USA	Internal Medicine	Reappointment	Active USA	Internal Medicine	Reappointment	Active USA	Internal Medicine
Khan, Neelam A., MD	N/A	N/A	N/A	Reappointment	Courtesy HCA/JAG	Family Medicine	Reappointment	Courtesy HCA/JAG	Family Medicine
Kinnard, Christopher M., MD	Reappointment	Coverage USA	Surgery	Reappointment	Active USA	Surgery	Reappointment	Cover. USA/Active USA	Surgery
Knight, Parath H., CRNP	Reappointment	APP USA	Peds Emerg. Med.	Reappointment	APP USA	Emergency Medicine	N/A	N/A	N/A
Knightshhead, Kandi T., MD	Reappointment	Courtesy USA	Anesthesiology	Reappointment	Active USA	Anesthesiology	Reappointment	Court. USA/Active USA	Anesthesiology
Lairmore, David A., MD, DDS	Reappointment	Courtesy	Surgery	N/A	N/A	N/A	N/A	N/A	N/A
Lammers, John E., MD	N/A	N/A	N/A	Reappointment	Active USA	Internal Medicine	Reappointment	Active USA	Internal Medicine
Lee, Yann-Leei L., MD	Reappointment	Coverage USA	Surgery	Reappointment	Active USA	Surgery	Reappointment	Cover. USA/Active USA	Surgery
Liles, Joe S., MD	Reappointment	Active USA	Surgery	Reappointment	Active USA	Surgery	Reappointment	Active USA	Surgery
Lyons, Michael B., MD	Reappointment	Courtesy	Surgery	Reappointment	Consulting	Surgery	N/A	N/A	
Maier, Krista R., DO	Reappointment	Active USA	Ped. Emerg. Med.	Reappointment	Active USA	Emergency Medicine	N/A	N/A	N/A
Martin, Terri M., CRNA	Reappointment	APP Contract/Locums	Anesthesiology	Reappointment	APP Contract/Locums	Anesthesiology	N/A	N/A	N/A
Martinez Martinez, Carmen J., MD	Reappointment	Active USA	Ped. Emerg. Med.	Reappointment	Active USA	Emergency Medicine	N/A	N/A	N/A
Mazloom, Anita, MD	Reappointment	Active USA	Internal Medicine	Reappointment	Active USA	Internal Medicine	Reappointment	Active USA	Internal Medicine
McCreary, De'Arco R., MD	Reappointment	Community Staff HCA	Internal Medicine	Reappointment	Community Staff HCA	Internal Medicine	N/A	N/A	N/A
McGraw, Brandy J., CRNP	N/A	N/A	N/A	Reappointment	APP HCA	Internal Medicine	Reappointment	APP HCA	Internal Medicine
Menger, Richard P., MD	Reappointment	Active USA	Neurosurgery	Reappointment	Active USA	Neurosurgery	Reappointment	Active USA	Neurosurgery
Mevorach, Robert A., MD	Reappointment	Active USA	Urology	Reappointment	Active USA	Urology	Reappointment	Active USA	Urology
Minga, Amanda T., CRNP	Reappointment	APP USA	Pediatrics	N/A	N/A	N/A	Reappointment	APP USA	Pediatrics
Mohammad, Dunya H., MD	Reappointment	Active USA	Pediatrics	Reappointment	Coverage USA	Pediatrics	Reappointment	Active USA/Coverage USA	Pediatrics
Morrison, Esther E., MD	Reappointment	Active USA	Internal Medicine	Reappointment	Active USA	Internal Medicine	Reappointment	Active USA	Internal Medicine
Mowry, Margaret H., MD	Reappointment	Active USA	Radiology	Reappointment	Active USA	Radiology	Reappointment	Active USA	Radiology
Murphy, Andrea B., MD	Reappointment	Active	Surgery	N/A	N/A	N/A	N/A	N/A	N/A
Murphy, Darrell A., CRNA	Reappointment	APP USA	Anesthesiology	Reappointment	APP USA	Anesthesiology	N/A	N/A	N/A
Nawrocki, Allen A., MD	Reappointment	Active	Radiology	Reappointment	Active	Radiology	N/A	N/A	N/A
Neese, Leslie L., CRNA	Reappointment	APP USA	Anesthesiology	Reappointment	APP USA	Anesthesiology	N/A	N/A	N/A
Niland, Benjamin R., MD	Reappointment	Active USA	Internal Medicine	Reappointment	Active USA	Internal Medicine	Reappointment	Active USA	Internal Medicine
Outlaw, Kitti K., MD	Reappointment	Consulting	Surgery	N/A	N/A	N/A	N/A	N/A	N/A
Overstreet, Leigh A., CRNA	Reappointment	APP USA	Anesthesiology	Reappointment	APP USA	Anesthesiology	N/A	N/A	N/A
Parnley, Richard T., MD	Reappointment	Active USA	Pediatrics	Reappointment	Consulting USA	Pediatrics	Reappointment	Active USA/Cons. USA	Pediatrics
Patten, Patrick P., MD	Reappointment	Courtesy USA	Radiology	Reappointment	Active USA	Radiology	Reappointment	Courtesy USA/Active USA	Radiology
Payne-Johnson, Ann I., MD	Reappointment	Active USA	Family Medicine	Reappointment	Active USA	Family Medicine	Reappointment	Active USA	Family Medicine
Perkins, Robert A., MD	Reappointment	Active USA	Family Medicine	Reappointment	Active USA	Family Medicine	Reappointment	Active USA	Family Medicine
Petersen, III, Bendt P., MD	Reappointment	Consulting	Orthopaedics	Reappointment	Courtesy	Orthopaedics	N/A	N/A	N/A
Pierce, Michael T., MD	Reappointment	Consulting	Radiology	Reappointment	Consulting	Radiology	N/A	N/A	N/A
Plant, Charles P., MD	Reappointment	Active USA	Anesthesiology	Reappointment	Active USA	Anesthesiology	N/A	N/A	N/A
Portier, James W., CRNA	Reappointment	APP USA	Anesthesiology	Reappointment	APP USA	Anesthesiology	N/A	N/A	N/A
Putinta, Kevin M., MD	Reappointment	Consulting	Psychiatry	Reappointment	Consulting	Psychiatry	N/A	N/A	N/A
Reddy Loupe, Vyshali M., MD	Reappointment	Courtesy HCA	Internal Medicine	Reappointment	Courtesy HCA	Internal Medicine	Reappointment	Courtesy HCA	Internal Medicine
Rochford, Elizabeth B., CRNP	Reappointment	APP USA	Radiology	Reappointment	APP USA	Radiology	Reappointment	APP USA	Radiology
Ross, III, Robert L., MD	N/A	N/A	N/A	Reappointment	Active HCA	Internal Medicine	Reappointment	Active HCA	Internal Medicine
Russell, Robert T., MD	Reappointment	Contract/Locums	Surgery	N/A	N/A	N/A	Reappointment	Contract/Locums	Surgery
Sahawneh, Mathew M., CRNA	Reappointment	APP USA	Anesthesiology	Reappointment	APP USA	Anesthesiology	N/A	N/A	N/A
Sahawneh, Payton B., CRNA	Reappointment	APP USA	Anesthesiology	Reappointment	APP USA	Anesthesiology	N/A	N/A	N/A
Seibert, IV, Allan F., MD	N/A	N/A	N/A	Reappointment	Community Staff	Internal Medicine	N/A	N/A	N/A
Sherman, John A., MD	Reappointment	Active USA	Anesthesiology	Reappointment	Active USA	Anesthesiology	N/A	N/A	N/A
Simmons, Jon D., MD	Reappointment	Coverage USA	Surgery	Reappointment	Active USA	Surgery	Reappointment	Cover. USA/Active USA	Surgery
Smith, Susan R., CRNP	Reappointment	APP Non-Privileged	Pediatrics	Reappointment	APP Non-Privileged	Pediatrics	N/A	N/A	N/A
Stinson, Darryl D., MD	Reappointment	Contract/Locums	Radiology	Reappointment	Contract/Locums	Radiology	N/A	N/A	N/A
Strachan, Laura M., CRNP	Reappointment	APP Non-Privileged	Pediatrics	Reappointment	APP Non-Privileged	Pediatrics	N/A	N/A	N/A
Swigler, Colin W., MD	Reappointment	Consulting	Orthopaedics	Reappointment	Consulting	Orthopaedics	N/A	N/A	N/A
Terry, Anderw P., MD	Reappointment	Active	Surgery	N/A	N/A	N/A	N/A	N/A	N/A
Thibodeaux, Vanessa C., MD	Reappointment	Contract/Locums	OBGYN	N/A	N/A	N/A	N/A	N/A	N/A
Thompson, Kimberly A., CRNP	Reappointment	APP USA	Surgery	N/A	N/A	N/A	Reappointment	APP USA	Surgery
Thompson, Laura H., MD	Reappointment	Community Staff	Family Medicine	Reappointment	Community Staff	Family Medicine	N/A	N/A	N/A
Towery, Marion W., MD	Reappointment	Consulting USA	Anesthesiology	Reappointment	Active USA	Anesthesiology	N/A	N/A	N/A
Tullis, Jennifer M., CRNA	Reappointment	APP USA	Anesthesiology	Reappointment	APP USA	Anesthesiology	N/A	N/A	N/A
Ward, Taylor M., CRNP	N/A	N/A	N/A	Reappointment	APP USA HCA/JAG	Internal Medicine	Reappointment	APP USA HCA/JAG	Internal Medicine
Watson, Brian G., CRNA	N/A	N/A	N/A	Reappointment	APP Contract/Locums	Anesthesiology	N/A	N/A	N/A
Wicker, Amber N., CRNP	Reappointment	APP USA	Orthopaedics	Reappointment	APP USA	Orthopaedics	Reappointment	APP USA	Orthopaedics

Wilder, LaTonya, MD	N/A	N/A	N/A	Reappointment	Active HCA/JAG	Internal Medicine	Reappointment	Active HCA/JAG	Internal Medicine
Williamson, Amelia J., CRNP	Reappointment	APP USA	Internal Medicine	Reappointment	APP USA	Internal Medicine	Reappointment	APP USA	Internal Medicine
Woodward, Amy E., MD	Reappointment	Consulting HCA	Internal Medicine	Reappointment	Active HCA	Internal Medicine	Reappointment	Consult. HCA/Active HCA	Internal Medicine
Wrights, Sharienne E., MD	Reappointment	Community Staff	Pediatrics	Reappointment	Community Staff	Pediatrics	N/A	N/A	N/A
Wylie, Charly S., CRNA	Reappointment	APP Contract/Locums	Anesthesiology	Reappointment	APP Contract/Locums	Anesthesiology	N/A	N/A	N/A
Zarzour, Joseph G., MD	Reappointment	Consulting	Orthopaedics	Reappointment	Active	Orthopaedics	N/A	N/A	N/A
Change Requests		USA Health Children's & Women's Hospital			USA Health University Hospital			USA Health Ambulatory Care	
Name	Type/Status	Category	Department	Type/Status	Category	Department	Type/Status	Category	Department
Baig, Shoukat A., MD	Added Privileges	Active USA	Anesthesiology	Added Privileges	Active USA	Anesthesiology	N/A	N/A	N/A
Butts, Alexandra M., CRNA	Added Privileges	APP USA	Anesthesiology	Added Privileges	APP USA	Anesthesiology	N/A	N/A	N/A
Chalela, Julio A., MD	Deleted Privileges	Active USA	Neurosurgery	Deleted Privileges	Active USA	Neurosurgery	Deleted Privileges	Active USA	Neurosurgery
DeVan, Trinity, DA	Name Change	APP	Surgery	Name Change	APP	Surgery	N/A	N/A	N/A
Godoy, Guillermo, MD	Changed Status	Community Staff USA	Pediatrics	N/A	N/A	N/A	N/A	N/A	N/A
Graham, Laura A., CRNA	Added Privileges	APP USA	Anesthesiology	Added Privileges	APP USA	Anesthesiology	N/A	N/A	N/A
Hightower, Emily, CRNP	Changed Collaborative	APP USA	Internal Medicine	Changed Collaborative	APP USA	Internal Medicine	Changed Collaborative	APP USA	Internal Medicine
Kinnard, Christopher M., MD	Status Change	Coverage USA	Surgery	N/A	N/A	N/A	N/A	N/A	N/A
Mosteller, Charles S., MD	Added Privileges	Active	Surgery	Added Privileges	Active	Surgery	N/A	N/A	N/A
Murphy, Ava, CRNP	Changed Collaborative	APP USA	OBGYN	N/A	N/A	N/A	Changed Collaborative	APP USA	OBGYN
Salisbury, Charles D., MD	Added Privileges	Active	Surgery	Added Privileges	Active	Surgery	Added Privileges	Active	Surgery
Strachan, Laura M., CRNP	Name Change	APP Non-Privileged	Pediatrics	Name Change	APP Non-Privileged	Pediatrics	N/A	N/A	N/A
Tenorio Velasquez, Daniela, MD	Added Privileges	Active USA	Ped. Emerg. Med.	N/A	N/A	N/A	N/A	N/A	N/A
Williams, Amelia J., CRNP	Changed Collaborative	APP USA	Internal Medicine	Changed Collaborative	APP USA	Internal Medicine	Changed Collaborative	APP USA	Internal Medicine
Wright, John E., MD	Added Privileges	Active	Surgery	Added Privileges	Active	Surgery	N/A	N/A	N/A
Resigned/Retired		USA Health Children's & Women's Hospital			USA Health University Hospital			USA Health Ambulatory Care	
Name	Reason	Date	Department	Reason	Date	Department	Reason	Date	Department
Awan, Ghulam M., MD	Resigned	02/20/2025	Internal Medicine	Resigned	02/20/2025	Internal Medicine	Resigned	02/20/2025	Internal Medicine
Batra, Mansi, MD	Resigned	01/15/2025	Pediatrics	Resigned	01/15/2025	Pediatrics	Resigned	01/15/2025	Pediatrics
Bowen, Charles H., MD	Resigned	03/31/2025	Anesthesiology	Resigned	03/31/2025	Anesthesiology	N/A	N/A	N/A
Buckley, Alyson N., CRNP	N/A	N/A	N/A	Resigned	03/31/2025	Surgery	Resigned	03/31/2025	Surgery
Cartledge, Hollie V., CRNP	Resigned	02/28/2025	Pediatrics	N/A	N/A	N/A	Resigned	02/28/2025	Pediatrics
Chen, Mike K., MD	Resigned	02/04/2025	Surgery	N/A	N/A	N/A	N/A	N/A	N/A
Clayton, Adrienne G., CRNP	Resigned	03/10/2025	Pediatrics	N/A	N/A	N/A	Resigned	03/10/2025	Pediatrics
Conaty, Kelly R., MD	Deceased	02/26/2025	Anesthesiology	N/A	N/A	N/A	N/A	N/A	N/A
Courtney, Angel C., CRNA	Resigned	02/26/2025	Anesthesiology	Resigned	02/26/2025	Anesthesiology	N/A	N/A	N/A
DiPalma, Jack A., MD	Retired	03/17/2025	Internal Medicine	Retired	03/17/2025	Internal Medicine	Retired	03/17/2025	Internal Medicine
Duke, Kenneth G., CRNA	Resigned	02/26/2025	Anesthesiology	Resigned	02/26/2025	Anesthesiology	N/A	N/A	N/A
Eves, Matthew M., MD	Resigned	03/03/2025	Internal Medicine	Resigned	03/03/2025	Internal Medicine	N/A	N/A	N/A
Gavan, Brian S., MD	Resigned	03/10/2025	Pediatrics	N/A	N/A	N/A	N/A	N/A	N/A
Harless, Hilary A., CRNP	N/A	N/A	N/A	Resigned	02/26/2025	Surgery	Resigned	02/26/2025	Surgery
Henning, Paul R., MD	Resigned	03/03/2025	Emergency Medicine	Resigned	03/03/2025	Emergency Medicine	N/A	N/A	N/A
Hudson, Devin W., CRNP	N/A	N/A	N/A	Resigned	02/04/2025	Surgery	Resigned	02/04/2025	Surgery
Huff, Melissa D., CRNP	Resigned	01/07/2025	Pediatrics	N/A	N/A	N/A	Resigned	01/07/2025	Pediatrics
Huffmaster, Candace E., CRNP	N/A	N/A	N/A	Resigned	02/26/2025	Surgery	Resigned	02/26/2025	Surgery
Joshi, Tanvi V., MD	Resigned	02/20/2025	OBGYN	Resigned	02/20/2025	OBGYN	Resigned	02/20/2025	OBGYN
Lee, Bonnie K., MD	Resigned	03/31/2025	Surgery	Resigned	03/31/2025	Surgery	Resigned	03/31/2025	Surgery
Miller, Kristen S., CRNA	Resigned	03/03/2025	Anesthesiology	Resigned	03/03/2025	Anesthesiology	N/A	N/A	N/A
Milwee, Catherine V., PA	Resigned	02/26/2025	Pediatrics	N/A	N/A	N/A	Resigned	02/26/2025	Pediatrics
Nader, Mathieu W., MD	Resigned	02/04/2025	Radiology	Resigned	02/04/2025	Radiology	N/A	N/A	N/A
Ozair, Sana, MD	N/A	N/A	N/A	Resigned	01/07/2025	Internal Medicine	Resigned	01/07/2025	Internal Medicine
Pennington, Michael A., MD	Resigned	01/07/2025	Radiology	Resigned	01/07/2025	Radiology	N/A	N/A	N/A
Reed, Claudia M., CRNP	Resigned	02/07/2025	OBGYN	N/A	N/A	N/A	Resigned	02/07/2025	OBGYN
Sehgal, Mukul, MD	Resigned	01/15/2025	Pediatrics	Resigned	01/15/2025	Pediatrics	Resigned	01/15/2025	Pediatrics
Sharbel, Leslie M., CRNP	Resigned	01/07/2025	Neurosurgery	Resigned	01/07/2025	Neurosurgery	Resigned	01/07/2025	Neurosurgery
Stuck, Nathanael C., PA	Resigned	03/20/2025	Neurosurgery	Resigned	03/20/2025	Neurosurgery	Resigned	03/20/2025	Neurosurgery
Williams, Danielle M., CRNP	Resigned	03/10/2025	Pediatrics	N/A	N/A	N/A	N/A	N/A	N/A

**RESOLUTION**

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

**WHEREAS**, revisions to the USA Health Hospitals Medical Staff Bylaws and to associated documents, approved April 18, 2025, by the active voting General Medical Staff members, 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.

**Proposed revisions to USA Health Hospitals Medical Staff Bylaws/Associated Documents**  
**Approved by the USA Health Hospitals Medical Executive Committees on March 25, 2025**  
**Approved via email vote by the USA Health Hospitals Active Medical Staff on April 18, 2025**  
**Approved by the Executive Committee on May 7, 2025**

**Bold and Underlined** -New Wording

~~Strikethrough~~—Deletion

## **Summary of Bylaws/Associated Documents Proposed Revisions:**

### **MEDICAL STAFF BYLAWS**

#### **I. Medical Executive Committee Composition**

Revised non-voting membership list

### **MEDICAL STAFF RULES AND REGULATIONS**

#### **II. General Conduct of Care**

Revised Co-Signature grid requirement pertaining to ARNPs, PAs and Medical Students

#### **III. Rules Pertaining to Consultation**

Added Consultation time frames for Emergency Department and Inpatient Consultations

#### **IV. Essentials of a Consultation**

Revised documentation requirements

Added new inpatient consult type

#### **V. Documentation requirements**

Deleted reference to a hospital policy

#### **VI. Timeliness of Documentation (Delinquent Records)**

Added specific medical records subject to administrative automatic suspension when delinquent

### **ORGANIZATIONAL MANUAL**

#### **VII. Executive Committee**

Deleted approval of clinical privileges duty

### **CREDENTIALING POLICY**

#### **VIII. Threshold Eligibility Criteria**

Added clarification to criminal investigation

#### **IX. Threshold Eligibility Criteria**

Revised board certification section and added accepting the RCPSC

#### **X. Automatic Relinquishment/Action**

Added ability to impose financial penalties by the clinical department

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**MEDICAL STAFF BYLAWS- I.**

**5.C. MEDICAL EXECUTIVE COMMITTEE**

**5.C.1. Composition:**

- (a) Each Hospital shall maintain its own MEC.
- (b) The individual MECs shall consist of the following voting members:
  - Chair of the MEC;
  - Chair-Elect/Secretary of the MEC;
  - Immediate Past Chair of the MEC;
  - Department chairs and/or service line chairs, as applicable;
  - four at-large members of the Medical Staff to serve two-year terms, who shall be selected by the Nominating Committee as defined in Section 3.D.1 in a manner to be representative of the specialties of the Medical Staff as well as the relationships that Medical Staff members have with the Hospitals (i.e., employed, contracted, or independent);
  - Chair of the Combined Credentials Committee;
  - Graduate Medical Education Designated Institutional Official; and
  - For USA Health Children's and Women's Hospital MEC only, the Residency Program Directors (Primary Service).
- (c) The ~~Hospital Administrator, CEO, CMO, CNO, College of Medicine Dean/Vice President of Medical Affairs,~~ resident physicians, advanced practice practitioner, **Medical staff services representatives**, and Quality Management representatives shall serve as ex officio, non-voting members.
- (d) The Chair of the MEC will chair the MEC.
- (e) Other Medical Staff members or Hospital personnel may be invited to attend a particular MEC meeting (as guests, without vote) in order to assist the MEC in its discussions and deliberations regarding an issue on its agenda. These individuals shall be present only for the relevant agenda item and shall be excused for all others. Such individuals are an integral part of the committee's functioning and are bound by the same confidentiality requirements as the standing members of the MEC.

**MEDICAL STAFF RULES AND REGULATIONS – II.**

**2.0 General Conduct of Care:**

<b>Co-signature requirements:</b>	<b>ARNP</b>	<b>CRNA</b>	<b>Resident</b>	<b>PA</b>	<b>Medical Student</b>	<b>Other Allied Health*</b>
<b>Progress Notes</b>	<b>NO</b>	<b>NO</b>	<b>NO</b>	<b>NO</b>	<b>Yes</b>	<b>Yes</b>
<b>History &amp; Physicals</b>	<b>YES</b>	<b>N/A</b>	<b>YES</b>	<b>YES</b>	<b>N/A <b>YES</b></b>	<b>YES</b>
<b>Consults</b>	<b><del>YES</del> <b>NO</b></b>	<b>NO</b>	<b>YES</b>	<b><del>YES</del> <b>NO</b></b>	<b>YES</b>	<b>N/A</b>
<b>Discharge Summaries</b>	<b>YES</b>	<b>NO</b>	<b>YES</b>	<b>YES</b>	<b>N/A <b>YES</b></b>	<b>N/A</b>
<b>Operative Procedure note/report</b>	<b>YES</b>	<b>NO</b>	<b>YES</b>	<b>YES</b>	<b>N/A</b>	<b>N/A</b>
<b>Order to Admit</b>	<b>YES</b>	<b>N/A</b>	<b>YES</b>	<b>YES</b>	<b>YES</b>	<b>N/A</b>
<b>Pre-Operative Anesthesia Assessment</b>	<b>N/A</b>	<b>YES</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>

\*Dental hygienists and unlicensed physician employees or RN's/LPN's employed directly by the physician must have verbal orders and progress notes immediately cosigned by their attending or covering physician.

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### **MEDICAL STAFF RULES AND REGULATIONS - III.**

#### **2.2 Rules Pertaining to Consultation**

##### **2.2.1 General Consultations requirements**

**2.2.1.1 Purpose. The purpose of a Consultation is to provide the Patient with prompt specialty evaluation, clinical management, and delivery of comprehensive care and treatment**

##### **2.2.2 Providing a consultation**

Any attending physician can be called for consultation within his/her area of expertise.

##### **2.2.4 Consultation report** A consultation report must be provided by the consultant for inclusion in the medical record.

The consultation report must meet the minimum requirements set forth by Medicare (review of record, pertinent findings on examination of patient and the consultant's opinion and recommendation). If the consulting attending physician actively participates in the patient's management, e.g., writes orders, their report must meet the minimum requirements set forth by Medicare for subsequent care. All reports must be authenticated by signature, date, and time by the consulting attending physician.

##### **2.2.5 Emergency Department consultations**

**2.2.5.1 The Emergency Department attending physician (or his or her designee) will initiate a consultation for the Emergency Department.**

**2.2.5.2 The attending physician (or his or her designee) will comply with the following patient care guidelines regarding availability.**

- **All consults from the Emergency Department for patients that are not already admitted to the hospital should be responded to within 15 minutes of being contacted by the receiving physician or their designee. The response may be by telephone, or in-person when required by specified standards (trauma activation, stroke code, STEMI, etc.)**
- **When a consult is to render a disposition, the consultant is required to begin their consult within 1 hr.**
- **A care plan to include the attending response/input should be completed as soon as practical but within 4 hours of initial consultation.**
- **Direct communication between the consulting team and the emergency medicine team must occur after initial evaluation and with any changes in the care plan.**

##### **2.2.6 Inpatient consultations**

**2.2.6.1 In patient consultation response time expectations are:**

- **Stat – respond from the service as soon as possible and not longer than 15 minutes.**
- **Urgent- within two (2) hours.**
- **Routine- within twelve (12) hours.**

**The attending should be notified and provide input within these time frames for urgent, and routine consults. Emergent and urgent consultations should have a documented final disposition completed as soon as practical. Routine consults shall be completed and documented within twelve (12) hours of request, except when otherwise stated by the consultant and agreeable with the referring physician.**

##### **2.2.6.2 Attending-to-attending communication**

**This communication should occur whenever there are important, time-dependent patient care issues that arise.**

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**MEDICAL STAFF RULES AND REGULATIONS – IV. – two revisions**

**2.2.7** Essentials of a consultation

A satisfactory consultation includes examination of the patient and the patient's record. The consultant's assessment and recommendation shall be documented and signed in the medical record. Physician may elect to have an L.I.P. or house staff/ team member initiate the consultation, **provided the LIP or house staff/team member communicates and documents the attending physician agrees with the plan of care** ~~physician evaluates the patient within 24 hours of request for consultation.~~ There are three consult request types:

- **Consult for assessment and to follow the patient; this means communicating initially and regularly based on patient needs.**
- ~~If the order for a Consult is for assessment and a one-time recommendation only; this means that no orders are written by the consultant, and~~
- ~~The attending physician does have the option~~ **Consult to assess, write** orders ~~consult and follow patient; this means that the consultant can write orders which are to be carried out.~~

**In emergent situations where a delay in writing orders may pose a potential threat to the patient's life or well-being, the consulting provider is authorized to enter patient care orders to ensure timely and appropriate medical intervention.** If there is to be a transfer in responsibility of care (attending status), this must be mutually agreed upon and entered as an order in the medical record. Consultations shall be completed and documented within **the timeframe specified in 2.2.5 and 2.2.6** ~~twenty four (24) hours~~ of request, except when otherwise stated by the consultant and agreeable with the referring physician. When this does not occur, the attending physician shall be notified and documented in the medical record.

**MEDICAL STAFF RULES AND REGULATIONS – V.**

3.2.5 Documentation requirements

All clinical entries must be completed in the medical record system shall be dated and timed. The medical record shall be completed ~~per hospital policy~~ at the time of the patient's discharge, including progress notes, final diagnoses and discharge summary, when possible.

**MEDICAL STAFF RULES AND REGULATIONS – VI.**

3.3 Timeliness of Documentation (Delinquent Records)

3.3.1 General Requirements.

Medical records shall be completed within 30 days following discharge. A medical record is considered complete when all patient information has been entered and signed. It is the responsibility of any Medical Staff member or Advance Practice Professional involved in the care of a patient to prepare and complete medical records in accordance with this time frame, as well as the other provisions of these Rules and Regulations and any other relevant policies of the Hospital. **Delinquent medical records subject to the temporary administrative suspension process include but not limited to: H & P, H & P update, brief post-operative procedure notes, full post-operative/procedure note and the discharge summary.**

**ORGANIZATION MANUAL – VII.**

3.F. EXECUTIVE COMMITTEE

3.F.2. Duties:

The Executive Committee shall:

- (a) provide leadership, planning, organization, and direction regarding the development and operation of the USA Health Hospitals; and
- (b) serve as an advisory body, providing advice to the Medical Staffs, President of the University of South Alabama, and Board of Trustees on Medical Staff issues related to the following:

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**Bold and Underlined** -New Wording

~~Strikethrough~~—Deletion

~~(1) recommendations regarding medical staff appointment and clinical privileges involving Medical Staff members;~~

**CREDENTIALING POLICY – VIII.**

**2.A. QUALIFICATIONS**

**2.A.1. Threshold Eligibility Criteria:**

To be eligible to apply for initial appointment or reappointment to the Medical Staff, physicians must:

(k) not currently be subject to a criminal investigation **pertaining to a felony**, and have not been convicted of, or entered a plea of guilty or no contest to, any felony; or to any misdemeanor relating to controlled substances, illegal drugs, insurance or health care fraud or abuse, child abuse, elder abuse, violence, or the practitioner-patient relationship;

**CREDENTIALING POLICY – IX. - two revisions**

**2.A. QUALIFICATIONS**

**2.A.1. Threshold Eligibility Criteria:**

To be eligible to apply for initial appointment or reappointment to the Medical Staff, physicians must:

(t) be certified in their primary area of practice at the Hospital by the appropriate specialty/subspecialty board of the American Board of Medical Specialties (“ABMS”), **Canadian- Royal College of Physicians and Surgeons (RCPSC)** or the American Osteopathic Association (AOA). Those applicants who are not board certified at the time of application but who have completed their residency or fellowship training **and meet the requirements for board eligibility from their respective board within the last five years** shall be eligible for Medical Staff appointment. However, in order to remain eligible, those applicants must achieve board certification in their primary area of practice within five years from the date of completion of their residency or fellowship training;

**CREDENTIALING POLICY – X.**

**6.E. AUTOMATIC RELINQUISHMENT/ACTIONS**

**6.E.2. Failure to complete Medical Records:**

Failure to complete medical records, after notification by the medical records department of delinquency, may result in automatic relinquishment of all clinical privileges in accordance with the time frames as set forth in the Medical Staff Rules and Regulations (except that the individual must complete all scheduled emergency service obligations or arrange appropriate coverage). Relinquishment shall continue until all delinquent records are completed and reinstatement accomplished in accordance with applicable policies and rules and regulations. Failure to complete the medical records that caused relinquishment within the time required by applicable policies and rules and regulations shall result in automatic resignation from the Medical Staff. **In addition to the administrative suspension of clinical privileges as described above, the individual clinical departments have the discretion to impose financial penalties on practitioner due to medical records delinquencies.**

## **RESOLUTION**

### **NOMINATION OF CANDIDATES FOR THE MOBILE COUNTY HOSPITAL BOARD OF DIRECTORS**

**WHEREAS**, the term of office of Dr. Sam Eichold as a director of the Mobile County Hospital Board (“Corporation”) will expire on September 30, 2025, and

**WHEREAS**, the Certificate of Incorporation of the Mobile County Hospital Board requires (a) a nomination by the Board of Trustees of the University of South Alabama of two (2) alternative candidates for consideration by the Mobile County Commission and (b) election by the Mobile County Commission of one of the alternative candidates to serve as director of the Corporation for a term of six (6) years, and

**WHEREAS**, the leadership of USA Health has requested that the Board of Trustees nominate Maryann Mbaka, M.D., USA Health trauma surgeon, and Mr. Tom Myers, USA Health Chief Transformation Officer, as the two (2) alternative candidates for consideration by the Mobile County Commission, both of whom meet the criteria for service as director of the Corporation,

**THEREFORE, BE IT RESOLVED**, the Board of Trustees of the University of South Alabama hereby nominates Maryann Mbaka, M.D. and Mr. Tom Myers as two (2) alternative candidates for consideration by the Mobile County Commission for the position of director of the Mobile County Hospital Board.

**UNIVERSITY OF SOUTH ALABAMA  
BOARD OF TRUSTEES**



**ACADEMIC EXCELLENCE  
AND STUDENT SUCCESS COMMITTEE**

**UNIVERSITY OF SOUTH ALABAMA  
BOARD OF TRUSTEES**

**Academic Excellence and Student Success Committee**

**March 13, 2025  
2:16 p.m.**

A meeting of the Academic Excellence and Student Success Committee of the University of South Alabama (“USA,” “University”) Board of Trustees was duly convened by Judge Mike Windom, Chair, on Thursday, March 13, 2025, at 2:16 p.m. in the Board Room of the Frederick P. Whiddon Administration Building. Meeting attendance was open to the public.

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

Member Absent: Steve Furr.

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

Administration & Guests: Owen Bailey, Jim Berscheidt, Joél Billingsley, Jo Bonner, Abbie Collins, Joel Erdmann, Monica Ezell, Susan Gordon-Hickey, Charlie Guest, Chris Hawkins, Simone Holmes, Buck Kelley, Andi Kent, Spence Larche, Nick Lawkis, John Marymont, Mike Mitchell, Georgia Mock, J.D. Musso, Jaison Perkins, Kristen Roberts, Margaret Sullivan, Peter Susman, Christina Wassenaar (Faculty Senate) and Brent Wiles.

Following the attendance roll call, **Item 17**, Judge Windom called for consideration of the minutes for a meeting held on December 4, 2024, **Item 18**. On motion by Mr. Graham, seconded by Dr. Charlton, the Committee voted unanimously to adopt the minutes.

Judge Windom presented **Item 19**, a resolution authorizing sabbatical awards for faculty of the College of Education and Professional Studies for fall 2025 through spring 2026. (To view resolutions, policies and other documents authorized, refer to the minutes for the Board of Trustees meeting held on March 14, 2025.) Judge Windom stated, while sabbatical awards were typically considered during the December meetings, two additional candidates were recommended for sabbatical leave to pursue their research interests. On motion by Judge Lewis, seconded by Mr. Perkins, the Committee voted unanimously to recommend approval of the resolution by the Board of Trustees.

Judge Windom introduced **Item 20**, a resolution awarding tenure to Dr. Lisa A. Morena-Walton, who Dr. Marymont noted would be joining the Whiddon College of Medicine as Vice Chair of the Department of Emergency Medicine. On motion by Capt. Jenkins, seconded by Mr. Graham, the Committee voted unanimously to recommend approval of the resolution by the Board of Trustees.

Judge Windom turned to Provost Kent for a report on the activities of the Division of Academic Affairs, **Item 21**. Provost Kent announced that the Pat Capps Covey College of Allied Health Professions would soon celebrate its 50<sup>th</sup> anniversary and introduced Dr. Susan Gordon-Hickey, Dean, who conveyed pride for the College's legacy. Dr. Gordon-Hickey asserted the faculty's commitment to provide students opportunities to work in clinical settings, such as with the *Bright Ideas Traumatic Brain Injury Camp* for survivors and caregivers. To further illustrate the effort, she recognized Mr. Brent Wiles, Instructor in the Department of Speech-Language Pathology and co-leader of the *Camp Dream. Speak. Live.* summer program for children who stutter, as well as Ms. Georgia Mock, graduate student, who shared an overview on the program. Ms. Mock attested that the experience of working with patients was a vital component of her education.

Provost Kent advised that the report on the activities of the Division of Research and Economic Development, **Item 23**, would be provided at a future meeting.

Judge Windom called on Dr. Mitchell to deliver a report on the activities of the Division of Student Affairs, **Item 22**. Dr. Mitchell advised of a reorganization of operations at the Student Center and the formation of the Office of Student Involvement to oversee the existing Fraternity and Sorority Life, Jaguar Productions, and Student Organizations and Leadership Development offices and discount ticket sales. He shared information on each sector and introduced Mr. Chris Hawkins, Director of Student Involvement, as well as other personnel. Also recognized were the student leaders in attendance: Ms. Simone Holmes – Jaguar Productions President, Ms. Abbie Collins – College Pan-Hellenic Council (PHC) President-elect, Mr. Jaison Perkins – PHC Treasurer and Mr. J.D. Musso – Interfraternity Council President. In closing, Dr. Mitchell affirmed that students who actively engage beyond the classroom achieve greater academic success and are more likely to remain at USA and earn a degree, resulting in higher enrollment, retention and graduation rates.

There being no further business, the meeting was adjourned at 2:39 p.m.

Respectfully submitted:

Michael P. Windom, Chair



## MEMORANDUM

Vice President for Student Affairs

DATE: August 1, 2025

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, 2024-2025

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, 2024, through July 31, 2025. The chart also details the administrative action/discipline related to each violation:

Date of Policy Violation	Description of Policy Violation	Administrative Action/ Disciplinary Action Taken
	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 13, 2025**

**2:42 p.m.**

A meeting of the Budget and Finance Committee of the University of South Alabama (“USA,” “University”) Board of Trustees was duly convened by Mr. Lenus Perkins, Chair, on Thursday, March 13, 2025, at 2:42 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, Ron Graham, Meredith Hamilton, Lenus Perkins, Jimmy Shumock and Steve Stokes were present.

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

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

Following the attendance roll call, **Item 24**, Mr. Perkins called for consideration of the minutes for a meeting held on December 4, 2024, **Item 25**. On motion by Mr. Graham, seconded by Mr. Shumock, the Committee voted unanimously to adopt the minutes.

Mr. Perkins called on Ms. Roberts to address **Item 26**, the quarterly financial statements for the three months ended December 31, 2024. Ms. Roberts advised of an increase in net position of just over \$26 million in contrast to that of approximately \$30 million reported for the same period of fiscal year 2024, and attributed this difference primarily to investment income. She noted year-over-year increases in all operating revenue line items and added that the quarter ended with just over \$2.4 billion in total assets and a total net position of approximately \$712 million.

Ms. Roberts presented **Item 27** and **Item 28**, resolutions authorizing the sale of real property located at Providence Park to Bender Clinics, LLC, and the sale of real property located at the Brookley complex to Burton Property Group, respectively, pursuant to the terms of the purchase and sale agreements executed, and further stipulating the personnel authorized to execute and file the documents appropriate or necessary in furtherance of the sales. (To view resolutions, policies and other documents authorized, refer to the minutes of the Board of Trustees meeting held on March 14, 2025.) Ms. Roberts pointed out that the sale of these assets as structured would provide the University flexibility and also noted that the proceeds from the sale of the Brookley property would help fund the Whiddon College of Medicine project. Mr. Perkins called for action on the resolutions. On motion by Mr. Shumock, seconded by Ms. Brown Stewart, the Committee voted unanimously to recommend approval of **Item 27** by the Board of Trustees. On motion by Ms. At-

Budget and Finance Committee  
March 13, 2025  
Page 2

kins, seconded by Mr. Shumock, the Committee voted unanimously to recommend approval of **Item 28** by the Board of Trustees.

There being no further business, the meeting was adjourned at 2:45 p.m.

Respectfully submitted:

Lenus Perkins, Chair

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

Basic Financial Statements

Six Months Ended March 31, 2025

(Unaudited)

**UNIVERSITY OF SOUTH ALABAMA**  
(A Component Unit of the State of Alabama)  
Basic Financial Statements  
Six Months Ended March 31, 2025

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**UNIVERSITY OF SOUTH ALABAMA**  
(A Component Unit of the State of Alabama)  
Management's Discussion and Analysis (Unaudited)  
Six Months Ended March 31, 2025

## Introduction

The following discussion presents an overview of the financial position and financial activities of University of South Alabama (the University), including the University of South Alabama Health System (USA Health), a division of the University, at March 31, 2025 and 2024, 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, Providence Medical Network IPA, Jaguar Athletic Fund, and various billing entities are reported as blended component units. The University of South Alabama Foundation, the USA Research and Technology Corporation, University of South Alabama Health Care Authority, South Alabama Medical Science Foundation, Providence Foundation, and Gulf Coast TotalCare are discretely presented.

## Financial Highlights

At March 31, 2025 and 2024, the University had total assets and deferred outflows of approximately \$2,512,817,000 and \$2,152,847,000, respectively; total liabilities and deferred inflows of approximately \$1,822,716,000 and \$1,610,381,000, respectively; and net position of approximately \$690,101,000 and \$542,466,000, respectively.

There was an overall increase in both restricted and unrestricted cash balances between 2024 and 2025 of approximately \$10,250,000, or 6%, to \$191,719,000. There was an increase in investment balances between 2024 and 2025 of approximately \$1,989,000, or 1%, to \$452,039,000 at March 31, 2025. The University experienced a decrease in patient service revenues of approximately \$7,338,000, or 2%, between 2024 and 2025.

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, 2025. 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

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recognized when earned and expenses are recognized when incurred by the University, regardless of when cash is exchanged.

The condensed schedules of net position at March 31, 2025 and 2024 follow (in thousands):

**Condensed Schedules of Net Position**

	<b>2025</b>	<b>2024</b>
<b>Assets:</b>		
Current	\$ 398,974	386,508
Capital assets, net	1,105,617	1,010,838
Other noncurrent	546,111	494,815
Total assets	2,050,702	1,892,161
Deferred outflows	462,115	260,686
Total assets and deferred outflows	\$ 2,512,817	2,152,847
<b>Liabilities:</b>		
Current	\$ 195,928	279,207
Noncurrent	1,255,078	937,396
Total liabilities	1,451,006	1,216,603
Deferred inflows	371,710	393,778
Total liabilities and deferred inflows	\$ 1,822,716	1,610,381
<b>Net position:</b>		
Net investment in capital assets	\$ 549,360	451,338
Restricted, nonexpendable	84,584	81,449
Restricted, expendable	122,283	109,884
Unrestricted (deficit)	(66,126)	(100,205)
Total net position	\$ 690,101	542,466

Assets included in the statement of net position are classified as current or noncurrent. Current assets consist primarily of cash and cash equivalents, investments, patient receivables, and accounts receivable, other. Of these amounts, cash and cash equivalents, patient receivables, investments, and accounts receivable, other comprise approximately 42%, 22%, 12%, and 10% respectively, of current assets at March 31, 2025. Noncurrent assets consist primarily of restricted investments, lease receivables, and capital assets. The increase in total assets and deferred outflows is attributed to an increase in capital assets and lease receivables.

**UNIVERSITY OF SOUTH ALABAMA**  
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 Management's Discussion and Analysis (Unaudited)  
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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.

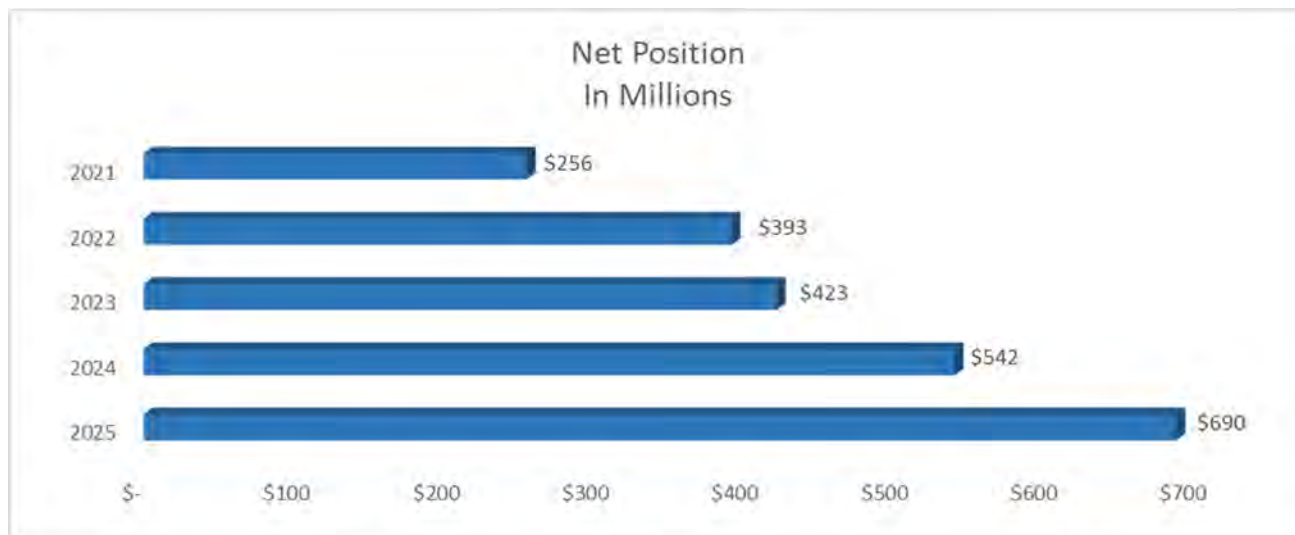
Restricted nonexpendable net position consists primarily of the University's permanent endowment funds. In accordance with the policies of the University and donor agreements, the earnings from these funds may be expended, but the corpus may not be expended and must remain intact with the University 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 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, 2025 is the impact of the net pension liability recorded pursuant to the requirements of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions--an amendment of GASB Statement No. 27*, and the impact of the net OPEB liability recorded pursuant to the requirements of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

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(A Component Unit of the State of Alabama)  
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Net position of the University as of March 31 is as follows:



Restricted net position increased by approximately \$15,534,000 between March 31, 2024 and 2025, primarily due to market increases on endowment investments and gifts to the University. Unrestricted net position deficit decreased from approximately \$(100,205,000) to \$(66,126,000) between March 31, 2024 and 2025. A summary of unrestricted net position (deficit) at March 31, 2025 and 2024 is summarized as follows (in thousands):

	2025	2024
Unrestricted deficit related to net pension liability	\$ (279,777)	(349,710)
Unrestricted deficit related to net OPEB liability	(396,009)	(78,808)
Unrestricted net position related to other activity	609,660	328,313
Unrestricted net position (deficit)	<u>\$ (66,126)</u>	<u>(100,205)</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 tuition and fees (net of scholarship allowances), patient service revenues (net of provision for bad debts), most

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noncapital grants and contracts, revenues from auxiliary enterprises, and sales and services of educational activities. Operating expenses are those expenses paid or incurred to acquire or produce the goods and services provided in return for the operating revenues and to carry out the mission of the University.

Nonoperating revenues have the characteristics of nonexchange transactions because, generally, no goods or services are provided. Such transactions include state appropriations, net investment income, 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, and transfers to affiliates to fund operations.

The condensed schedules of revenues, expenses, and changes in net position for the six months ended March 31, 2025 and 2024 follow (in thousands):

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

	<u>2025</u>	<u>2024</u>
Operating revenues:		
Tuition and fees, net	\$ 80,115	74,941
Patient service revenues, net	441,609	448,947
Federal, state, and private grants and contracts	29,693	28,191
Auxiliary, net and other	65,426	47,153
	<u>616,843</u>	<u>599,232</u>
Operating expenses:		
Salaries and benefits	415,747	356,281
Supplies and other services	246,520	231,073
Other	67,619	68,752
	<u>729,886</u>	<u>656,106</u>
Operating loss	<u>(113,043)</u>	<u>(56,874)</u>

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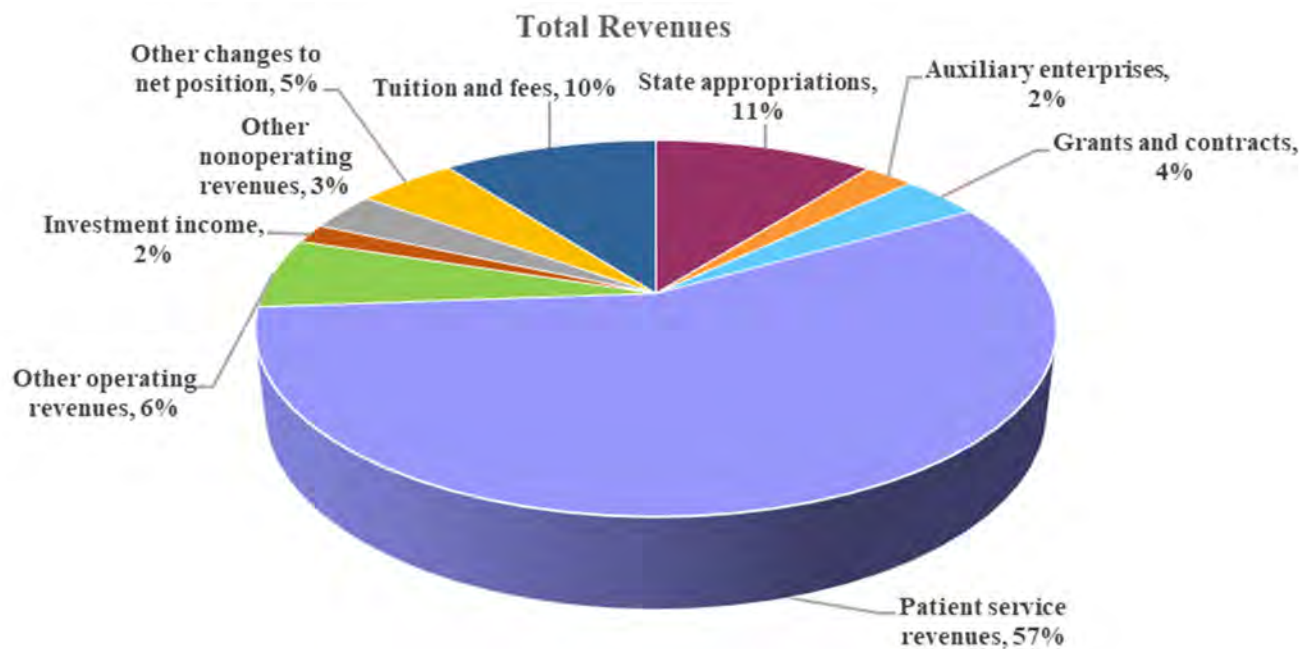
**Condensed Schedules of Revenues, Expenses, and Changes in Net Position**  
**(continued)**

	<u>2025</u>	<u>2024</u>
Nonoperating revenues and expenses:		
State appropriations	\$ 81,992	75,187
Net investment income	12,897	46,795
Other, net	(15,065)	(31,564)
Net nonoperating revenues	<u>79,824</u>	<u>90,418</u>
Income before capital appropriations, contributions and grants, and additions to endowment	(33,219)	33,544
Capital appropriations, contributions and grants, and additions to endowment	<u>37,176</u>	<u>15,683</u>
Increase in net position	<u>3,957</u>	<u>49,227</u>
Beginning net position, adjusted	<u>686,144</u>	<u>493,239</u>
Ending net position	<u>\$ 690,101</u>	<u>542,466</u>

For the six months ended March 31, 2025, approximately 57% of total revenues of the University were patient service revenues, net. Excluding patient service revenues, tuition and fees charged to students and state appropriations represent the largest component of total University revenues, approximately 10% and 11% of total revenues in 2025, respectively.

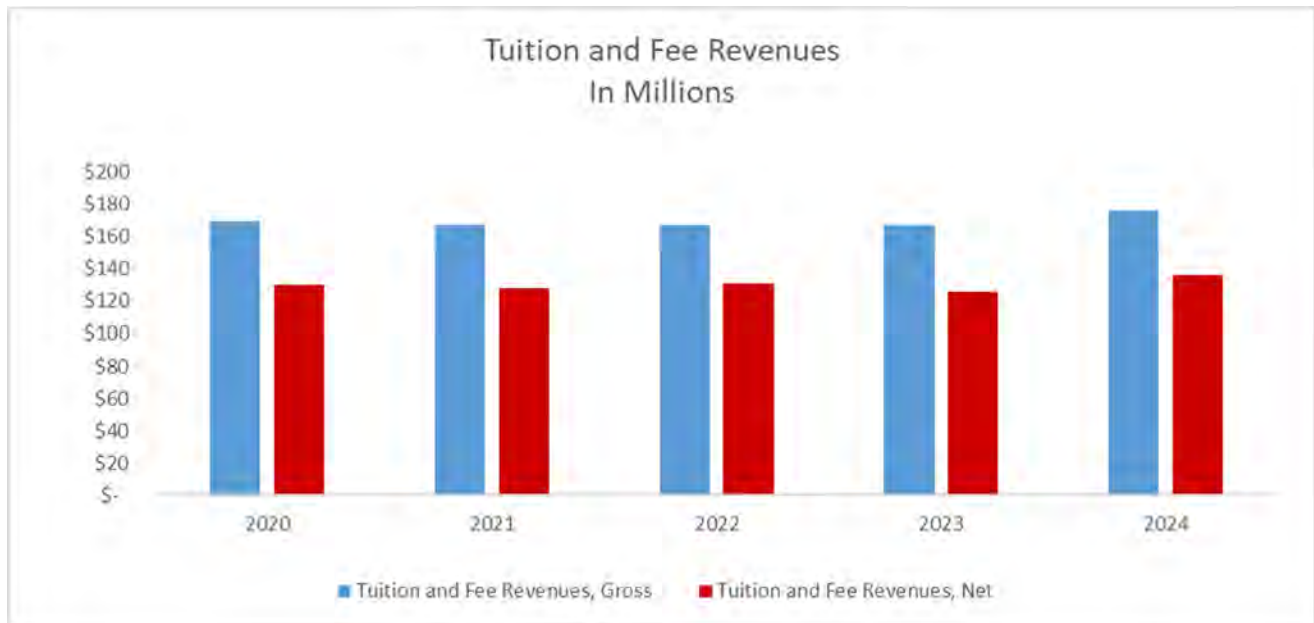
**UNIVERSITY OF SOUTH ALABAMA**  
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A summary of University revenues for the six months ended March 31, 2025 is presented as follows:



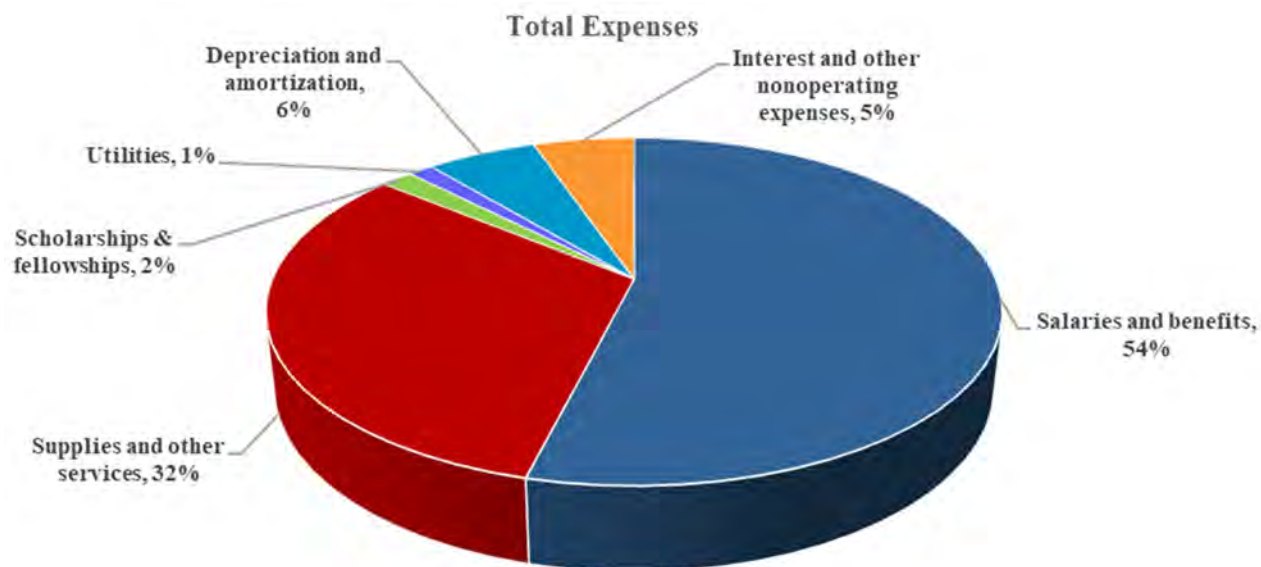
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Tuition revenues have generally remained steady in recent years. Although tuition rates did not increase from 2023 to 2024, there was a slight increase in tuition revenues due to an increase in enrollment. Tuition and fees, gross and net of scholarship allowances, for the past five fiscal years are as follows:



**UNIVERSITY OF SOUTH ALABAMA**  
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 Management's Discussion and Analysis (Unaudited)  
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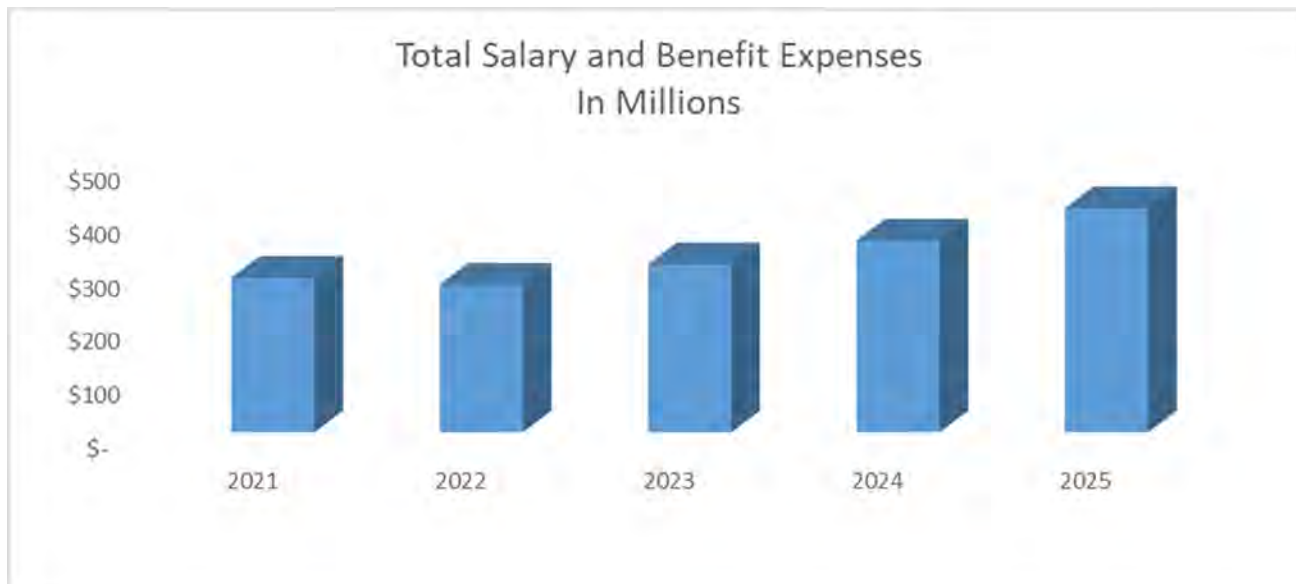
University expenses are presented using their natural expense classifications. A summary of University expenses for the six months ended March 31, 2025 is presented as follows:



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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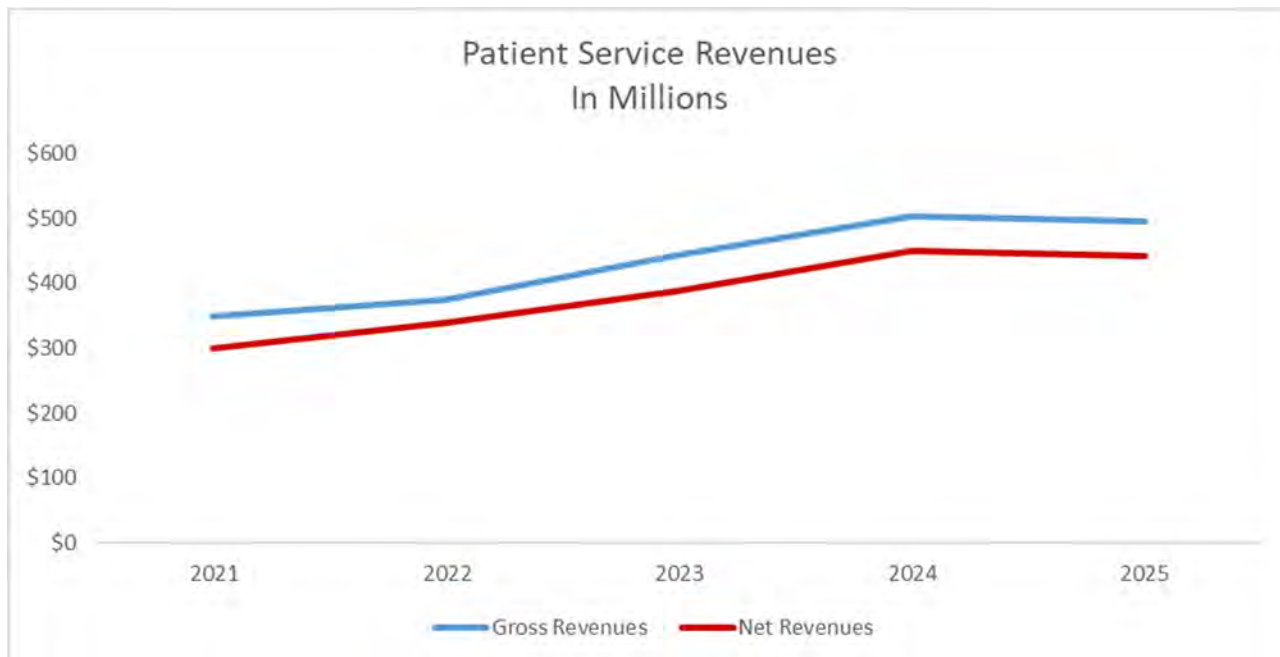
For the six months ended March 31, 2025, approximately 54% of the University's total expenses were salaries and benefits.



For the six months ended March 31, 2025 and 2024, the University reported an operating loss of approximately \$113,043,000 and \$56,874,000. 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 \$3,957,000 and \$49,227,000 for the six months ended March 31, 2025 and 2024, respectively.

**UNIVERSITY OF SOUTH ALABAMA**  
 (A Component Unit of the State of Alabama)  
 Management's Discussion and Analysis (Unaudited)  
 Six Months Ended March 31, 2025

USA Health represents a significant portion of total University revenues. Operating patient service revenues, gross and net, for the six months ended March 31, 2025 for the last five fiscal years 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 \$92,430,000 for the six months ended March 31, 2025. Significant construction projects that remain in progress as of March 31, 2025 include the new Whiddon College of Medicine Building and related utility improvements, demolition of Alpha Hall South and East, Children's and Women's 5th floor renovation, Pediatric Emergency Department expansion, University Hospital Hybrid Operating Room renovation, Science Laboratory Building renovation, Traditions, Marching Band Building, and Stanky Field Turf Replacement. Major projects completed and placed into service in fiscal year 2024 include: the Physician's Office Building, North Drive utility and Central Energy Plant improvements; renovations of ROTC building, Simulation Lab, and Dining Hall; and construction of a Campus Storm Shelter and 3D Printing Lab. At March 31, 2025, the University had outstanding commitments of approximately \$180,183,000 for various capital projects. Additional information regarding the University's capital assets is included in note 5.

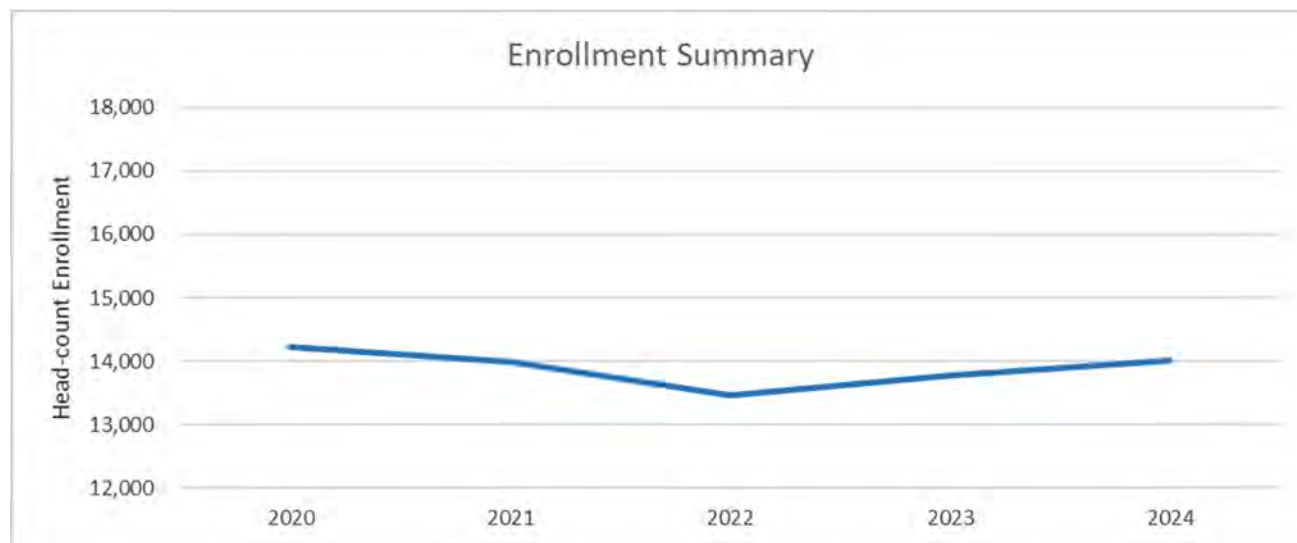
**UNIVERSITY OF SOUTH ALABAMA**  
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The University's credit rating is A1 (Stable) as rated by Moody's Investors Service and A+ (Stable) as rated by Standard and Poor's Global Ratings. Moody's Investors Services revised the University's outlook from negative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

**Economic Outlook**

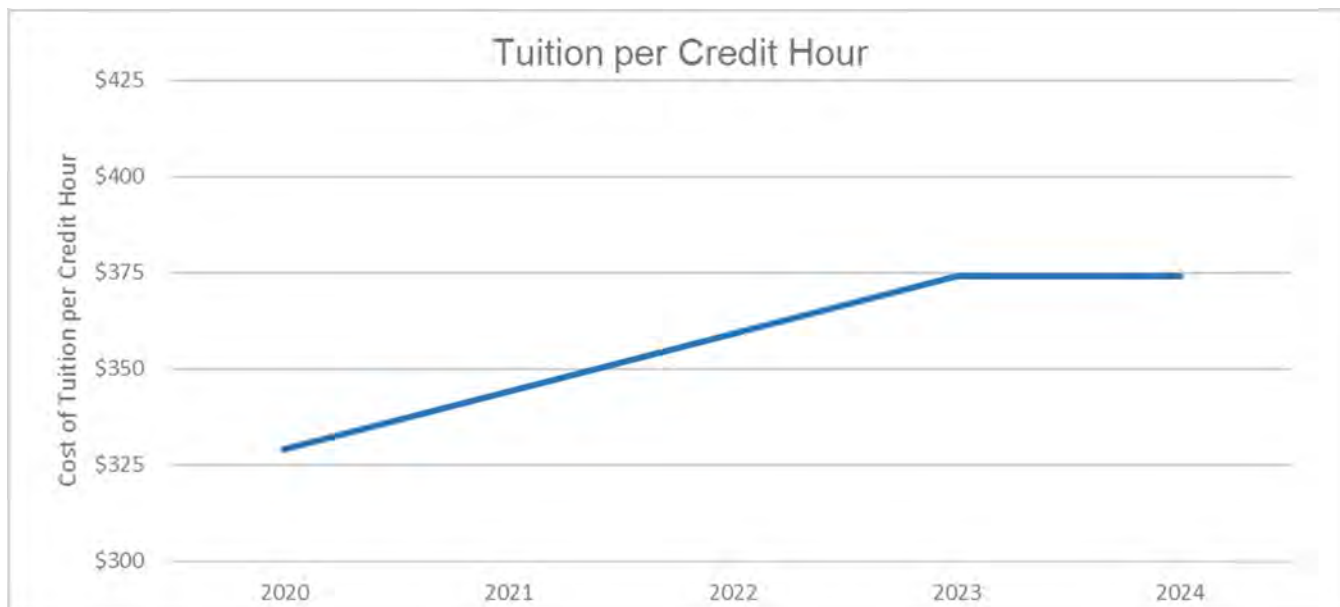
While tuition and fee rates per credit hour have increased over the past five years, there were declines in enrollment from 2020 to 2022. The University experienced an increase in enrollment of approximately 2% between Fall 2022 and Fall 2023 and an increase of 2% between Fall 2023 and Fall 2024. The rise in enrollment for Fall 2024 is due mainly to increased freshman enrollment.

The enrollment trend for the University between 2020 and 2024 is as follows:



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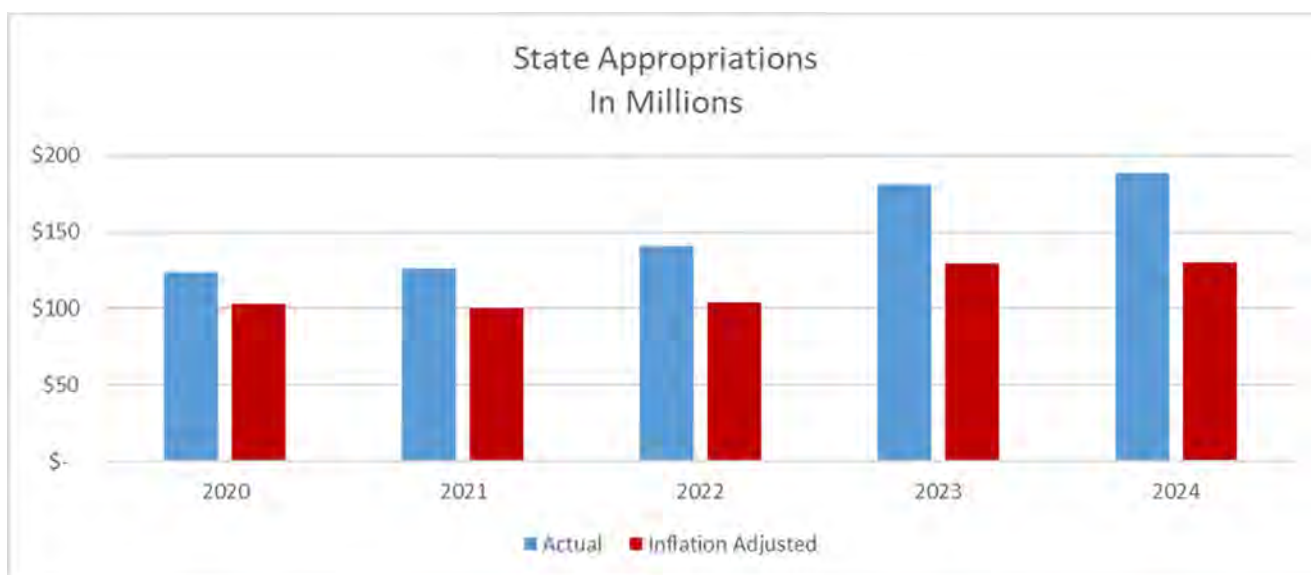
During the same period, in-state tuition per credit hour for in-person classes has increased by approximately 14%, with no increase from 2023 to 2024. Similar increases have been experienced in out-of-state tuition and College of Medicine tuition. Web tuition has decreased slightly during that period. The trend of in-state tuition per credit hour between 2020 and 2024 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 30, 2024 and 2023, respectively. Additional appropriations of approximately \$37,533,000 and \$40,463,000 were received in 2024 and 2023 for advancement and technology, capital project improvements, certain academic and healthcare initiatives, and equipment. A state appropriation in the amount of approximately \$161,458,000, representing an increase of approximately 7%, has been authorized for the year ending September 30, 2025. While no announcement has been made, the University is aware that reductions in the 2025 appropriation 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.

### 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 <http://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, 2025

(In thousands)

Current assets:	
Cash and cash equivalents	\$ 165,729
Restricted cash and cash equivalents	25,990
Investments	47,156
Patient receivables (net of allowance for doubtful accounts of \$83,280)	89,585
Accounts receivable, other	38,594
Notes receivable, net	1,416
Prepaid expenses, inventories, and other	23,783
Lease receivable, current portion	6,721
Total current assets	<u>398,974</u>
Noncurrent assets:	
Restricted investments	302,126
Investments	102,757
Other noncurrent assets and accounts receivable	37,569
Lease receivable, less current portion	103,659
Capital assets, net	1,105,617
Total noncurrent assets	<u>1,651,728</u>
Total assets	2,050,702
Deferred outflows	<u>462,115</u>
Total assets and deferred outflows	<u>2,512,817</u>
Current liabilities:	
Accounts payable and accrued liabilities	79,245
Unrecognized revenues	57,267
Deposits	2,175
Current portion of other long-term liabilities	3,380
Current portion lease and subscription obligations	28,448
Current portion of long-term debt	25,413
Total current liabilities	<u>195,928</u>
Noncurrent liabilities:	
Long-term debt, less current portion	462,210
Lease and subscription obligations, less current portion	54,632
Other long-term liabilities, less current portion	62,450
Net pension liability	279,777
Net other postemployment benefits liability	396,009
Total noncurrent liabilities	<u>1,255,078</u>
Total liabilities	1,451,006
Deferred inflows	<u>371,710</u>
Total liabilities and deferred inflows	<u>1,822,716</u>
Net position:	
Net investment in capital assets	549,360
Restricted, nonexpendable:	
Scholarships	50,295
Other	34,289
Restricted, expendable:	
Scholarships	43,013
Other	79,270
Unrestricted	(66,126)
Total net position	<u>\$ 690,101</u>

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, 2025

(In thousands)

Operating revenues:	
Tuition and fees (net of scholarship allowances of \$18,958)	\$ 80,115
Patient service revenues (net of provision for bad debts of \$52,677)	441,609
Federal grants and contracts	15,121
State grants and contracts	6,805
Private grants and contracts	7,767
Auxiliary enterprises (net of scholarship allowances of \$586)	18,564
Other operating revenues	46,862
	<hr/>
Total operating revenues	616,843
	<hr/>
Operating expenses:	
Salaries and benefits	415,747
Supplies and other services	246,520
Scholarships and fellowships	13,062
Utilities	9,993
Depreciation and amortization	44,564
	<hr/>
Total operating expenses	729,886
	<hr/>
Operating loss	(113,043)
	<hr/>
Nonoperating revenues (expenses):	
State appropriations	81,992
Net investment income	12,897
Interest expense	(10,467)
Other nonoperating revenues	25,713
Other nonoperating expenses	(30,311)
	<hr/>
Net nonoperating revenues	79,824
	<hr/>
Income before capital appropriations, capital contributions and grants, and additions to endowment	(33,219)
	<hr/>
Other changes in net position	
Capital appropriations	19,995
Capital contributions and grants	13,239
Additions to endowment	3,942
	<hr/>
Total other changes in net position	37,176
	<hr/>
Increase in net position	3,957
	<hr/>
Net position:	
Beginning of year, adjusted	686,144
	<hr/>
End of period	\$ 690,101
	<hr/> <hr/>

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, 2025

(In thousands)

Cash flows from operating activities:	
Receipts related to tuition and fees	\$ 59,504
Receipts from and on behalf of patients and third-party payers	443,865
Receipts from grants and contracts	29,145
Receipts related to auxiliary enterprises	16,039
Payments to suppliers and vendors	(269,154)
Payments to employees and related benefits	(411,547)
Payments for scholarships and fellowships	(13,062)
Other operating receipts	69,442
Net cash used in operating activities	<u>(75,768)</u>
Cash flows from noncapital financing activities:	
State appropriations	82,012
Endowment gifts	3,942
Agency funds received	906
Agency funds disbursed	(368)
Student loan program disbursements	(62,426)
Student loan program receipts	62,299
Other nonoperating revenues	40,139
Other nonoperating expenses	(32,544)
Net cash provided by noncapital financing activities	<u>93,960</u>
Cash flows from capital and related financing activities:	
Capital contributions and grants	13,239
Purchases of capital assets	(59,841)
Proceeds from sales of capital assets	37
Principal payments on capital debt	(33,380)
Interest payments on capital debt	(16,882)
Net cash used in capital and related financing activities	<u>(96,827)</u>
Cash flows from investing activities:	
Interest and dividends on investments	12,436
Purchases of investments	(97,500)
Proceeds from sales of investments	85,224
Net cash provided by investing activities	<u>160</u>
Net decrease in cash and cash equivalents	(78,475)
Cash and cash equivalents (unrestricted and restricted):	
Beginning of year, adjusted	<u>270,194</u>
End of period	<u>\$ 191,719</u>

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

Statement of Cash Flows

Six Months Ended March 31, 2025

(In thousands)

Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (113,043)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	44,564
Changes in assets and liabilities, net:	
Student receivables	2,876
Net patient receivables	2,517
Grants and contracts receivables	1,148
Other receivables	(171,615)
Prepaid expenses, inventories, and other	(2,911)
Accounts payable and accrued liabilities	188,843
Unrecognized revenues	<u>(28,147)</u>
Net cash used in operating activities	<u>\$ (75,768)</u>
Reconciliation of cash and cash equivalents to the statement of net position:	
Cash and cash equivalents classified as current assets	\$ 165,729
Restricted cash and cash equivalents classified as current assets	<u>25,990</u>
Total cash and cash equivalents	<u>\$ 191,719</u>
Noncash investing, noncapital financing, and capital and related financing transactions:	
Net decrease in fair value of investments recognized as a component of investment gains	\$ (587)
Payments on behalf of the University by the Alabama Public School and College Authority reducing purchases of capital assets	19,995
Net increase in lease and subscription obligations	13,507
Decrease in accounts payable related to capital projects	(2,620)
Loss on disposals of capital assets	(12)

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, 2024

(In thousands)

<b>Assets</b>	
Cash and cash equivalents	\$ 1,870
Investments:	
Equity securities	263,309
Timber and mineral properties	178,518
Real estate	6,370
Other	5,815
Other assets	629
	<hr/>
Total assets	\$ 456,511
	<hr/> <hr/>
<b>Liabilities and Net Assets</b>	
Liabilities:	
Other liabilities	\$ 692
	<hr/>
Total liabilities	692
	<hr/>
Net assets:	
Without donor restrictions	61,345
With donor restrictions	394,474
	<hr/>
Total net assets	455,819
	<hr/>
Total liabilities and net assets	\$ 456,511
	<hr/> <hr/>

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, 2024

(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	\$ 1,727	9,484	11,211
Rents, royalties, and timber sales	2,441	43	2,484
Interest and dividends	863	887	1,750
Gifts	—	107	107
Interfund interest	(426)	426	—
Other income	17	—	17
Net assets released from program restrictions	9,183	(9,183)	—
Total revenues, gains, losses, and other support	13,805	1,764	15,569
Expenditures:			
Program services:			
Faculty support	1,877	—	1,877
Scholarships	634	—	634
Other academic programs	7,521	—	7,521
Total program service expenditures	10,032	—	10,032
Management and general	1,645	—	1,645
Other investment expense	628	—	628
Depreciation and depletion expense	1,988	—	1,988
Total expenditures	14,293	—	14,293
Change in net assets	(488)	1,764	1,276
Net assets – beginning of year	61,833	392,710	454,543
Net assets – end of period	\$ 61,345	394,474	455,819

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, 2025

(In thousands)

Assets:

Current assets:

Cash and cash equivalents	\$ 2,151
Lease receivable, current portion	2,379
Prepaid expenses and other current assets	103
Accrued interest receivable	55
	<hr/>
Total current assets	4,688

Noncurrent assets:

Capital assets, net	16,813
Lease receivable, less current portion	10,991
	<hr/>
Total noncurrent assets	27,804

Deferred outflows	391
	<hr/>

Total assets and deferred outflows	32,883
	<hr/>

Liabilities:

Current liabilities:

Deposits, other current liabilities, and accrued expenses	211
Unrecognized rent revenue	287
Notes payable, current portion	1,081
	<hr/>
Total current liabilities	1,579

Noncurrent liabilities:

Notes payable, less current portion	15,361
	<hr/>
Total noncurrent liabilities	15,361

Deferred inflows	12,687
	<hr/>

Total liabilities and deferred inflows	\$ 29,627
	<hr/>

Net position:

Net investment in capital assets	\$ 1,009
Unrestricted	2,247
	<hr/>
Total net position	\$ 3,256
	<hr/>

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, 2025

(In thousands)

Operating revenues	\$ 1,779
Operating expenses:	
Building management and operating expenses	595
Depreciation and amortization	643
Legal and administrative fees	229
Insurance	44
Total operating expenses	<u>1,511</u>
Operating income	<u>268</u>
Nonoperating revenues (expenses):	
Interest expense	(391)
Interest income	34
Other	214
Net nonoperating expenses	<u>(143)</u>
Increase in net position	125
Net position:	
Beginning of year	<u>3,131</u>
End of period	<u>\$ 3,256</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 Net Position

March 31, 2025

(In thousands)

Current assets:	
Cash and cash equivalents	\$ (2,151)
Restricted cash and cash equivalents	437
Patient receivables (net of allowance for doubtful accounts of \$33,535)	57,926
Accounts receivable, other	4,260
Inventories	2,495
Lease receivable, current portion	996
Other current assets	2,030
Total current assets	<u>65,993</u>
Noncurrent assets:	
Capital assets, net	145,682
Investments	935
Lease receivable, less current portion	2,836
Total noncurrent assets	<u>149,453</u>
Total assets	<u>\$ 215,446</u>
Current liabilities:	
Accounts payable and accrued liabilities	\$ 36,271
Accrued salaries and wages	6,804
Lease and subscription obligations, current portion	6,264
Long-term debt, current portion	212
Deferred revenue	(21)
Total current liabilities	<u>49,530</u>
Noncurrent liabilities:	
Lease and subscription obligations, less current portion	105,855
Long-term debt, less current portion	21,366
Total noncurrent liabilities	<u>127,221</u>
Deferred inflows	<u>3,322</u>
Total liabilities and deferred inflows	<u>\$ 180,073</u>
Net position:	
Net investment in capital assets	\$ 279,391
Restricted	437
Unrestricted	(244,455)
Total net position	<u>\$ 35,373</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, 2025

(In thousands)

Operating revenues:	
Patient service revenues (net of provision for bad debts of \$10,678)	\$ 138,124
Other operating revenues	<u>18,368</u>
Total operating revenues	<u>156,492</u>
Operating expenses:	
Salaries and benefits	81,138
Building and equipment expenses	6,611
Medical and surgical supplies	45,786
Other expenses	38,357
Depreciation and amortization	<u>5,213</u>
Total operating expenses	<u>177,105</u>
Operating loss	<u>(20,613)</u>
Nonoperating revenues (expenses):	
Investment income	90
Support from University of South Alabama	27,642
Interest expense	(3,148)
Other nonoperating revenues	2,535
Other nonoperating expenses	<u>(11)</u>
Total nonoperating revenues, net	<u>27,108</u>
Increase in net position	6,495
Net position at beginning of period	<u>28,878</u>
Net position at end of period	<u>\$ 35,373</u>

See accompanying notes to basic financial statements.

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

Consolidated Statement of Financial Position

March 31, 2025

(In thousands)

**Assets**

Assets:

Cash and cash equivalents	\$ 998
Restricted cash	229
Investments	11,660
Accounts receivable, other	86
Prepaid expenses, inventories, and other	8
	<hr/>
Total assets	\$ 12,981
	<hr/> <hr/>

**Liabilities and Net Assets**

Liabilities:

Total liabilities	<hr/>
	<hr/>

Net assets:

Unallocated	7,396
Basic Science Departments	51
Grants & Contracts	5,305
Endowment	229
	<hr/>
Total net assets	12,981
	<hr/>
Total liabilities and net assets	\$ 12,981
	<hr/> <hr/>

See accompanying notes to basic financial statements.

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

Consolidated Statement of Activities and Changes in Net Assets

Six Months Ended March 31, 2025

(In thousands)

Revenue:		
Grants and Contracts	\$	365
Sales & Registration		300
Interest Income		225
License Fee & Other Income		(188)
Total Revenue		<u>702</u>
Expenditures:		
Contributions to USA		43
Legal & Audit Fees		43
Travel & Entertainment		173
Recruiting & Advertising		9
Contract Services		204
Equipment		15
Other Operating Expenses		174
Total Expenditures		<u>661</u>
Revenue Over Expenditures		41
Transfers & Other Changes:		
Change in Value of Investments		(228)
Net Decrease	\$	<u>(187)</u>

See accompanying notes to basic financial statements.

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

Consolidated Statement of Financial Position

December 31, 2024

(In thousands)

**Assets**

Cash and cash equivalents	\$ 186
Investments:	
Equity securities	9,537
Fixed income	748
Other assets	
Land	98
Land Improvements	139
Less: Accumulated Depreciation	<u>(139)</u>
Total assets	<u>\$ 10,569</u>

**Liabilities and Net Assets**

Liabilities:	
Other liabilities	\$ <u>(20)</u>
Total liabilities	<u>(20)</u>
Net assets:	
Without donor restrictions	8,482
With donor restrictions	<u>2,107</u>
Total net assets	<u>10,589</u>
Total liabilities and net assets	<u>\$ 10,569</u>

See accompanying notes to basic financial statements.

**UNIVERSITY OF SOUTH ALABAMA PROVIDENCE 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, 2024

(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	\$ 490	—	490
Donations	2	106	108
Interest and dividends	166	1	167
Net assets released from program restrictions	32	(32)	—
Total revenues, gains, losses, and other support	690	75	765
Expenditures:			
Supplies and other services	24	—	24
Foundation grant disbursements	32	—	32
Other expenses	8	—	8
Total program service expenditures	64	—	64
Other investment expense	10	—	10
Total expenditures	74	—	74
Change in net assets	616	75	691
Net assets – beginning of year	7,875	2,032	9,907
Net assets – beginning balance adjustment	(9)	—	(9)
Net assets – end of period	\$ 8,482	2,107	10,589

See accompanying notes to basic financial statements.

**GULF COAST TOTALCARE**  
(Discretely Presented Component Unit of the University of South Alabama)

Statement of Net Position

March 31, 2025

(In thousands)

Current assets:	
Cash and cash equivalents	\$ 1,013
Accounts receivable, other	520
Prepaid expenses, inventories, and other	<u>8</u>
Total current assets	<u>1,541</u>
Total assets	\$ <u>1,541</u>
Current liabilities:	
Accounts payable and accrued liabilities	<u>941</u>
Total current liabilities	\$ <u>941</u>
Unrestricted net assets:	
Unreserved	350
Reserved	<u>250</u>
Total unrestricted net assets	<u>600</u>
Total liabilities and net assets	\$ <u><u>1,541</u></u>

See accompanying notes to basic financial statements.

**GULF COAST TOTALCARE**  
 (Discretely Presented Component Unit of the University of South Alabama)  
 Statement of Revenues, Expenses, and Changes in Net Position  
 Six Months Ended March 31, 2025  
 (In thousands)

Operating revenues:	
Patient service revenues	\$ <u>3,945</u>
Total operating revenues	<u>3,945</u>
Operating expenses:	
Supplies and other services	<u>3,977</u>
Total operating expenses	<u>3,977</u>
Operating loss	<u>(32)</u>
Net position:	
Beginning of year	<u>632</u>
End of period	\$ <u><u>600</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

Six Months Ended March 31, 2025 (Unaudited)

**(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, 2025, the University reports University of South Alabama Foundation (USA Foundation), USA Research and Technology Corporation (the Corporation), the University of South Alabama Health Care Authority (HCA), the South Alabama Medical Science Foundation (SAMSF), Providence Foundation, and Gulf Coast TotalCare (GCTC) 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.

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; USA Jaguar Realty, LLC (Jaguar Realty); Jaguar Athletic Fund (JAF); USA Foundation for Research and Commercialization (FRAC); 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; Providence Medical Network IPA, LLC (Providence IPA); USA Health Rehabilitation Services, LLC; and USA Health Community Providers, LLC as blended component units.

## UNIVERSITY OF SOUTH ALABAMA

(A Component Unit of the State of Alabama)

Notes to Basic Financial Statements

Six Months Ended March 31, 2025 (Unaudited)

All significant transactions between the University and its blended component units have been eliminated.

The University is also affiliated with the USA Presidential 1963 Fund. This entity is considered a component unit of the University under the provisions of GASB Statement Nos. 14, 39, 61, and 80. However, this entity is 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.

In October 2023, through the acquisition of Ascension Providence, the University obtained joint ownership of HighProv, LLC, and Providence Home Medical Services, LLC. HighProv, LLC and Providence Home Medical Services, LLC are currently included in investments on the statement of net position in accordance with GASB Statement No. 14.

### **(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) Jaguar Athletic Fund**

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. JAF is a legally separate entity whose officers and directors are approved by the University's Board of Trustees. JAF is reported as a blended component unit (see note 19 for further discussion of, and disclosure for, this entity).

### **(e) USA Jaguar Realty**

Jaguar Realty was formed in July 2020 for the purpose of providing students a unique professional opportunity to complete their pre-real estate license education at the University and gain real estate sales experience. The University's Board of Trustees functions as the governing board of Jaguar Realty. As of March 31, 2025, Jaguar Realty has had no financial activity.

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**(f) Providence Medical Network IPA, LLC**

Through the Ascension Providence acquisition in October 2023, the University became the sole member of the Providence IPA. The Providence IPA is a legally separate entity reported as a blended component unit and operates as an independent physician association. Revenues of approximately \$6,866,000, excluding significant transactions between the University and the IPA, are included within other operating revenues on the statement of revenues, expenses, and changes in net position. Expenses of approximately \$6,866,000, excluding significant transactions between the University and the IPA, are included within supplies and other services on the statement of revenues, expenses, and changes in net position. The Providence IPA has a calendar year-end, which differs from the University's September 30 year-end. In accordance with GASB Statement No. 14 and Statement No. 61, the University has included the Providence IPA's financial statements for the period January 1, 2024 through December 31, 2024 in the University's financial statements as of March 31, 2025. For the six months ended March 31, 2025, the Providence IPA has paid approximately \$0 in claims to the University (see note 19 for further discussion of, and disclosure for, this entity).

**(g) USA Foundation for Research and Commercialization**

USA Foundation for Research and Commercialization (FRAC) is a not-for-profit corporation that was organized for the purpose of providing support to the University to foster research and educational initiatives for both students and faculty. FRAC is a legally separate entity whose officers and directors are approved by the University's Board of Trustees. FRAC is reported as a blended component unit (see note 19 for further discussion of, and disclosure for, this entity).

**(h) 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; USA Health Community Providers, LLC; and USA Health Rehabilitation Services 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.

**(i) 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 IPA, LLC; USA Health Daphne Family Practice, LLC; USA

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Mobile County ASC; USA Health HCA Providence Hospital, LLC; and USA Health Providence Retail Pharmacy, LLC. These companies were created to assist with the complex patient and insurance billings within HCA. 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.

During fiscal year 2023, HCA obtained a 51% equity interest in USA BC ASC Holdco, LLC (USA BC ASC Holdco). USA BC ASC Holdco's primary purpose is to invest in ambulatory surgery centers (ASCs) and promote health and wellness to the area. Surgery Center Holdings, Inc. owns the remaining 49%. USA BC ASC Holdco owns 51% of USA Baldwin County ASC, LLC (USA BC ASC), which is a limited liability company that was formed to develop, own, and operate the ASC on the USA Health Mapp Family Campus. The remaining 49% of USA BC ASC is owned by individual physician investors. USA BC ASC Holdco has a calendar year-end, which differs from HCA's September 30 year-end. HCA's capital account balance is presented on the March 31, 2025 statement of net position as a noncurrent investment.

In August 2020, HCA formed USA Health IPA, LLC (the IPA), a limited liability company of which HCA is the sole member. The IPA was formed to operate an independent physician association, which began in August 2021. The IPA has a calendar year-end, which differs from HCA's September 30 year-end. In accordance with GASB Statement No. 14 and GASB Statement No. 61, HCA has included the IPA's financial statements for the year ended December 31, 2024 in HCA's financial statements as of March 31, 2025. Exclusive of transactions between HCA and the IPA totaling approximately \$737,000, IPA revenues and expenses of approximately \$6,110,000 and \$6,110,000, respectively, are included within the statement of revenues, expenses, and changes in net position.

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. FPI has a calendar year-end, which differs from HCA's September 30 year-end. HCA's capital account balance is presented on the March 31, 2025 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 \$27,642,000 for the six months ended March 31, 2025. 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, 2025 are discretely presented.

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**(j) 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, 2025 were approximately \$7,634,000 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. 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, 2024 in the University's financial statements as of March 31, 2025. 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, 2024 are discretely presented.

**(k) 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, 2025 are discretely presented.

**(l) Providence Foundation**

The University became the sole corporate member of the Providence Foundation in December 2024. The Providence Foundation is a not-for-profit corporation whose purpose is to further promote, support and engage in any charitable, scientific, and educational activities established by the University. Providence Foundation presents its financial statements in accordance with standards issued by the Financial Accounting Standards Board (FASB). Providence Foundation is reported in separate financial statements because of the difference in the financial reporting framework since Providence Foundation follows FASB rather than GASB. Providence 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, GASB Statement No. 61 and GASB Statement No. 100, the University has included Providence Foundation's statements for the six months ended December 31, 2024 in the University's financial statements as of

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March 31, 2025. 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, 2024 are discretely presented.

**(m) South Alabama Medical Science Foundation**

In August 1981, the South Alabama Medical Science Foundation (SAMSF) was formed as a not-for-profit corporation whose purpose is to support the University's College of Medicine by investing in research and educational activities. The Board of Directors of SAMSF is not appointed or controlled by the University. Due to the significance of the relationship between the University and SAMSF, the SAMSF is considered a component unit of the University. The University receives distributions from SAMSF primarily to support clinical trials and research at the University. Total distributions received or accrued by the University for the six months ended March 31, 2025 were approximately \$130,000 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. SAMSF presents its financial statements in accordance with standards issued by the Financial Accounting Standards Board (FASB). SAMSF is reported in separate financial statements because of the difference in the financial reporting framework since SAMSF follows FASB rather than GASB. The accompanying statement of net position and statement of revenues, expenses, and changes in net position for SAMSF as of and for the six months ended March 31, 2025 are discretely presented.

**(n) Gulf Coast TotalCare**

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. HCM is the sole corporate member of Gulf Coast and appoints the Board of Directors. Based on GASB Statement No. 14, as amended by Statement No. 39, Gulf Coast is a discretely presented component unit of HCM, which is a component unit of the University. Gulf Coast 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 Gulf Coast as of and for the six months ended March 31, 2025 are discretely presented.

**(o) Measurement Focus and Basis of Accounting**

For financial reporting purposes, the University is considered a special purpose governmental agency engaged only in business-type activities, as defined by GASB Statement No. 34, *Basic Financial Statements— and Management's Discussion and Analysis for State and Local Governments*, as amended by GASB Statement No. 35, *Basic Financial Statements and Management's Discussion and Analysis for Public Colleges and Universities*. Accordingly, the University's basic financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred.

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**(p) 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.

**(q) 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.

**(r) 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.

**(s) Derivatives**

The University has adopted the provisions of GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments* and GASB Statement No. 99, *Omnibus 2022*. 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. GASB Statement No. 99 establishes requirements for the presentation of deferred outflows or inflows related to changes in fair value of hedging instruments when hedge accounting is terminated. As of and for the six months ended March 31, 2025, the University did not hold any derivative instruments.

**(t) 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

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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, the difference between the consideration provided and the net position acquired for South Coast in the Ascension Providence acquisition, and the loss on the defeasement of certain bond series.

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, gain on the refunding of certain bond series, and the value of contractual rights to lease revenue in future reporting periods.

**(u) 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.

**(v) 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.

**(w) 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.

**(x) 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.

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**(y) Capital Assets**

Capital expenditures with a cost of \$5,000 or more are capitalized 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 aggregate capital asset purchases, including renewals and renovations, are capitalized. Purchases for multiple items of minor equipment are evaluated to see if they are part of a single overall transaction, have a single objective, and meet or exceed the established aggregate threshold of \$75,000. If a purchase of minor equipment meets the aggregate guidelines and has a useful life of two or more years, it is capitalized at cost once all items are received and placed into use. 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	10 to 100 years
Fixed equipment	10 to 20 years
Land improvements	8 to 20 years
Library materials	10 years
Other equipment	3 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, 2025, no impairments were identified.

**(z) 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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**(aa) 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.

**(bb) 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.

**(cc) 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.

### **(dd) *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.

### **(ee) *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.

### **(ff) *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.

**(gg) 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.

**(hh) 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.

**(ii) 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.

**(jj) Compensated Absences**

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

**(kk) Recently Adopted Accounting Pronouncements**

In fiscal year 2025, the University adopted the provisions of GASB Statement No. 101, *Compensated Absences*. The objective of this statement is to update measurement guidance and recognition requirements for compensated absences in addition to amending previously required disclosures. The impact to the University's basic financial statements in the adoption of this pronouncement is still being determined.

In addition, the University adopted the provisions of GASB Statement No. 102, *Certain Risk Disclosures*. The objective of this statement is to establish reporting requirements for certain

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concentrations and constraints that may negatively impact operations or the ability to meet outstanding obligations. There was no significant impact to the University's basic financial statements 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, 2024, the net public deposits subject to collateral requirements for all institutions participating in the pool totaled approximately \$18.7 billion. The University had cash and cash equivalents, including restricted cash and cash equivalents, in the pool of approximately \$236,361,000 at September 30, 2024.

At March 31, 2025, restricted cash and cash equivalents consist of approximately \$13,329,000 related to unspent bond cash, \$2,289,000 related to cash included in the PLTF and GLTF to pay insurance liability claims, \$9,383,000 related to restricted donations related to certain capital projects, \$741,000 related to endowment funds, and \$248,000 related to the Providence IPA.

**(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

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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.

The University holds a 50% equity interest in Providence Home Medical Services (Home Medical), a multimember limited liability company that was formed to own and operate a durable medical equipment provider. The University’s capital account balance in Home Medical is considered an investment in a joint venture, pursuant to GASB Statements Nos. 14 and 61. The University’s capital account balance is approximately \$177,000 for the six months ended March 31, 2025 and is presented on the statement of net position as an investment.

The University holds a 35% equity interest in HighProv, LLC (HighProv), a multimember limited liability company formed to construct, own, and operate a hotel facility. For the six months ended March 31, 2025, the University’s capital account balance is \$683,000 and is presented on the statement of net position as an investment.

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Investments and restricted investments of the University, by type, at fair value at March 31, 2025 (in thousands) are as follows:

Commingled equity funds	\$ 115,033
Commingled fixed income funds	57,180
Joint ventures	860
Managed income alternative investments (low-volatility, multistrategy funds of funds)	41,897
Marketable debt securities	13,047
Marketable equity securities	70,592
Private credit alternative fixed income investments	14,839
Private equity alternative investments	16,593
Private real estate	541
Private REIT alternative real estate investments	4,770
Real estate	8,479
U.S. federal agency notes	88,411
U.S. treasury securities	19,797
	<u>\$ 452,039</u>

At March 31, 2025, restricted investments consist of endowment funds and funds held in the PLTF and GLTF to pay insurance liability claims.

At March 31, 2025, \$54,984,000 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, 2025, the University had outstanding capital commitments to those funds of approximately \$21,047,000.

*(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, 2025 is as follows:

	<b>Credit rating</b>	<b>Percentage of total investments</b>
Commingled fixed income funds	Various	12.6 %
Marketable debt securities	Various	2.9
U. S. federal agency notes	AAA	19.6
U. S. treasury securities	AAA	4.4

**(ii) Interest Rate Risk**

At March 31, 2025, the maturity dates of the University's fixed income investments are as follows (in thousands):

	<b>Fair value</b>	<b>Years to maturity</b>			
		<b>Less than 1</b>	<b>1–5</b>	<b>6–10</b>	<b>More than 10</b>
Commingled fixed income funds	\$ 57,180	—	32,004	25,176	—
Marketable debt securities	13,047	3,818	6,169	2,368	692
U. S. federal agency notes	88,411	8,992	71,391	181	7,847
U. S. treasury securities	19,797	534	13,267	5,996	—
	<u>\$ 178,435</u>	<u>13,344</u>	<u>122,831</u>	<u>33,721</u>	<u>8,539</u>

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

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practical expedient to fair value. Such investments have not been categorized within the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the statement of net position.

The following tables summarize the fair value measurements for all investment assets and liabilities carried at fair value at March 31, 2025 (in thousands):

Description	Asset fair value measurements			
	Level 1	Level 2	Level 3	Total
Commingled equity funds	\$ 109,227	2,321	3,485	115,033
Commingled fixed income funds	52,343	4,837	—	57,180
Joint ventures	—	—	860	860
Marketable debt securities	13,047	—	—	13,047
Marketable equity securities	70,592	—	—	70,592
Private credit alternative fixed income investments	994	—	8,095	9,089
Private equity alternative investments	—	—	14,526	14,526
Private real estate	—	—	541	541
Private REIT alternative real estate investments	—	—	4,770	4,770
Real estate	—	—	8,479	8,479
U.S. federal agency notes	—	88,411	—	88,411
U.S. treasury securities	19,797	—	—	19,797
Total investments at fair value	\$ 266,000	95,569	40,756	402,325
Investments measured at NAV:				
Private equity alternative investments				2,067
Private credit alternative fixed income investments				5,750
Managed income alternative investments (low-volatility, multistrategy funds of funds)				41,897
Total investments			\$	452,039

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A roll-forward schedule for Level 3 financial instruments for the six months ended March 31, 2025 is as follows (in thousands):

Beginning balance	\$	37,288
Purchases		3,851
Net realized/unrealized losses		339
Sales		(722)
Ending balance	\$	<u>40,756</u>

**(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 is approximately (\$8,000) for the six months ended March 31, 2025 and is presented on the statement of net position as an investment. As a whole, there is positive monthly cash flow and no expectation for HCA to be required to contribute additional capital.

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 USA Health Mapp Family Campus. For the six months ended March 31, 2025, HCA's capital account balance is approximately \$943,000 and is presented on the statement of net position as an investment.

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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, 2025 is as follows (in thousands):

	<u>Beginning balance</u>	<u>Additions</u>	<u>Transfers</u>	<u>Reductions</u>	<u>Ending balance</u>
Capital assets not being depreciated or amortized:					
Land and other	\$ 45,270	3,200	—	(83)	48,387
Certificate of Need	225	—	—	—	225
Intangible assets	1,207	57	—	—	1,264
Construction in progress	102,282	54,660	(1,656)	—	155,286
	<u>148,984</u>	<u>57,917</u>	<u>(1,656)</u>	<u>(83)</u>	<u>205,162</u>
Capital assets being depreciated or amortized:					
Land improvements	84,049	—	162	—	84,211
Buildings, fixed equipment, and infrastructure	1,156,274	17,323	758	(59)	1,174,296
Other equipment	260,611	2,667	736	(1,036)	262,978
Library materials	101,608	—	—	—	101,608
Right-of-use assets	125,953	14,523	—	(3,918)	136,558
	<u>1,728,495</u>	<u>34,513</u>	<u>1,656</u>	<u>(5,013)</u>	<u>1,759,651</u>
Less accumulated depreciation and amortization for:					
Land improvements	(41,369)	(2,029)	—	—	(43,398)
Buildings, fixed equipment, and infrastructure	(452,874)	(17,265)	—	56	(470,083)
Other equipment	(204,114)	(6,962)	—	1,028	(210,048)
Library materials	(79,719)	(2,201)	—	—	(81,920)
Right-of-use assets	(40,979)	(16,078)	—	3,310	(53,747)
	<u>(819,055)</u>	<u>(44,535)</u>	<u>—</u>	<u>4,394</u>	<u>(859,196)</u>
Capital assets being depreciated, net	<u>909,440</u>	<u>(10,022)</u>	<u>1,656</u>	<u>(619)</u>	<u>900,455</u>
Capital assets, net	<u>\$ 1,058,424</u>	<u>47,895</u>	<u>—</u>	<u>(702)</u>	<u>1,105,617</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, 2025 are as follows (in thousands):

	<b>Ending balance</b>
Right-of-use assets:	
Buildings	\$ 8,934
Equipment	40,213
Office space	11,575
Software	75,836
	<u>136,558</u>
Less accumulated amortization for right-of-use assets:	
Buildings	(4,032)
Equipment	(11,804)
Office space	(5,887)
Software	(32,024)
	<u>(53,747)</u>
Right-of-use assets, net	<u><u>\$ 82,811</u></u>

Depreciation and amortization of capital assets for the six months ended March 31, 2025 was approximately \$44,535,000 for the University. In addition, the University amortizes bond costs of issuance that is included in other noncurrent assets and accounts receivable on the statement of net position. For the six months ended March 31, 2025, amortization of bond costs of issuance was approximately \$29,000 resulting in total depreciation and amortization of approximately \$44,564,000. See note 8 for additional details regarding bonds.

At March 31, 2025, the University had commitments of approximately \$180,183,000 related to various capital projects.

For the six months ended March 31, 2025, the University received approximately \$19,995,000 in capital grants from the Alabama Public School and College Authority for the site preparation and construction of the new College of Medicine facility, and this amount is included in capital appropriations on the statement of revenues, expenses, and changes in net position.

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**(b) USA Research and Technology Corporation**

Changes in capital assets for the six months ended March 31, 2025 are as follows (in thousands):

	Beginning balance	Additions	Transfers	Reductions	Ending balance
Capital assets not being depreciated or amortized:					
Land	\$ 223	—	—	—	223
Construction in progress	—	24	—	—	24
	<u>223</u>	<u>24</u>	<u>—</u>	<u>—</u>	<u>247</u>
Capital assets being depreciated or amortized:					
Land improvements	1,985	—	—	—	1,985
Buildings	28,872	39	—	—	28,911
Tenant improvements	3,233	26	—	—	3,259
Other equipment	421	—	—	—	421
Computer software	56	—	—	—	56
Lease commissions	456	—	—	—	456
Right-of-use assets	3	—	—	—	3
	<u>35,026</u>	<u>65</u>	<u>—</u>	<u>—</u>	<u>35,091</u>
Less accumulated depreciation or amortization for:					
Land improvements	(1,810)	(10)	—	—	(1,820)
Buildings	(13,304)	(400)	—	—	(13,704)
Tenant improvements	(2,017)	(195)	—	—	(2,212)
Other equipment	(373)	(6)	—	—	(379)
Computer software	(40)	(8)	—	—	(48)
Lease commissions	(336)	(24)	—	—	(360)
Right-of-use assets	(2)	—	—	—	(2)
	<u>(17,882)</u>	<u>(643)</u>	<u>—</u>	<u>—</u>	<u>(18,525)</u>
Capital assets being depreciated or amortized, net	<u>17,144</u>	<u>(578)</u>	<u>—</u>	<u>—</u>	<u>16,566</u>
Capital assets, net	<u>\$ 17,367</u>	<u>(554)</u>	<u>—</u>	<u>—</u>	<u>16,813</u>

Depreciation and amortization expense totaled approximately \$643,000 for the six months ended March 31, 2025.

At March 31, 2025, the Corporation had outstanding commitments of approximately \$4,000.

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The Corporation's net right-of-use assets categorized by classification for the six months ended March 31, 2025 are as follows (in thousands):

	<u><b>Ending balance</b></u>
Right-of-use assets:	
Software subscriptions	\$ <u>3</u>
	<u>3</u>
Less accumulated amortization for right-of-use assets:	
Software subscriptions	<u>(2)</u>
	<u>(2)</u>
Right-of-use assets, net	\$ <u><u>1</u></u>

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**(c) Health Care Authority**

A summary of HCA's capital assets activity for the six months ended March 31, 2025 is as follows (in thousands):

	<u>Beginning balance</u>	<u>Additions</u>	<u>Transfers</u>	<u>Reductions</u>	<u>Ending balance</u>
Capital assets not being depreciated or amortized:					
Construction in progress	\$ 57	15	—	—	72
Works of art	1	—	—	—	1
	<u>58</u>	<u>15</u>	<u>—</u>	<u>—</u>	<u>73</u>
Capital assets being depreciated or amortized:					
Buildings	33,049	—	—	—	33,049
Leasehold improvements	5,388	—	—	—	5,388
Equipment	4,171	13	—	(41)	4,143
Computer software	139	—	—	—	139
Right-of-use assets	124,491	672	—	(1,146)	124,017
	<u>167,238</u>	<u>685</u>	<u>—</u>	<u>(1,187)</u>	<u>166,736</u>
Less accumulated depreciation or amortization for:					
Buildings	(2,293)	(624)	—	—	(2,917)
Leasehold improvements	(1,134)	(271)	—	—	(1,405)
Equipment	(2,664)	(205)	—	30	(2,839)
Computer software	(98)	(5)	—	—	(103)
Right-of-use assets	(10,818)	(4,108)	—	1,063	(13,863)
	<u>(17,007)</u>	<u>(5,213)</u>	<u>—</u>	<u>1,093</u>	<u>(21,127)</u>
Capital assets being depreciated or amortized, net	<u>150,231</u>	<u>(4,528)</u>	<u>—</u>	<u>(94)</u>	<u>145,609</u>
Capital assets, net	<u>\$ 150,289</u>	<u>(4,513)</u>	<u>—</u>	<u>(94)</u>	<u>145,682</u>

Construction in progress totaled approximately \$72,000 as of March 31, 2025 and relates to a sterilizer machine for USA Health Family Practice Associates, exam room chairs at USA Mobile Diagnostic Center, a probe at Coastal OBGYN, and renovation projects at USA Mobile Diagnostic Center, USA Health Family Practice Associates, and the Cottage Hill Road clinic.

Depreciation and amortization totaled approximately \$5,213,000 for the six months ended March 31, 2025.

At March 31, 2025, HCA had commitments of approximately \$11,000 related to construction projects for USA Mobile Diagnostic Center.

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A summary of HCA's net right-of-use assets categorized by classification for the six months ended March 31, 2025 is as follows (in thousands):

	<b>Ending balance</b>
Right-of-use assets:	
Buildings	\$ 116,287
Equipment	7,166
Software subscriptions	564
	<u>124,017</u>
Less accumulated amortization for right of use:	
Buildings	(11,686)
Equipment	(2,044)
Software subscriptions	(133)
	<u>(13,863)</u>
Right-of-use assets, net	<u><u>\$ 110,154</u></u>

During fiscal year 2024, 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 semi-annual rental payments equal to the ratable portion of 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.

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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, 2025 is as follows (in thousands):

	Beginning balance	Additions	Reductions	Adjustments	Ending balance	Less amounts due within one year	Noncurrent liabilities
Long-term debt:							
Bonds payable	\$ 509,406	—	(20,905)	(1,522)	486,979	25,223	461,756
Notes payable	737	—	(93)	—	644	190	454
Lease and subscription obligations	82,911	11,946	(12,382)	605	83,080	28,448	54,632
Total long-term debt	593,054	11,946	(33,380)	(917)	570,703	53,861	516,842
Other noncurrent liabilities:							
Net pension liability	349,710	—	(69,933)	—	279,777	—	279,777
Net OPEB liability	78,808	317,201	—	—	396,009	—	396,009
Other long-term liabilities	69,696	11,318	(15,184)	—	65,830	3,380	62,450
Total other noncurrent liabilities	498,214	328,519	(85,117)	—	741,616	3,380	738,236
Total noncurrent liabilities	\$ 1,091,268	340,465	(118,497)	(917)	1,312,319	57,241	1,255,078

Other long-term liabilities primarily consist of self-insurance liabilities and liabilities related to compensated absences. Amounts due within one year are included in current portion of other long-term liabilities. A detail of the University's other long-term liabilities activity for the six months ended March 31, 2025 is as follows (in thousands):

	Beginning balance	Additions	Reductions	Ending balance	Less amounts due within one year	Noncurrent liabilities
Other long-term liabilities:						
Accrued vacation	\$ 10,498	-	(318)	10,180	1,321	8,859
Government advances	3,634	-	-	3,634	-	3,634
Professional Liability Trust Fund	44,819	6,484	(12,455)	38,848	2,009	36,839
General Liability Trust Fund	10,745	4,834	(2,411)	13,168	50	13,118
Total other long-term liabilities	\$ 69,696	11,318	(15,184)	65,830	3,380	62,450

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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 2039. Aggregate future minimum lease and subscription payments under noncancelable agreements as of March 31, 2025, by fiscal year, are as follows (in thousands):

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 18,229	1,950	20,179
2026	20,143	2,911	23,054
2027	15,880	1,979	17,859
2028	13,606	1,213	14,819
2029	7,684	580	8,264
2030 – 2034	7,520	362	7,882
2035 – 2039	18	2	20
Lease and subscription obligations	\$ <u>83,080</u>	<u>8,997</u>	<u>92,077</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 of approximately \$12,424,000 as of March 31, 2025.

The University leases space from the Corporation and HCA. As of March 31, 2025, the University had lease and subscription obligations of approximately \$5,160,000 related to leases between the University and component units.

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**(b) USA Research and Technology Corporation**

Changes in noncurrent liabilities for the six months ended March 31, 2025 are as follows (in thousands):

	<u>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>
Notes payable	\$ 16,967	—	(525)	16,442	1,081	15,361

*(i) Notes Payable*

Notes payable from direct borrowings consisted of the following as of March 31, 2025 (in thousands):

PNC Bank promissory note, 4.38%, payable through 2028	\$ 9,934
Hancock Whitney Bank promissory note, 3.08%, payable through 2031	6,508
	<u>\$ 16,442</u>

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

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, 2024, the Corporation's debt service coverage ratio was 2.41 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

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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*

As of March 31, 2025, total future debt service by fiscal year is as follows (in thousands):

<b>Debt service on notes payable</b>			
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2025	\$ 535	313	848
2026	1,101	597	1,698
2027	1,144	554	1,698
2028	9,028	424	9,452
2029	574	135	709
2030–2032	4,060	151	4,211
Total	\$ 16,442	2,174	18,616

*(iii) Derivative Transaction*

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

The swap was terminated on June 20, 2018 as part of a transaction refunding the Wells Fargo loan with the proceeds of a loan from PNC Bank. The fee paid by the Corporation to Wells Fargo to terminate the swap was \$1,478,000. Pursuant to GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, the fee is reported in deferred outflows on the statement of net position and amortized to interest expense according to the percentage of annual interest paid on the loan from PNC Bank to the total interest to be paid on that loan over the 118 months that were remaining on the Wells Fargo loan when the swap was terminated. As of March 31, 2025, the unamortized balance in deferred outflows was approximately \$391,000.

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**(c) Health Care Authority**

A summary of HCA's noncurrent liability activity for the six months ended March 31, 2025 follows (in thousands):

	Beginning balance	Additions	Reductions	Adjustments	Ending balance	Less amounts due within one year	Noncurrent liabilities
Long-term debt	\$ 21,673	—	(95)	—	21,578	212	21,366
Lease and subscription obligations	119,015	683	(5,850)	(1,729)	112,119	6,264	105,855
Total noncurrent liabilities	<u>\$ 140,688</u>	<u>683</u>	<u>(5,945)</u>	<u>(1,729)</u>	<u>133,697</u>	<u>6,476</u>	<u>127,221</u>

*Long-Term Debt*

HCA entered into an agreement with Family Medical Investments, LLC to construct a medical office building on the USA Health Mapp Family 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 an interest rate of 4.79% in October 2022 to Family Medical Investments, LLC. The total balance of principal payments outstanding at March 31, 2025 is approximately \$21,578,000. Upon conclusion of the agreement term, HCA will obtain ownership of the building.

At March 31, 2025, future debt service for long-term debt by year is as follows (in thousands):

	Debt service on long-term debt		
	Principal	Interest	Total
2025	\$ 100	516	616
2026	236	1,024	1,260
2027	280	1,011	1,291
2028	326	997	1,323
2029	376	980	1,356
2030-2034	2,750	4,559	7,309
2035-2039	4,573	3,697	8,270
2040-2044	7,030	2,327	9,357
2045-2048	5,907	464	6,371
Total	<u>\$ 21,578</u>	<u>15,575</u>	<u>37,153</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

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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 the lessor interest rate or an appropriate incremental borrowing rate. Amortization of right-of-use assets is recognized on a straight-line basis over the lease term or useful life of the asset, whichever is shorter. Interest expense is recognized as a component of the lease payment and recorded as such in the statement of revenues, expenses, and changes in net position. The difference in methodology between the amortization of the right-of-use asset and the reduction in liability balance related to principal payments will result in a difference between the net right-of-use asset and related lease and subscription liability.

HCA has entered into agreements to lease various buildings and equipment and to utilize various software under lease and subscription obligations expiring at various dates through 2055.

Aggregate future minimum lease payments under noncancelable agreements as of March 31, 2025 by fiscal year, are as follows (in thousands):

	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2025	\$ 2,581	323	2,904
2026	5,710	4,935	10,645
2027	5,806	4,673	10,479
2028	4,786	4,428	9,214
2029	3,286	4,228	7,514
2030–2034	11,828	19,335	31,163
2035–2039	13,621	16,392	30,013
2040–2044	16,986	13,032	30,018
2045–2049	21,156	8,855	30,011
2050–2054	26,359	3,656	30,015
	<u>\$ 112,119</u>	<u>79,857</u>	<u>191,976</u>

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

The University has entered into two equipment lease agreements on behalf of Providence Hospital in the amount of approximately \$4,636,000 for which the terms have not yet commenced. HCA will be responsible for making lease payments to the University for use of the equipment once the terms commence and an invoice is received. As of March 31, 2025, there are no other known lease or subscription commitments for which the terms have not yet commenced.

*Other Noncurrent Liabilities*

Other noncurrent liabilities consist of liabilities related to long-term vacation accruals. Amounts due within one year are included in current portion of other long-term liabilities.

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**(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 Bonds. 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, this loss was recorded as a deferred outflow and is being amortized over the remaining life of the Series 2016-A Bonds. In 2024, the University acquired an 81% ownership interest in a legally separate entity, South Coast, in the Ascension Providence acquisition. During 2024, the University acquired the remaining 19% ownership interest in South Coast and formally dissolved the entity. In accordance with GASB Statement No. 69, *Government Combinations and Disposals of Government Operations*, the excess consideration provided over the net position acquired was recognized as a deferred outflow of resources and is being amortized over 338 months, the remaining service life of the capital assets acquired. Additionally, in accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions--an amendment of GASB Statement No. 27*, and Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, changes in assumptions, changes in the proportion of total net liabilities relative to other plan participants, differences between employer contributions and the proportionate share of contributions, and employer contribution subsequent to the measurement date of the net pension liability but prior to the end of the fiscal year are presented as a deferred outflow of resources.

The components of deferred outflows of resources as of March 31, 2025 are summarized below (in thousands):

Loss on refunding of 2016-A bonds	\$	4,528
South Coast acquisition		126
Pension		54,419
OPEB		403,042
	\$	<u>462,115</u>

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 D 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 was recognized as a deferred inflow of resources and was being amortized over the remaining life of the Series 2016-B, C, and D Bonds. In August 2024, the University refunded the Series 2016-B, C, and D with the Series 2024-C Bonds. In accordance with GASB Statement No. 23, *Accounting and Financial Reporting for Refundings of Debt Reported by Proprietary Activities*, Statement No. 63, and Statement No. 65, the difference between the reacquisition price and the net carrying amount of the old

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debt is reported as a deferred inflow and is being amortized over the remaining life of the Series 2024-C Bonds.

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, 2025 are summarized below (in thousands):

Gain on refunding of 2016 Series B, C and D Bonds	\$ 2,648
Pension	71,432
OPEB	189,838
Leases	107,792
	<hr/>
	\$ 371,710
	<hr/> <hr/>

**(b) Health Care Authority**

Deferred inflows of resources represent HCA's right to receive lease revenue in future reporting periods. In accordance with GASB Statement No. 87, Leases, the deferred inflow of resources attributable to leases is recognized on a straight-line basis over the respective lease terms. Deferred inflows for the six months ended March 31, 2025 totaled approximately \$3,322,000.

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**(8) Bonds Payable**

Bonds payable consisted of the following at March 31, 2025 (in thousands):

University Facilities Revenue Capital Improvement Bonds, Series 2013-A, 2.83% payable through August 2033	\$ 16,617
University Facilities Revenue Capital Improvement Bonds, Series 2013-B, 2.83% payable through August 2033	4,154
University Facilities Revenue Capital Improvement Bonds, Series 2013-C, 2.78% payable through August 2028	3,080
University Facilities Revenue Capital Improvement Bonds, Series 2015, 2.47% payable through August 2030	2,250
University Facilities Revenue Refunding Bonds, Series 2016-A, 3.00% to 5.00% payable through November 2037	64,500
University Facilities Revenue Bonds, Series 2017, 2.00% to 5.00%, payable through October 2037	27,775
University Facilities Revenue Bonds, Series 2019-A, 5.00%, payable through April 2049	47,750
University Facilities Revenue Bonds, Series 2019-B, 3.09% to 4.10%, payable through April 2033	11,855
University Facilities Revenue Bonds, Series 2019-C, 1.87%, payable through April 1, 2030	9,350
University Facilities Revenue Bonds, Series 2020, 4%, payable through April 1, 2040	31,515
University Facilities Revenue Bonds, Series 2021, 4%, payable through April 1, 2041	35,210
University Facilities Revenue Bonds, Series 2021-B 1.398%, payable through August 1, 2032	11,492
University Facilities Revenue Bonds, Series 2024-A, 5.0% through 2053 and 5.25% for 2054, payable through April 1, 2054	72,810
University Facilities Taxable Revenue Bonds, Series 2024-B, 4.753% to 5.233%, payable through April 1, 2035	17,165
University Facilities Revenue Bonds, Series 2024-C, 5%, payable through October 1, 2036	83,845
	<u>439,368</u>
Plus unamortized premium	48,762
Less unamortized debt extinguishment costs	<u>(1,151)</u>
	<u><u>\$ 486,979</u></u>

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 were redeemable beginning in June 2023. The Series 2014-A Bonds began maturing in June 2015 and were paid in full in March 2024. The Series 2015 Bonds began maturing in August 2015 and were redeemable beginning in June 2020. The Series 2016-A Bonds began maturing in November 2018 and are redeemable beginning in November 2026. The Series 2016-B, C, and D Bonds were refunded in August 2024 with the proceeds from Series 2024-C Bonds. The Series 2017 Bonds began maturing in October 2017 and are redeemable beginning in October 2027. The Series 2019-A Bonds will begin

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maturing in April 2033. The Series 2019-B Bonds began maturing in April 2021. Both Series 2019-A and 2019-B are both redeemable beginning in April 2029. The Series 2019-C Bonds began maturing in April 2020 and are not subject to redemption at the option of the University. Series 2020 Bonds began maturing in April 2021 and are redeemable beginning April 2030. Series 2021 Bonds began maturing in April 2022 and are redeemable beginning April 2031. The Series 2021-B Bonds began maturing in August 2022 and are subject to redemption beginning August 2024. The Series 2023-A and 2023-B Bonds were amended and restated in April 2024, extending their final maturities to April 2025. The Series 2023-A and 2023-B Amended and Restated Bonds were refunded in July 2024 with proceeds from Series 2024-A and 2024-B Bonds. The Series 2024-A Bonds begin maturing in April 2035 and are redeemable beginning April 1, 2034. The Series 2024-B Bonds begin maturing in April 2025 and are redeemable at the option of the University beginning April 1, 2034. The Series 2024-C Bonds begin maturing in April 2025 and are redeemable at the option of the University beginning April 1, 2034.

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 March 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 approximately \$4,528,000 at March 31, 2025. The principal outstanding on all defeased bonds is \$64,500,000 at March 31, 2025.

In March 2016, the University issued its University Facilities Revenue Refunding Bonds, Series 2016-B, C, and D, with a face value totaling \$100,000,000. The proceeds refunded the remaining outstanding Series 2006 Bonds. The gain on the refunding of the Series 2006 Bonds of \$4,539,000 was recorded as a deferred inflow and was being amortized over the remaining life of the Series 2016-B, C, and Bonds. In August of 2024, the University refunded the Series 2016-B, C, and D with the Series 2024-C Bonds. In accordance with GASB Statement No. 23, *Accounting and Financial Reporting for Refundings of Debt Reported by Proprietary Activities*, the difference between the reacquisition price and the net carrying amount of the old debt is reported as a deferred inflow and is being amortized over the remaining life of the Series 2024-C Bonds. The balance of the related net deferred inflow at March 31, 2025 totaled \$2,648,000.

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

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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 could be drawn up to \$80,000,000, and University Facilities Revenue Bond (Draw-Down Loan) 2023-B, which could 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. In April 2024, the final draw was made from 2023-A and 2023-B in the amounts of \$12,980,000 and \$1,875,000, respectively.

In October 2023, the University entered into a Revolving Line of Credit Agreement with Hancock Whitney Bank for up to \$50,000,000, with a term of up to thirty months, to provide funds for covering the operating expenses of USA HCA in managing and operating USA Health Providence Hospital. On September 30, 2024, the University terminated this line of credit without making any draws.

In July 2024, the University issued University Facilities Revenue Bonds Series 2024-A \$72,810,000 and Taxable Series 2024-B \$19,925,000. Proceeds of the Series 2024-A and 2024-B Bonds were used to refund the University Facilities Revenue Bonds (Draw-Down Loan) 2023-A and the University Facilities Revenue Bonds (Draw-Down Loan) 2023-B, the proceeds of which were used by the University to purchase and improve the healthcare facilities located at 6801 Airport Blvd., Mobile, AL, known as "Providence Hospital."

In August 2024, the University issued University Facilities Revenue Bonds Series 2024-C \$90,850,000. Proceeds of the Series 2024-C Bonds were used to refund the Amended and Restated University Facilities Revenue Refunding Bond Series 2016-B, 2016-C and 2016-D. The related interest rate swap agreement with Wells Fargo Bank was terminated using \$14,745,000 of University funds to pay swap termination fees, accrued interest and other related costs.

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, 2025, no amounts were due or recorded in the financial statements.

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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, 2025 (in thousands):

	<b>Debt service on notes and bonds</b>				
	<b>Bonds</b>		<b>Notes payable from direct borrowing</b>		
	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2025	\$ 4,550	1,914	69	11	6,544
2026	23,285	19,892	193	24	43,394
2027	24,190	18,980	189	14	43,373
2028	25,200	17,994	165	5	43,364
2029	25,431	16,944	28	—	42,403
2030–2034	126,082	67,941	—	—	194,023
2035–2039	109,670	37,882	—	—	147,552
2040–2044	39,160	21,039	—	—	60,199
2045–2049	35,990	12,227	—	—	48,217
2050–2054	25,810	4,204	—	—	30,014
Subtotal	439,368	\$ 219,017	644	54	659,083
Plus (less):					
Unamortized bond premium	48,762		—		
Unamortized debt extinguishment costs	(1,151)		—		
Total	\$ 486,979		644		

**(9) Lease Receivables**

**(a) University of South Alabama**

The University leases land, buildings, and suites to various lessees expiring at various dates through 2069. For the six months ended March 31, 2025, the University recognized a total of approximately \$6,470,000 of inflows of resources from leases, of which \$3,887,000 was recognized as lease revenue which is included in other operating revenues and interest of \$2,583,000 which was recognized as a component of net 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 year that is included in the measurement of the lease receivable (in thousands):

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 3,359	278	3,637
2026	4,895	4,858	9,753
2027	4,688	4,635	9,323
2028	4,577	4,418	8,995
2029	3,259	4,219	7,478
2030–2034	11,462	19,337	30,799
2035–2039	13,622	16,396	30,018
2040–2044	16,988	13,035	30,023
2045–2049	21,158	8,858	30,016
2050–2054	26,361	3,658	30,019
2055–2059	3	2	5
2060–2064	4	1	5
2065–2069	4	1	5
Lease receivable	<u>\$ 110,380</u>	<u>79,696</u>	<u>190,076</u>

Of the \$110,380,000 lease receivable, approximately \$105,490,000 is related to leases between the University and its component units.

**(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 four lease agreements. The first lease had a 5-year initial term that expired in October 2023, which was renewed in November 2023 for a 5-year term expiring October 2028. The first lease has one 5-year renewal option remaining. 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 had a 5-year initial term that expired August 2024 with one 5-year renewal option. The fourth lease had a 5-year initial term that expired April 2024, which was amended in January 2024 for a 5-year term expiring April 2029.

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 seven 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

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months ended March 31, 2025, the Corporation recognized no operating expense reimbursement income.

Space under lease to the University was 78,123 square feet at March 31, 2025.

The Corporation owns a building located on the premises of 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 set to expire in March 2020, with three 5-year renewal options. The initial lease was terminated in December 2022 and replaced with a new lease with an initial term of 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, 2025. 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, 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.

For the six months ended March 31, 2025, the Corporation recognized a total of \$1,773,000 of inflows of resources from financing leases, of which \$1,559,000 was recognized as lease revenue and \$214,000 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>
2025	\$ 1,459	197	1,656
2026	1,792	342	2,134
2027	1,634	289	1,923
2028	1,571	240	1,811
2029	1,340	192	1,532
2030–2034	1,703	697	2,400
2035–2039	1,240	511	1,751
2040–2044	1,568	296	1,864
2045–2049	819	72	891
2050–2054	143	27	170
2055–2059	101	5	106
Lease receivable	<u>\$ 13,370</u>	<u>2,868</u>	<u>16,238</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, 2025, HCA recognized a total of approximately \$440,000 of inflows of resources from leases, of which approximately \$357,000 was recognized as lease revenue and approximately \$83,000 was recognized as interest income. 98% of total lease revenue recognized was attributable to subleases to the University. The other 2% of total lease revenue is attributable to a ground lease with Family Medical Investments and a ground lease with HHRE USA Fairhope ASC, LLC; both of which lease land from HCA at the USA Health Mapp Family Campus. 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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Future minimum lease revenue under noncancelable agreements as of March 31, 2025, by fiscal year, are as follows (in thousands):

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 659	80	739
2026	682	131	813
2027	727	99	826
2028	777	63	840
2029	237	36	273
2030-2034	250	130	380
2035-2039	28	111	139
2040-2044	35	104	139
2045-2049	44	95	139
2050-2054	55	84	139
2055-2059	69	71	140
2060-2064	86	54	140
2065-2069	107	32	139
2070-2073	76	7	83
	<u>\$ 3,832</u>	<u>1,097</u>	<u>4,929</u>

As of March 31, 2025, 73% of the total lease receivable balance amount reflected on the accompanying statement of net position is related to subleases to the University.

**(10) Patient Service Revenues**

The University of South Alabama Health System (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

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generally paid for certain retroactively determined items at tentative rates, with final settlements determined after submission of annual cost reports by USA Health and audits by the Medicare fiscal intermediary.

USA Health University Hospital's Medicare cost reports have been audited by the Medicare fiscal intermediary through September 30, 2021. 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 13% of USA Health's net patient service revenues for the six months ended March 31, 2025.

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 28% of USA Health's net patient service revenues for the six months ended March 31, 2025.

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 six months ended March 31, 2025, the University received net supplemental payments from this program of approximately \$41,616,000, which is included in patient service revenues on the statement of revenues, expenses, and changes in net position.

Revenues from the Medicaid program accounted for approximately 16% of USA Health's net patient service revenues for the six months ended March 31, 2025.

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

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Health under these agreements includes discounts from established charges and prospectively determined daily and case rates.

The composition of net patient service revenues for the six months ended March 31, 2025 follows (in thousands):

Gross patient service revenues	\$ 1,256,249
Less:	
Provision for contractual and other adjustments	(761,963)
Provision for bad debts	(52,677)
	<u>\$ 441,609</u>

Generally, patients who are covered by third-party payors are responsible for related deductibles and coinsurance which vary in amount. USA Health also provides services to uninsured patients and offers those uninsured patients a discount, either by policy or law, from standard charges. USA Health estimates the provision for bad debts for patients with deductibles and coinsurance and for those who are uninsured based on historical experience and current market conditions. Subsequent changes to the estimate of the provision for bad debts are generally recorded as adjustments to net patient service revenues in the period of the change. For the six months ended March 31, 2025, a reduction in revenue of approximately (\$794,000) was recognized due to changes in estimates of the provision for bad debts.

The composition of gross patient service revenues before the provision for contractual and other adjustments and the provision for bad debts by major payor source is as follows for the six months ended March 31, 2025 (in thousands):

	<b>Gross patient service revenues</b>	<b>Percentage</b>
Blue Cross	\$ 273,806	22
Medicaid	271,939	22
Medicare Advantage	253,411	20
Medicare	148,031	12
Commercial	145,273	12
Other	99,172	8
Self pay	64,617	4
	<u>\$ 1,256,249</u>	<u>100 %</u>

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The University provides charity care to patients who meet specific financial need criteria, as outlined in its USA Health Financial Assistance Policy. Charity care is defined as services provided to patients who are unable to pay for all or part of their care and for whom no expectation of payment exists. For the six months ended March 31, 2025, charity care costs were calculated based on the cost-to-charge ratio, which was applied to the amounts of services provided to qualifying patients. The total charity care provided during the period was approximately \$8,739,000 which represents 0.9% of total hospital charges.

**(11) Business and Credit Concentrations**

The University grants credit to patients, substantially all of whom reside in the University's service area. The University generally does not require collateral or other security in extending credit to patients; however, it routinely obtains assignment of (or is otherwise entitled to receive) patients' benefits payable under their health insurance programs, plans, or policies (e.g., Medicare, Medicaid, Blue Cross, preferred provider arrangements, and commercial insurance policies).

The mix of receivables from patients and third-party payors as of March 31, 2025 is as follows:

Medicare	26 %
Self Pay	22
Blue Cross	18
Medicaid	13
Commercial	12
Other	9
	<hr/>
	100 %

**(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

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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. Act 2022-222 amended benefits for Tier 2 members, and they are now eligible for retirement after 30 years of creditable service and are entitled to an annual retirement benefit, with a 2% reduction for each year under 62, payable monthly for life. Service and disability retirement benefits are based on a guaranteed minimum or formula method, with the member receiving payment under the method that yields the highest monthly benefit. Under the formula method, Tier 2 members of the TRS are allowed 1.65% of their average final compensation (highest five of the last ten years) for each year of service. Members are eligible for disability retirement if they have ten years of credible service, are currently in service, and determined by the RSA Medical Board to be permanently incapacitated from further performance of duty. Preretirement death benefits are calculated and paid to the beneficiary based on the member's age, service credit, employment status, and eligibility for retirement.

### **(c) Contributions**

Covered members of the TRS contributed 5% of earnable compensation to the TRS as required by statute until September 30, 2011. From October 1, 2011 to September 30, 2012, covered members of the TRS were required by statute to contribute 7.25% of earnable compensation. Effective October 1, 2012, covered Tier 1 members of the TRS are required by statute to contribute 7.50% of earnable compensation.

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

Participating employers' contractually required contribution rates are 12.59% of annual pay for Tier 1 members and 11.57% of annual pay for Tier 2 members. These required contribution rates are a percentage of annual payroll, actuarially determined as an amount that, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, with an additional amount to finance any unfunded accrued liability. Total employer contributions to the pension plan from the University for fiscal year 2025 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, 2025, the University reported a liability of approximately \$279,777,000 for its proportionate share of the collective net pension liability. At March 31, 2025, the collective net pension liability was measured as of September 30, 2024 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of September 30, 2023. 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

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measurement date of September 30, 2024, the University's proportion of contributions to the pension plan was 2.150783%, which was a decrease of 0.04068% from its proportion measured as of September 30, 2023 of 2.191463%.

For the six months ended March 31, 2025, the University recognized pension expense of approximately \$22,166,000, which is included in salaries and benefits on the statement of revenues, expenses, and changes in net position.

At March, 31, 2025, the University reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources (in thousands):

	<b>Deferred outflows of resources</b>	<b>Deferred inflows of resources</b>
Differences between expected and actual experience	\$ 27,821	2,017
Changes of assumptions	4,291	—
Net difference between projected and actual earnings on pension plan investments	—	45,881
Changes in proportion and differences between employer contributions and proportionate share of contributions	—	23,534
Employer contributions subsequent to measurement date	*	—
	<u>\$ 32,112</u>	<u>71,432</u>

At September 30, 2024, approximately \$22,307,000 reported as deferred outflows of resources related to pensions resulting from University contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability for the year ending September 30, 2025. 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:	
2026	\$ (9,881)
2027	4,789
2028	(20,168)
2029	<u>(15,177)</u>
	<u>\$ (40,437)</u>

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**(e) Actuarial Assumptions**

The total pension liability as of March 31, 2025 was determined by an actuarial valuation as of September 30, 2023, using the following actuarial assumptions, applied to all periods included in the measurement:

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

\* Net of pension plan investment expense, including inflation

\*\* Includes inflation

The actuarial assumptions used in the September 30, 2023 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.

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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>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
	<u>100.0 %</u>	

\* 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, 2025 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>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	\$ 389,007	279,777	187,836

**(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, 2024 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, 2024. The auditors' report dated February 27, 2025 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, 2024 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 pay. The University contributed approximately \$155,000 representing 124 employees for the six months ended March 31, 2025.

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

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approximately \$6,132,000 representing 2,843 employees participating in this plan for the six months ended March 31, 2025. 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, 2025, 307 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 paid time off (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 \$10,180,000 at March 31, 2025. The accrual is included in other long-term liabilities (and current portion thereof) in the accompanying financial statements. No accrual is recognized for sick leave benefits since no terminal cash benefit is available to employees for accumulated sick leave.

**(14) Other Postemployment Benefit Plans**

Retirees of the University are covered by the Public Education Employees Health Insurance Plan (PEEHIP), which is a cost-sharing, multiple-employer defined-benefit OPEB plan administered by the TRS.

**(a) Plan Description**

The Alabama Retiree Health Care Funding Act of 2007 authorized and directed the Public Education Employees Health Insurance Board (Board) to create an irrevocable trust to fund postemployment healthcare benefits to retirees participating in PEEHIP. Active and retiree health insurance benefits are paid through the PEEHIP. The PEEHIP was established in 1983 pursuant to the provisions of the Code of Alabama 1975, Title 16, Chapter 25A to provide a uniform plan of health insurance for active and retired employees of state and local educational institutions and to fund benefits related to the plan. The responsibility for the general administration and operation of the PEEHIP is vested in its Board, which consists of 15 trustees. Title 16-Chapter 25 of the Code of Alabama grants the authority to establish and amend the benefit terms to the PEEHIP Board. GASB Statement No. 75, 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.

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**(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 approximately \$6,172,000 the year ended September 30, 2024 and are included in salaries and benefits on the statement of revenues, expenses, and changes in net position.

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

At March 31, 2025, the University reported a liability of approximately \$396,009,000, for its proportionate share of the net OPEB liability. At March 31, 2025, the net OPEB liability was measured as of September 30, 2024, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of September 30, 2023. The University's proportion of the net OPEB liability was based on a projection of the University's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating employers, actuarially determined. At the measurement date of September 30, 2024, the University's proportion of contributions to the OPEB plan was 4.307503%, which was an increase of 0.207525% from its proportion measured as of September 30, 2023 of 4.099978%.

For six months ended March 31, 2025, the University recognized OPEB expense of approximately \$21,812,000, which is included in salaries and benefits on the statement of revenues, expenses, and changes in net position.

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At March 31, 2025, the University reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources (in thousands):

	<b>Deferred outflows of resources</b>	<b>Deferred inflows of resources</b>
Differences between expected and actual experience	\$ 184,682	85,470
Changes of assumptions	136,383	56,029
Net difference between projected and actual earnings on OPEB plan investments	—	9,770
Changes in proportion and differences between employer contributions and proportionate share of contributions	75,805	38,569
Employer contributions subsequent to the measurement date	*	—
	<u>\$ 396,870</u>	<u>189,838</u>

At September 30, 2024, approximately \$6,171,000 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, 2025.

\*Contributions subsequent to measurement date for fiscal year 2025 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 as follows (in thousands):

Year ending September 30:	
2026	\$ 43,809
2027	37,602
2028	18,561
2029	34,143
2030	55,985
Thereafter	16,932
	<u>\$ 207,032</u>

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**(e) Actuarial Assumptions**

The total OPEB liability as of March 31, 2025 was determined by an actuarial valuation performed as of September 30, 2023, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 %
Projected salary increases*	3.25-5.00 %
Long-term investment rate of return**	7.00 %
Municipal bond index rate at the measurement date	3.89 %
Municipal bond index rate at prior measurement date	4.53 %
Projected year for fiduciary net position to be depleted	2040
Single equivalent interest rate at the measurement date	4.32 %
Single equivalent interest rate at prior measurement date	7.00 %
Healthcare cost trend rate	
Pre-Medicare eligible	6.75 %
Medicare eligible	***
Ultimate trend rate	
Pre-Medicare eligible	4.50 %
Medicare eligible	4.50 %
Year of ultimate trend rate	
Pre-Medicare eligible	2033
Medicare eligible	2028
Optional plans trend rate	2.00 %

\* Includes 2.75% wage inflation

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

\*\*\* Initial Medicare trend rates are set based on renewal premium rates through calendar year 2025 with an assumed 0% increase for the upcoming 2026-2028 negotiation period.

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.

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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, 2023 valuation.

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>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
	<u>100 %</u>	

\* Geometric mean, includes 2.50% inflation

**(f) Discount Rate**

The discount rate used to measure the total OPEB liability at March 31, 2025 was 4.32%. 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. 9.751% of the employer contributions were used to assist in funding retiree benefit payments in fiscal year 2024. It is assumed that the 9.751% 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 \$904 in fiscal year 2026, \$1,114 in fiscal year 2027, and then will increase with inflation at 2.5% starting in fiscal year 2028. The long-term expected rate of return on OPEB plan investments will be determined based on the allocation of assets by 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 2122.

**UNIVERSITY OF SOUTH ALABAMA**

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Notes to Basic Financial Statements

Six Months Ended March 31, 2025 (Unaudited)

**(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>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	\$ 318,556	396,009	495,885

The following table presents the University's proportionate share of the net OPEB liability calculated using the discount rate of 4.32%, as well as what the net OPEB liability would be if calculated using one percentage point lower 3.32% or one percentage point higher 5.32% than the current rate (in thousands):

	<b>1% Decrease (3.32)%</b>	<b>Current rate (4.32)%</b>	<b>1% Increase (5.32)%</b>
University's proportionate share of collective net OPEB liability	\$ 481,060	396,009	328,044

**(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, 2024. The supporting actuarial information is included in the GASB Statement No. 75 Report for PEEHIP prepared as of September 30, 2024. 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.

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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, 2025. 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 \$1,914,000 for the six months ended March 31, 2025 and are included in accounts payable and accrued liabilities on the statement of net position. 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, 2025 for the PLTF, GLTF, and health plan are summarized as follows (in thousands):

Balance, beginning of year	\$	72,621
Premiums and other additions		63,449
Claims, administrative fees paid, and other reductions		<u>(71,491)</u>
Balance, end of period	\$	<u><u>64,579</u></u>

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

**(16) Related Parties**

USA Presidential 1963 Fund is an Alabama not-for-profit corporation created for promoting charitable, scientific, literary, or educational initiatives that benefit and support the University. This not-for-profit corporation had no financial activity for the six months ended March 31, 2025.

**(17) Commitments and Contingencies****(a) Grants and Contracts**

At March 31, 2025, the University had been awarded approximately \$136,734,000 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

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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 March 31, 2025, 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 78,123 square feet at March 31, 2025. See note 9 for additional details.

**(18) Functional Expense Information**

Operating expenses by functional classification for the six months ended March 31, 2025 are as follows (in thousands).

Instruction	\$ 66,054
Research	15,784
Public service	7,884
Academic support	17,892
Student services	24,162
Institutional support	28,037
Operation and maintenance of plant	6,657
Scholarships	12,867
USA Health	495,353
Auxiliary enterprises	10,632
Depreciation and amortization	44,564
	\$ 729,886

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**(19) Blended Component Units**

As more fully described in note 1, HCM, PLTF, GLTF, Providence IPA, JAF and FRAC 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, 2025 follows (in thousands):

Current assets	\$ 17,575
Noncurrent assets	66,069
Total assets	83,644
Current liabilities	26,974
Noncurrent liabilities	48,031
Total liabilities	75,005
Net position	\$ 8,639
Operating revenues	\$ 278,024
Operating expenses	(276,719)
Operating income	1,305
Nonoperating revenues	530
Nonoperating expenses	(777,281)
Change in net position	\$ (775,446)

**(20) Recently Issued Accounting Pronouncements**

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

In September 2024, the GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*, which is effective for fiscal years beginning after June 15, 2025. The objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets and requires disclosure of certain information regarding capital assets to be presented by major class.

The effect of the implementation of GASB Statement Nos. 103 and 104 on the University has not yet been determined.

**UNIVERSITY OF SOUTH ALABAMA  
BOARD OF TRUSTEES**



**LONG-RANGE PLANNING  
COMMITTEE**

**UNIVERSITY OF SOUTH ALABAMA  
BOARD OF TRUSTEES**

**Long-Range Planning Committee**

**March 13, 2025**

**2:39 p.m.**

A meeting of the Long-Range Planning Committee of the University of South Alabama (“USA,” “University”) Board of Trustees was duly convened by Ms. Chandra Brown Stewart, Chair, on Thursday, March 13, 2025, at 2:39 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, Bill Lewis, Lenus Perkins, Steve Stokes, Mike Windom and Jim Yance were present.

Other Trustees: Alexis Atkins, Scott Charlton, Luis Gonzalez, Ron Graham, Meredith Hamilton, Arlene Mitchell and Jimmy Shumock.

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

Following the attendance roll call, **Item 29**, Ms. Brown Stewart called for consideration of the minutes for a meeting held on December 4, 2024, **Item 30**. On motion by Judge Lewis, seconded by Capt. Jenkins, the Committee voted unanimously to adopt the minutes.

Ms. Brown Stewart called on Dr. Julie Estis, Interim Associate Vice President for Institutional Effectiveness, to address **Item 31**, a resolution authorizing the University administration to update the *University of South Alabama Strategic Priorities 2024 – 2029*. (To view resolutions, policies and other documents authorized, refer to the minutes for the Board of Trustees meeting held on March 14, 2025). Dr. Estis explained that the University Planning and Assessment Committee, the body which oversees the direction, structure and use of the Institution’s strategic priorities, recently recommended the revision of USA’s core values and strategic priorities for the purpose of aligning them with evolving federal guidelines and policies. On motion by Judge Windom, seconded by Capt. Jenkins, the Committee voted unanimously to recommend approval of the resolution by the Board of Trustees.

Dr. Estis thanked members of the Board for taking part in the Board orientation and self-evaluation activities on March 12, processes she noted were supportive of the University’s objectives of engaging in best practices for continuous improvement and compliance with SACSCOC’s (Southern Association of Colleges and Universities Commission on Colleges) standards for accreditation.

There being no further business, the meeting was adjourned at 2:42 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 13, 2025  
2:45 p.m.**

A meeting of the Committee of the Whole of the University of South Alabama (“USA,” “University”) Board of Trustees was duly convened by Ms. Arlene Mitchell, Chair *pro tempore*, on Thursday, March 13, 2025, at 2:45 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, Scott Charlton, Luis Gonzalez, Ron Graham, Meredith Hamilton, Ron Jenkins, Bill Lewis, Arlene Mitchell, Lenus Perkins, Jimmy Shumock, Steve Stokes, Mike Windom and Jim Yance were present.

Members Absent: Steve Furr and Kay Ivey.

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

Following the attendance roll call, **Item 32**, Chair Mitchell called for consideration of the minutes for a meeting held on December 4, 2024, **Item 33**. On motion by Mr. Shumock, seconded by Mr. Graham, the Committee voted unanimously to adopt the minutes.

Chair Mitchell called on President Bonner to address **Item 34**, a resolution extending appreciation to Mrs. Kristin Dukes, recent retiree, for her contributions to the University and extending best wishes to Mrs. Dukes and her husband, Mr. Gil Dukes. (To view resolutions, policies and other documents authorized, refer to the minutes of the Board of Trustees meeting held on March 14, 2025.) President Bonner noted that Mrs. Dukes, who retired from the role of General Counsel in December 2024, would be in attendance at the Board meeting the following day, along with her family. He also recognized Mr. Larche for his appointment as General Counsel after having worked with Mrs. Dukes for several years. On motion by Ms. Atkins, seconded by Dr. Charlton, the Committee voted unanimously to recommend approval of the resolution by the Board of Trustees.

In accordance with the provisions of the Alabama Open Meetings Act, Chair Mitchell made a motion to convene an executive session for an anticipated duration of 15 minutes for the purpose of discussing pending or threatened litigation, **Item 35**. She stated Mr. Larche had submitted the required written declaration for the minutes and that adjournment of the meeting would be in effect immediately upon the conclusion of the executive session. Ms. Atkins seconded and, at 2:48 p.m., the Committee voted unanimously to convene an executive session, as recorded herein. The executive session began at approximately 2:53 p.m.:

AYES:

- Ms. Atkins
- Ms. Brown Stewart
- Dr. Charlton
- Mr. Gonzalez
- Mr. Graham
- Ms. Hamilton
- Capt. Jenkins
- Judge Lewis
- Chair Mitchell
- Mr. Perkins
- Mr. Shumock
- Dr. Stokes
- Judge Windom
- Mr. Yance

There being no further business, the meeting was adjourned at approximately 3:09 p.m.

Respectfully submitted:

Arlene Mitchell, Chair *pro tempore*

## RESOLUTION

### REVISED BYLAWS OF THE BOARD OF TRUSTEES OF THE UNIVERSITY OF SOUTH ALABAMA

**WHEREAS**, Article VIII of the *Bylaws of the University of South Alabama Board of Trustees* (the “Bylaws”) provides that the Bylaws “may be amended or repealed at any meeting of the Board by eight members of the Board voting in favor of same, but no such action shall be taken unless notice of the substance of such proposed adoption, amendment or repeal shall have been given at a previous meeting or notice in writing of the substance of the proposed change shall have been served upon each member of the Board at least thirty (30) days in advance of the final vote upon such change,” and

**WHEREAS**, a draft of the proposed revised Bylaws, which is attached hereto and incorporated by reference herein, was provided to each member of the Board on May 7, 2025, in compliance with the notice requirements of Article VIII of the Bylaws that pertain to amendment of the Bylaws, and

**WHEREAS**, the proposed revised Bylaws is presented for the Board’s consideration and approval, and

**WHEREAS**, the Board, after due consideration and deliberation, has determined that the amendments proposed are in the best interest of the efficient operation of the Board in carrying out its role and responsibilities to the University,

**THEREFORE, BE IT RESOLVED**, the Board of Trustees approves and adopts the revised *Bylaws of the University of South Alabama Board of Trustees* as submitted.

**B Y L A W S**  
**OF THE BOARD OF TRUSTEES**  
**OF THE UNIVERSITY OF SOUTH ALABAMA**

**PREAMBLE**

The Legislature of the State of Alabama vested full management and control over the University of South Alabama in a Board of Trustees pursuant to Act No. 157, Acts of Alabama, 1963, Secondary Extraordinary Session, stating at that time: “The Governor and the State Superintendent of Education, by virtue of their respective offices, and the [T]rustees appointed from the senatorial districts of the state, enumerated in Section 16-55-2, are constituted a public body corporate under the name of the University of South Alabama to carry into effect the purposes expressed in this article and to establish a state institution of higher learning.” (Code of Alabama, 1975, Section 16-55-1). For the purpose of providing a definitive and orderly form of governance, and in order to continue to carry out the purposes required of the Board of Trustees of the University of South Alabama, in the establishment and continuation of a state institution of higher learning, the Board of Trustees hereby does promulgate and adopt these Bylaws.

## ARTICLE I

### THE BOARD OF TRUSTEES

The entire management and control over the University of South Alabama (hereinafter referred to as the “University”) shall be vested in the Board of Trustees of the University of South Alabama (hereinafter referred to as the “Board”); however, upon general or specific authorization or delegation made or provided for in these Bylaws, the Board may exercise such management and control through the officers, officials, committees and agents as it may deem fit and appropriate, all in accordance with state law. The Board acts as a body politic and no individual member of the Board shall have the authority to act for the Board or for the University.

Section 1. **Composition of Board.** Consistent with the 2025 amendatory language to Sections 16-55-2, Code of Alabama 1975, the Board shall consist of **three** members from Mobile County; **nine** members from the state at-large; **three** members from the United States at-large; and the Governor, who shall be *ex officio* President of the Board.

Section 2. **Election and Term of Office.** The Governor, as an *ex officio* Trustee, serves his or her term of office in correspondence with his or her term of office as Governor of the State of Alabama. In accordance with the statute regarding the University of South Alabama, the Trustees shall be appointed by the Governor, by and with the advice and consent of the State Senate, and shall hold office for a term of six years, and until their successors shall be appointed and qualified. The Board shall be divided into three classes, so that one-third of the members of the Board may be appointed every two years. Vacancies occurring in the office of Trustee, from death or resignation, and the vacancies regularly occurring by expiration of the term shall be filled by the Governor, and the appointee shall hold office until the next meeting of the Legislature. Successors to those Trustees whose terms expire during an interim shall hold office for a full term unless they are rejected by the Senate. Neither the existence nor continuation of a vacancy in the office of the Trustee shall serve to impair or hinder any provisions of these Bylaws or the validity of the operation and actions by the Board by virtue of that vacancy alone.

Section 3. **Compensation of Trustees.** No Trustee shall receive any pay or emolument other than his or her actual expenses incurred in the discharge of duties as a Trustee; such expenses shall be paid or reimbursed from university funds, upon the authorization of the President of the University (hereinafter referred to as the “President”).

Section 4. **Primary Functions of the Board.** The Board acts as a public body corporate, and no individual member of the Board has the authority to act for the Board or the University. Communications to the Board shall be directed to the Board through the President or Chair *pro tempore*, except as otherwise provided herein. The Board of Trustees, as a public body corporate, has all rights, privileges, and authority necessary to promote the purpose of its creation, which is to establish and provide for the maintenance and operation of a state university in Mobile County. In accordance with such powers, the Board of Trustees shall have the power to organize the institution by appointment of instructors and faculty members, and such executive and administrative officers and employees, as may be necessary to operate the University, which the Board hereby delegates to the President; the Board may remove any faculty members or employees in its discretion, and shall have the power and authority to fix salaries or compensation, increase or reduce same at its discretion, all of which duty the Board hereby delegates to the President. The Board may prescribe courses of instruction, as well as rates of tuition and fees; confer such academic and honorary degrees as are usually conferred by institutions of like character; and may do all else necessary and considered in the best interest of the institution to carry out the purposes of the Institution. As a body that holds the public trust and is responsible for institutional governance, the Board will engage in periodic self-evaluation.

Section 5. **Emeritus Status.** The Board, in its sole discretion, may recognize any Trustee who has served with distinction as Trustee Emeritus following said Trustee's term of service. The Trustee must have provided distinguished and meritorious service, outstanding leadership, and exceptional contributions to the University over a period of years. Any Trustee so recognized as Trustee Emeritus shall have no voting rights and will remain Trustee Emeritus at the pleasure of the Board of Trustees. Such designation shall confer no responsibilities, duties, rights, privileges, or benefits, but shall constitute recognition of service and experience and will publicly acknowledge that person as particularly suited for counsel and advice to the Board. The Board encourages the availability of those who have been awarded Trustee Emeritus status for such counsel and advice and may request special services of them.

Section 6. **Honorary Trustee.** The Board, in its sole discretion, may recognize as an Honorary Trustee any individual who has demonstrated a sustained and extraordinary commitment to the mission of the University. Election of an Honorary Trustee shall occur at any regular meeting of the Board and, because of the prestige of this position, shall occur on very rare occasions. Honorary Trustees shall have no voting rights and will maintain this designation at the pleasure of

the Board. Such designation shall confer no responsibilities, duties, rights, privileges, or benefits, but shall constitute recognition of service with distinction to the University. It will also publicly acknowledge that person as particularly suited for counsel and advice to the Board.

Section 7. **Removal of a Trustee.** Under the laws of the State of Alabama, the Board of Trustees has no power to remove one of its members. Section 60 of the Constitution of Alabama, which provides that “[no] person convicted of embezzlement of the public money, bribery, perjury, or other infamous crime, shall be eligible to the legislature, or capable of holding any office of trust or profit in this state” sets forth the constitutional grounds and procedure for removing a Trustee.

## ARTICLE II

### MEETINGS OF THE BOARD OF TRUSTEES

Section 1. **Annual and Regular Meetings.** The Board shall hold a regular annual meeting each year at the University in June, unless the Board, in regular session, determines to hold its annual meeting at some other time and place. Each year at the annual meeting, the Board shall schedule its regular meetings to be held during the ensuing year, and may designate one such meeting as the annual meeting of the Board. This schedule of meetings then will be recommended to the Governor for approval. The Chair *pro tempore* may cancel or change the date, place or time of a scheduled regular or annual meeting and will provide advance notice of such changes or cancellation. In any event, the Board shall meet at least once in each year.

Section 2. **Special Meetings.** In addition, other than the annual and regularly scheduled meetings of the Board, special meetings of the Board may be called by the Chair *pro tempore* of the Board; the Governor; or the Chair *pro tempore* of the Board or the Governor upon application in writing of any three (3) or more members of the Board. Once a special meeting is called, written notice shall be provided to each Trustee at least 24 hours before the meeting is scheduled to begin, except in case of an emergency, which the Chair *pro tempore* or Governor shall specify in his or her notice to the Trustees.

Section 3. **Adjourned Meetings.** At any meeting, the Board may continue in session as long as it may deem proper for the welfare of the institution. Any session may be adjourned, as provided in *Roberts Rules of Order*, as last revised, and continued at a future time with proper notice to all members.

Section 4. **Quorum.** Seven members of the Board of Trustees shall constitute a quorum, but a smaller number may adjourn from day to day until a quorum is present. A majority of those present shall govern unless a greater number is required hereunder. Members of the Board of Trustees may participate in a meeting of the Board or committee by means of telephone conference, video conference, or similar communications equipment by means of which all persons participating in the meeting may hear each other at the same time. Participation by such means shall constitute presence in person at a meeting for all purposes. However, a majority of a quorum of the members of the Board of Trustees, or, in the event of a meeting of only the executive committee, a majority of a quorum of the executive committee of the Board of Trustees, must be physically present at the location noticed and called for the meeting in order to conduct any business or deliberation. Members of the Board of Trustees and any committees of the board may not utilize electronic communications or otherwise conduct meetings except as in compliance with the Alabama Open Meetings Act. No Trustee for whom a conflict of interest exists shall vote on such matter before the Board.

Section 5. **Agenda.** The President shall mail to each member of the Board notice of the time and place of any meeting, which shall include an agenda for the meeting, at least ten (10) days prior to the time of meeting. The development and preparation of the agenda for Board meetings shall be vested in the President, who shall place such items on the agenda as are needed for the ongoing operation of the institution and/or that require the approval of the Board. Members of the Board desiring to place any item or items on the agenda for meetings shall inform the President in writing not less than fifteen (15) days prior to the meeting concerning such items, and the President shall include the items in the agenda to be mailed out to the members of the Board in accordance with the foregoing. Any item not included on the agenda mailed to members prior to a meeting may be considered upon the approval of a majority of those present and voting; provided, however, that any discussion or action upon the election of officers of the Board and/or the appointment and/or termination, including a contract renewal, of the President of the University, must be specifically identified on the agenda that was mailed at least ten (10) days prior to the time of meeting. The agenda that is approved by the Board at the commencement of the Board meeting shall be considered the official agenda. The omission of an item from the official agenda shall not invalidate otherwise valid actions by the Board.

Section 6. **Minutes.** Minutes of all meetings of the Board and its committees shall be prepared and distributed promptly to all members of the Board under the direction of the Secretary

of the Board. Upon approval by the Board or committee, such minutes shall be maintained permanently and in an accessible manner in the Office of the President under the direction of the Secretary of the Board.

Section 7 **Public Admission to Meetings.** All meetings of the Board of Trustees shall be open to the public, except that the Board may declare an executive session as authorized by law. Formal action by the Board resulting from any executive session discussions shall be taken by the Board in an open meeting and made a part of the official minutes.

Section 8. **Rules of Order.** Rules of order shall be in accordance with *Robert's Rules of Order*, as last revised, which are the normal governing parliamentary procedure rules. The Chair of the meeting will determine all questions concerning such rules.

Section 9. **Meeting Attendance.** Inasmuch as the Board of Trustees has determined that meeting attendance is crucial to the most efficient management of the University and operation of the Board, the names of all Trustees who do not attend at least half the meetings scheduled each Board year will be reported to the Chair *pro tempore* at the next annual meeting of the Board, and the Chair *pro tempore* will then take the actions he or she deems appropriate.

### **ARTICLE III**

#### **OFFICERS**

The Board shall have the following officers and any other officers it may elect from time to time. Such officers shall have the powers and shall perform the duties as are set forth herein, together with those which may be authorized and delegated by the Board from time to time. The terms of office for the Chair *pro tempore*, Vice Chair, and Secretary will be three years, with elections held at the annual meeting of the Board corresponding with the expiration of those terms. If a vacancy occurs during the term of any such office, an election to complete the term of that office will be held at the next meeting of the Board.

Section 1. **President of the Board.** The Governor of the State of Alabama shall be *ex officio* President of the Board. The President may call special meetings of the Board upon the conditions set forth herein.

Section 2. **Chair Pro Tempore.** Upon adoption of these Bylaws and thereafter, the Board of Trustees shall elect from its membership a Chair *pro tempore* for a three-year term, commencing

immediately following the annual meeting at which the election is held. Such officer may not be elected for successive terms. He or she shall preside at all Board meetings and call special meetings of the Board upon the conditions set forth herein. The Chair *pro tempore* shall serve as chair of the Executive Committee, and shall appoint such committees as may be authorized by the Board, or as he or she may deem desirable, fill vacancies which will occur on such committees, and give final approval to the agenda for the Board meeting.

Section 3. **Vice Chair.** Concurrent with the time of election of the Chair *pro tempore* for the term set forth for the Chair *pro tempore* in Section 2, the Board shall elect from its membership a Vice Chair. In the absence of the Chair *pro tempore*, the Vice Chair shall assume those duties. The Vice Chair shall serve on the Executive Committee.

Section 4. **The Secretary.** Concurrent with the time of election of the Chair *pro tempore* and for the term set forth for the Chair *pro tempore* in Section 2, the Board shall elect a Secretary. Through the Office of the President of the University, the Secretary shall be responsible for the preparation and distribution of notices of Board meetings and agendas. In addition, he or she shall attend Board meetings and make, record, and retain complete records and minutes of all official actions of the Board and its committees. The Secretary shall be the custodian of the corporate seal and affix the seal to documents as executed on behalf of the Board and shall attest to the same and certify any action of the Board. The Secretary shall serve on the Executive Committee.

Section 5. **Removal from Office.** Any officer of the Board may be removed from his or her office for cause by a two-thirds vote of the full Board of Trustees.

## **ARTICLE IV**

### **COMMITTEES**

**Organization.** The Board may create such committees as it deems proper, and may assign to such committees any authority, duty or responsibility desired by the Board; provided, however, that all committees, except the Executive Committee, are advisory to the full Board. The committees of the Board shall consist of the standing committees created herein and other committees created by the Board from time to time. The standing committees shall have the powers, duties and responsibilities set forth herein, or subsequently assigned by the Board through adoption and approval of amendments to these Bylaws. Vacancies in committee memberships shall be filled in the same manner as when appointments originally were made. Committee members

and the chair and the vice chair of the committees shall be appointed by the Chair *pro tempore* for terms concurrent with the term of the Chair *pro tempore*.

**Method of Operation.** The committees and subcommittees shall meet upon the call of the President, the Chair *pro tempore*, or the chair of the committee or subcommittee. Unless otherwise provided, actions taken by such committees are not binding upon the Board, but shall be advisory, except those actions undertaken by the Executive Committee, as authorized in Article IV, Section I, herein. All recommendations and actions of the committees shall be reported to the Board of Trustees.

**Committee Participation.** The President of the University is vested with the responsibility of providing notice of all committee meetings to the members of the committees. The Chair *pro tempore* will serve as an *ex officio* member on each committee. The President and the Chair *pro tempore* may participate in all meetings but shall have no vote, except that the Chair *pro tempore* shall have a vote on the Executive Committee and any other committee when he or she is a member of the committee. All committees assist and support the Board, President, faculty, and staff in carrying out their responsibilities. Committees may request through the Office of the President any information necessary or appropriate to their deliberations. All committee reports and recommendations shall be submitted for consideration and are advisory in nature until they have been approved by the full Board. Any Board member may attend any committee meeting.

Section 1. **Executive Committee.** The Chair *pro tempore* shall appoint an Executive Committee consisting of seven (7) members of the Board, subject to the approval of the Board, with terms concurrent with the term of the Chair *pro tempore*, who serves as chair of the Executive Committee. The majority of the Executive Committee constitutes a quorum. With notice from the President or the Chair *pro tempore*, the Executive Committee may meet at any time. The Executive Committee has the power to transact all business of the Board in the interim between meetings of the Board and may perform all duties and transact all business necessary for the well-being of the University, including, but not limited to, matters related to real estate, personnel, investments and athletics. However, action by the full Board is required to amend these Bylaws, remove officers of the Board, select or remove the President of the University, issue bonded indebtedness on behalf of the University, or as otherwise determined by the full Board. The Executive Committee shall serve a dual role as Governance Committee responsible for trustee matters including, but not limited to, service, honorary designations, efficiency, educational development, travel, and

periodic Board self-evaluation. Minutes of the Executive Committee shall be submitted to all members of the Board.

Section 2. **Budget and Finance Committee.** The Budget and Finance Committee shall be responsible for the review and study of budget requests; recommending comprehensive budgets; review and study of real estate transactions and matters related to facilities construction and infrastructure maintenance; and submitting such reports and recommendations to the Executive Committee of the Board and/or the full Board, as deemed necessary and appropriate.

Section 3. **Audit Committee.** The Audit Committee shall be responsible for the oversight and integrity of the financial statements and other financial reports; performance of the University's internal and external audit functions; selection of an external auditor; assurance that the University is performing self-assessment of operating risks and evaluations of internal controls on a regular basis; the study and review of all reports and other correspondence from external auditors; and the submission of audit reports and recommendations to the Board of Trustees. The Executive Director of Internal Audit shall be accountable to the Board of Trustees through the Audit Committee, and shall make reports to the Audit Committee as appropriate.

Section 4. **Long-Range Planning Committee.** The Long-Range Planning Committee shall be responsible for long range plan recommendations; review of new and existing academic programs; academic planning and organization; mission statement and statements of role and scope; review of planning for new facilities; and other matters which may be referred to it by the President or the Board.

Section 5. **Health Affairs Committee.** The Health Affairs Committee shall be responsible for providing guidance to and receiving reports from staff and administrative personnel responsible for the USA Health Hospitals and Clinics. It will consider and make recommendations requiring Board action relating to the USA Health Hospitals and Clinics and the Whiddon College of Medicine.

Section 6. **Academic Excellence and Student Success Committee.** The Academic Excellence and Student Success Committee shall be responsible for receiving and reviewing information relevant to issues that support academic excellence and foster student success at the University.

Section 7. **Development, Endowment and Investments Committee.** The Development, Endowment and Investments Committee shall be responsible for establishing policies and guidelines to oversee the University's Development and Alumni Relations programs, invest and manage the University's endowment and other investment funds, and for submitting such reports and recommendations to the Executive Committee of the Board and/or the full Board of Trustees, as deemed necessary and appropriate.

Section 8. **Evaluation and Compensation Committee.** The Evaluation and Compensation Committee shall be responsible for conducting periodic performance reviews of the President and recommending to the Board an appropriate compensation package for the President.

## **ARTICLE V**

### **PRESIDENT AND DUTIES**

**Appointment of the President of the University as Chief Executive Officer of the Institution.** The President shall be selected by the Board of Trustees and serve at the pleasure of the Board but may be removed only by a vote of eight members of the Board. The Board of Trustees is responsible for conducting periodic evaluations of the performance of the President.

The President is the chief educational and administrative officer of the University. Unless excused by the Chair *pro tempore*, he or she shall attend and participate in all meetings of the Board and may make recommendations on matters before the Board. The President does not vote on Board matters. The President shall be responsible for the execution of the policies of the Board and the Executive Committee and performing all those matters necessary to carry out the ends and purposes for which the University was established. The President shall have all authority necessary to conduct the programs of the University, including the authority to award degrees, add officers to the University which he or she deems necessary, delegate authority among subordinates and all other authority which shall, from time to time, be delegated by the Board of Trustees to the President. Prior to appointment of vice presidents, the President shall notify the Board of his or her intention to appoint such officers to the University. The President reports to the Board on the current operations of the University and directs, coordinates and implements the planning, development and appraisal of all activities of the University of South Alabama.

## ARTICLE VI

### CONFLICT OF INTEREST

Members of the Board of Trustees (“Trustees”) of the University of South Alabama have an affirmative obligation to act at all times in the best interests of the University. This policy serves to define the term “conflict of interest” to assist members of the Board in identifying and disclosing such conflicts, and to minimize the impact of such conflicts on the actions of the University whenever possible.

*Fiduciary duty.* Each Trustee has a fiduciary duty to conduct himself or herself without conflict to the interests of the University. When acting within his or her capacity as a Trustee, he or she must subordinate personal, business, third-party, and other interests to the welfare and best interests of the University.

*Conflict of interest.* A “conflict of interest” is any transaction or relationship which presents, or may present, a conflict between a Trustee’s obligations to the University and his or her personal, business, or other interests. A conflict of interest may arise in any circumstance that may compromise the ability of a Trustee to make unbiased and impartial decisions on behalf of the University. Such circumstances may involve family relationships,<sup>1</sup> business transactions, professional activities, or personal affiliations.

Further, Alabama Code §13A-10-62 (1975) provides:

- (a) A public servant commits the crime of failing to disclose a conflict of interest if he exercises any substantial discretionary function in connection with a government contract, purchase, payment or other pecuniary transaction without advance public disclosure of a known potential conflicting interest in the transaction.
- (b) A “potential conflicting interest” exists, but is not limited to, when the public servant is a director, president, general manager or similar executive officer, or owns directly or indirectly a substantial portion of any non-governmental entity participating in the transaction.

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<sup>1</sup>Family relationships include spouse, child, grandchild, parent, grandparent, sibling, niece, nephew, aunt, uncle, cousin, in-laws and step relations, as well as any person living in the household of a Trustee.

- (c) Public disclosure includes public announcement or notification to a superior officer or the attorney general.
- (d) Failing to disclose a conflict of interest is a Class A misdemeanor.

*Disclosure.* The Board of Trustees recognizes that conflicts of interest are not uncommon, and that not all conflicts of interest are necessarily harmful to the University. However, the Board requires full disclosure of all actual and potential conflicts of interest. Each Trustee shall disclose any and all facts that may be construed as a conflict of interest, both through an annual completion of a Statement of Disclosure, and completion of an amended Statement of Disclosure whenever such actual or potential conflict occurs.

*Process.* Any actual or potential conflicts which are presented in a Statement of Disclosure or amended Statement of Disclosure will be evaluated for action, as needed, by the Chair *pro tempore* of the Board of Trustees. The Chair *pro tempore*, or Vice Chair if evaluating a possible conflict of the Chair *pro tempore*, of the Board may either handle the evaluation on his or her own or refer it to the Board for further consideration. Additional information from a Trustee may be sought at any time. A Trustee whose potential conflict is under review may not debate, vote, or otherwise participate in the evaluation of the conflict. If a conflict is being evaluated or has been found to exist, the Trustee shall recuse himself or herself from any discussion or voting regarding transactions involving the area of conflict.

*Resolution.* If it is determined that an actual or potential conflict of interest does exist, an appropriate remedy shall be determined. Such remedy may include, but is not limited to, the following:

- Waive the conflict of interest as unlikely to affect the Trustee's ability to act in the best interests of the organization.
- Determine that the Trustee should be recused from all deliberation and decision-making related to the particular transaction or relationship that gives rise to the conflict of interest.

*Policy regarding Trustees doing business with the University.* A conflict of interest exists any time a Trustee seeks to enter into a business relationship with the University. Similar conflicts may arise through family members or through organizations in which a Trustee serves in a leadership, employment, or ownership capacity.

Such conflicts do not necessarily preclude business relationships with the University. The following procedure is designed to resolve conflicts of interest whenever a Trustee or a member of his or her family (see footnote number 1) has an ownership interest in, is a director, officer, or key individual of an entity which intends to enter into a business relationship with the University:

- The Trustee must promptly disclose the intent to enter into a business relationship with the University to the Chair *pro tempore* of the Board of Trustees.
- The Trustee must recuse himself or herself from all deliberation, debate and voting related to the contemplated business relationship.
- The Chair *pro tempore* or the Board, if the issue is referred by the Chair *pro tempore*, must determine without the presence or participation of the Trustee under review that the transaction is fair and in the best interest of the University.
- If the business relationship under consideration is approved, the Trustee may not participate in any process by which his or her performance as a vendor or recipient is evaluated, or in any such evaluation of a related party.

Notwithstanding the foregoing, contracts or proposals for purchases of goods, property, or services will not be awarded to organizations in which a Trustee either:

- 1) holds an interest of ten percent (10%) or greater, or
- 2) serves as a director or senior executive officer,

if a substantial part of the contract or proposal involves the quality of performance (i.e. possibly requiring enforcement of a performance bond or filing suit for non-performance). Also, no Trustee shall advocate or attempt to influence the employment by the University of any member of his or her family.

## **ARTICLE VII**

### **OFFICIAL CORPORATE SEAL**

The official corporate seal of the University of South Alabama shall be circular in form, encircled as follows:



## **ARTICLE VIII**

### **AMENDMENT OR REPEAL OF BYLAWS**

After the adoption of these Bylaws, they may be amended or repealed at any meeting of the Board by eight members of the Board voting in favor of same, but no such action shall be taken unless notice of the substance of such proposed adoption, amendment or repeal was given at a previous meeting or notice in writing of the substance of the proposed change was served upon each member of the Board at least thirty (30) days in advance of the final vote upon such change. However, by unanimous consent of the entire Board, the requirements for such notice may be waived. The Chair *pro tempore* may appoint an ad hoc committee which may meet from time to time to consider Bylaw amendments.

17<sup>th</sup> Edition, June 6, 2025

## RESOLUTION

### BOARD OF TRUSTEES MEETING SCHEDULE FOR 2025-2026

**WHEREAS**, Article II, Section 1, of the *Bylaws of the Board of Trustees of the University of South Alabama* 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 5, 2025
- Thursday, December 4, 2025
- Friday, March 6, 2026
- Friday, June 5, 2026,

**FURTHER, BE IT RESOLVED** that the meeting on June 5, 2026, shall be designated as the annual meeting of the University of South Alabama Board of Trustees for 2025-2026.