

UNIVERSITY OF SOUTH ALABAMA
BOARD OF TRUSTEES

FREDERICK P. WHIDDON ADMINISTRATION BUILDING
SUITE 130, BOARD ROOM

STANDING COMMITTEES (Consecutive Meetings)

SEPTEMBER 8, 2016
2:00 P.M.

* *Agenda or Materials Addition/Revision*

HEALTH AFFAIRS COMMITTEE Dr. Steve Furr, Chair

Roll Call

* Approve: [Revised Agenda](#)

Approve: [Minutes](#)

* Recommendation to Approve: [Health Affairs Committee Charge](#)

7 Recommendation to Approve: [USA Hospitals Credentials – May, June and July 2016](#)

8 Recommendation to Approve: [USA Health Community Health Needs Assessment and Implementation Strategies](#)

9 Report: [USA Health and College of Medicine](#)

AUDIT COMMITTEE John Peek, Chair

Roll Call

* Approve: [Revised Agenda](#)

Approve: [Minutes](#)

* Recommendation to Approve: [Audit Committee Charge](#)

10 Report: [KPMG Auditors](#)

11 Report: [Independent Audit of the USA Foundation Consolidated Financial Statements and the Disproportionate Share Hospital Funds Combined Financial Statements, June 30, 2016 and 2015](#)

EVALUATION AND COMPENSATION COMMITTEE Jimmy Shumock, Chair

Roll Call

* Approve: [Revised Agenda](#)

* Recommendation to Approve: [Evaluation and Compensation Committee Charge](#)

12 Report: [Evaluation of the University President](#)

13 Recommendation to Approve: [President's Compensation](#)

DEVELOPMENT, ENDOWMENT AND INVESTMENTS COMMITTEE Ron Jenkins, Vice Chair, on behalf of Jim Yance, Chair

Roll Call

* Approve: [Revised Agenda](#)

Approve: [Minutes](#)

* Recommendation to Approve: [Development, Endowment and Investments Committee Charge](#)

14 Report: [Endowment and Investment Performance](#)

15 Report: [Development and Alumni Relations](#)

16 Recommendation to Approve: [Director of the Jaguar Athletic Fund, Inc.](#)

ACADEMIC AND STUDENT AFFAIRS COMMITTEE Bettye Maye, Chair

Roll Call

* Approve: [Revised Agenda](#)

Approve: [Minutes](#)

* Recommendation to Approve: [Academic and Student Affairs Committee Charge](#)

17 Recommendation to Approve: [Policy on Campus Closure](#)

18 Report: [Student Affairs](#)

19 Report: [Academic Affairs](#)

BUDGET AND FINANCE COMMITTEE Tom Corcoran, Chair

Roll Call

* Approve: [Revised Agenda](#)

Ratify: [Minutes](#)

* Recommendation to Approve: [Budget and Finance Committee Charge](#)

20 Report: [Quarterly Financial Statements, Nine Months Ended June 30, 2016](#)

21 Report: [Refunding of Series 2008 Bonds](#)

22 Recommendation to Approve: [Explore Feasibility of Selling Refunding Bonds through a Competitive Process](#)

23 Recommendation to Approve: [University Total Budget for 2016-2017](#)

COMMITTEE OF THE WHOLE Ken Simon, Chair

Roll Call

* Approve: [Revised Agenda](#)

Approve: [Minutes](#)

* Recommendation to Approve: [Executive Committee Charge and Long-Range Planning Committee Charge](#)

24 Executive Session

BOARD OF TRUSTEES

SEPTEMBER 9, 2016
10:30 A.M.

Roll Call

* Approve: [Revised Agenda](#)

1 Approve: [Minutes](#)

2 Report: [Board of Trustees Scholar](#)

3 Approve: [Executive Committee](#)

4 Report: [President's Report](#)

5 Report: [Faculty Senate President's Report](#)

6 Report: [Student Government Association President's Report](#)

CONSENT AGENDA

* Approve: [Committee Charges](#)

7 Approve: [USA Hospitals Credentials – May, June and July 2016](#)

16 Approve: [Director of the Jaguar Athletic Fund, Inc.](#)

17 Approve: [Policy on Campus Closure](#)

HEALTH AFFAIRS COMMITTEE Dr. Steve Furr, Chair

8 Approve: [USA Health Community Health Needs Assessment and Implementation Strategies](#)

AUDIT COMMITTEE John Peek, Chair

EVALUATION AND COMPENSATION COMMITTEE Jimmy Shumock, Chair

13 Approve: [President's Compensation](#)

DEVELOPMENT, ENDOWMENT AND INVESTMENTS COMMITTEE Ron Jenkins, Vice Chair, on behalf of Jim Yance, Chair

ACADEMIC AND STUDENT AFFAIRS COMMITTEE Bettye Maye, Chair

19 Report: [Academic Affairs](#)

BUDGET AND FINANCE COMMITTEE Tom Corcoran, Chair

22 Approve: [Explore Feasibility of Selling Refunding Bonds through a Competitive Process](#)

23 Approve: [University Total Budget for 2016-2017](#)

SPECIAL ACKNOWLEDGMENT

* 25 Approve: [Commendation of Mr. Stanley K. Hammack](#)

UNIVERSITY OF SOUTH ALABAMA BOARD OF TRUSTEES



THURSDAY, SEPTEMBER 8, 2016:

2:00 p.m. Committee Meetings (Consecutive)

Administration Bldg., Rm. 130

FRIDAY, SEPTEMBER 9, 2016:

10:30 a.m. Board of Trustees Meeting

Administration Bldg., Rm. 130



BOARD OF TRUSTEES

STANDING COMMITTEES 2016-2019

EXECUTIVE COMMITTEE:

Kenneth O. Simon, **Chair pro tempore**
James H. Shumock, **Vice Chair**
Arlene Mitchell, **Secretary**
E. Thomas Corcoran
Steven P. Furr
John M. Peek
James A. Yance

DEVELOPMENT, ENDOWMENT & INVESTMENTS CTE.:

James A. Yance, **Chair**
Robert D. Jenkins III, **Vice Chair**
Chandra Brown Stewart
E. Thomas Corcoran
Steven H. Stokes
Michael P. Windom

ACADEMIC AND STUDENT AFFAIRS COMMITTEE:

Bettye R. Maye, **Chair**
Scott A. Charlton, **Vice Chair**
Steven P. Furr
Bryant Mixon
John M. Peek
Michael P. Windom

EVALUATION AND COMPENSATION COMMITTEE:

James H. Shumock, **Chair**
Michael P. Windom, **Vice Chair**
E. Thomas Corcoran
Steven P. Furr
Arlene Mitchell
John M. Peek

AUDIT COMMITTEE:

John M. Peek, **Chair**
James H. Shumock, **Vice Chair**
Scott A. Charlton
Robert D. Jenkins III
Bryant Mixon
William S. Stimpson

HEALTH AFFAIRS COMMITTEE:

Steven P. Furr, **Chair**
Steven H. Stokes, **Vice Chair**
Chandra Brown Stewart
Scott A. Charlton
Bettye R. Maye
Arlene Mitchell
Tony G. Waldrop, *ex officio*
John V. Marymont, *ex officio*
Stanley K. Hammack, *ex officio*
William O. Richards, *ex officio*

BUDGET AND FINANCE COMMITTEE:

E. Thomas Corcoran, **Chair**
James A. Yance, **Vice Chair**
Arlene Mitchell
Bryant Mixon
William S. Stimpson
Steven H. Stokes

LONG-RANGE PLANNING COMMITTEE:

Michael P. Windom, **Chair**
Chandra Brown Stewart, **Vice Chair**
Robert D. Jenkins III
Bettye R. Maye
James H. Shumock
William S. Stimpson

**UNIVERSITY OF SOUTH ALABAMA
BOARD OF TRUSTEES**



**AGENDA
MINUTES**

**UNIVERSITY OF SOUTH ALABAMA
BOARD OF TRUSTEES
FREDERICK P. WHIDDON ADMINISTRATION BUILDING
SUITE 130, BOARD ROOM
STANDING COMMITTEES (Consecutive Meetings)**

**SEPTEMBER 8, 2016
2:00 P.M.**

** Agenda or Materials Addition/Revision*

HEALTH AFFAIRS COMMITTEE Dr. Steve Furr, Chair

- Roll Call
- * Approve: Revised Agenda
- Approve: Minutes
- * Recommendation to Approve: Health Affairs Committee Charge
- 7 Recommendation to Approve: USA Hospitals Credentials – May, June and July 2016
- 8 Recommendation to Approve: USA Health Community Health Needs Assessment and Implementation Strategies
- 9 Report: USA Health and College of Medicine

AUDIT COMMITTEE John Peek, Chair

- Roll Call
- * Approve: Revised Agenda
- Approve: Minutes
- * Recommendation to Approve: Audit Committee Charge
- 10 Report: KPMG Auditors
- 11 Report: Independent Audit of the USA Foundation Consolidated Financial Statements and the Disproportionate Share Hospital Funds Combined Financial Statements, June 30, 2016 and 2015

EVALUATION AND COMPENSATION COMMITTEE Jimmy Shumock, Chair

- Roll Call
- * Approve: Revised Agenda
- * Recommendation to Approve: Evaluation and Compensation Committee Charge
- 12 Report: Evaluation of the University President
- 13 Recommendation to Approve: President's Compensation

DEVELOPMENT, ENDOWMENT AND INVESTMENTS COMMITTEE Ron Jenkins, Vice Chair, on behalf of Jim Yance, Chair

- Roll Call
- * Approve: Revised Agenda
- Approve: Minutes
- * Recommendation to Approve: Development, Endowment and Investments Committee Charge
- 14 Report: Endowment and Investment Performance
- 15 Report: Development and Alumni Relations
- 16 Recommendation to Approve: Director of the Jaguar Athletic Fund, Inc.

ACADEMIC AND STUDENT AFFAIRS COMMITTEE Bettye Maye, Chair

- Roll Call
- * Approve: Revised Agenda
- Approve: Minutes
- * Recommendation to Approve: Academic and Student Affairs Committee Charge
- 17 Recommendation to Approve: Policy on Campus Closure
- 18 Report: Student Affairs
- 19 Report: Academic Affairs

BUDGET AND FINANCE COMMITTEE Tom Corcoran, Chair

- Roll Call
- * Approve: Revised Agenda
- Ratify: Minutes
- * Recommendation to Approve: Budget and Finance Committee Charge
- 20 Report: Quarterly Financial Statements, Nine Months Ended June 30, 2016
- 21 Report: Refunding of Series 2008 Bonds
- 22 Recommendation to Approve: Explore Feasibility of Selling Refunding Bonds through a Competitive Process
- 23 Recommendation to Approve: University Total Budget for 2016-2017

COMMITTEE OF THE WHOLE Ken Simon, Chair

- Roll Call
- * Approve: Revised Agenda
- Approve: Minutes
- * Recommendation to Approve: Executive Committee Charge and Long-Range Planning Committee Charge
- 24 Executive Session

BOARD OF TRUSTEES

**SEPTEMBER 9, 2016
10:30 A.M.**

- Roll Call
- * Approve: Revised Agenda
- 1 Approve: Minutes
- 2 Report: Board of Trustees Scholar
- 3 Approve: Executive Committee
- 4 Report: President's Report
- 5 Report: Faculty Senate President's Report
- 6 Report: Student Government Association President's Report

CONSENT AGENDA

- * Approve: Committee Charges
- 7 Approve: USA Hospitals Credentials – May, June and July 2016
- 16 Approve: Director of the Jaguar Athletic Fund, Inc.
- 17 Approve: Policy on Campus Closure

HEALTH AFFAIRS COMMITTEE Dr. Steve Furr, Chair

- 8 Approve: USA Health Community Health Needs Assessment and Implementation Strategies

AUDIT COMMITTEE John Peek, Chair

- 13 Approve: President's Compensation

DEVELOPMENT, ENDOWMENT AND INVESTMENTS COMMITTEE Ron Jenkins, Vice Chair, on behalf of Jim Yance, Chair

ACADEMIC AND STUDENT AFFAIRS COMMITTEE Bettye Maye, Chair

- 19 Report: Academic Affairs

BUDGET AND FINANCE COMMITTEE Tom Corcoran, Chair

- 22 Approve: Explore Feasibility of Selling Refunding Bonds through a Competitive Process
- 23 Approve: University Total Budget for 2016-2017

SPECIAL ACKNOWLEDGMENT

- * 25 Approve: Commendation of Mr. Stanley K. Hammack

Date:
August 30, 2016

To:
USA Board of Trustees

From: *Arlene Mitchell*
Arlene Mitchell
Secretary, Board of Trustees

Subject:
Meeting Minutes

Included herein are the unapproved minutes of the Board of Trustees and standing committee meetings held on June 2 and 3, 2016. Please review these documents for amendment or approval at the September 8 and 9 meetings of the Board of Trustees.

**UNIVERSITY OF SOUTH ALABAMA
BOARD OF TRUSTEES**

**June 3, 2016
10:00 a.m.**

A meeting of the University of South Alabama Board of Trustees was duly convened by Dr. Steve Furr, Chair *pro tempore*, on Friday, June 3, 2016, at 10:02 a.m. in the Board Room of the Frederick P. Whiddon Administration Building.

Members Present: Chandra Brown Stewart, Steve Furr, Ron Jenkins, Bettye Maye, Bryant Mixon, John Peek, Jimmy Shumock, Ken Simon, Sandy Stimpson, Steve Stokes, Mike Windom and Jim Yance.

Members Absent: Robert Bentley, Scott Charlton, Tom Corcoran and Arlene Mitchell.

Administration and Others: Andrea Agnew, Owen Bailey, Joe Busta, Lynne Chronister, Josh Crownover (SGA), Monica Ezell, Mike Finan, Happy Fulford, Lisa Furr, Stan Hammack, Krista Harrell, Keith and Leora Harrison, Mike Haskins, Chris Jett, Dave Johnson, Don Langham, Christopher Lynch, John Marymont, Mary Beth Massey, Angela McGaugh, Robert Mines, Abe Mitchell, Mike Mitchell, Jeb Shell (NAA), John Smith, Carl Thomas, Jean Tucker, Julio Turrens, Tony Waldrop, Scott Weldon, Kevin West (Faculty Senate), Alan Whaley and Boni Yraguen.

Press: Bryan Carnaggio and Stephen Smith (WPMI) and Alyssa Newton (WPMI and *Vanguard*).

The meeting was called to order and the attendance roll was called. Chairman Furr welcomed Trustees and guests. He advised that an executive session, shown as **ITEM 24** on the agenda, would not take place and he called for the adoption of the revised agenda. On motion by Mr. Peek, seconded by Dr. Stokes, the revised agenda was adopted unanimously. Chairman Furr called for consideration of **ITEM 1**, the minutes of the Board of Trustees meeting held on March 4, 2016. On motion by Ms. Maye, seconded by Mr. Shumock, the minutes were approved unanimously.

Chairman Furr called for consideration of **ITEM 2** as follows. On motion by Mr. Peek, seconded by Mr. Shumock, the resolution was approved unanimously:

**RESOLUTION
BOARD MEETING SCHEDULE, 2016-2017**

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

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

Friday, September 9, 2016
Friday, December 2, 2016
Friday, March 3, 2017
Friday, June 2, 2017

FURTHER, BE IT RESOLVED that the date of June 2, 2017, be designated as the annual meeting of the University of South Alabama Board of Trustees for 2016-2017.

Chairman Furr called for presentation of **ITEM 3**, the President's Report. President Waldrop recognized Trustee *emeritus* Mr. Don Langham, Honorary Trustee Mr. Abe Mitchell and African-American Student Association President Mr. Carl Thomas. He and Chairman Furr presented Mr. Shell with a certificate of appreciation in recognition of his service as National Alumni Association (NAA) President for 2015-2016. Mr. Shell expressed excitement for the NAA's progress, including plans for construction of a facility on campus to conduct alumni activities.

President Waldrop called on Provost Johnson for the presentation of **ITEM 8** as follows. Provost Johnson shared highlights of Dr. Harrison's career at South Alabama. Dr. Harrison and his wife, Leora, joined President Waldrop and Chairman Furr for the reading of the resolution by Provost Johnson. Dr. Harrison conveyed gratitude for the honor and said he had enjoyed his tenure at USA. Chairman Furr called for a vote and the resolution was approved unanimously:

**RESOLUTION
COMMENDATION OF DR. B. KEITH HARRISON**

WHEREAS, the University of South Alabama seeks to honor exceptional individuals who have provided outstanding leadership and service to the University, and who have distinguished themselves throughout their professional careers, and

WHEREAS, Dr. B. Keith Harrison has served in numerous capacities at USA over the course of three decades, including Professor of Engineering, Chair of Chemical Engineering, Graduate Coordinator of Chemical Engineering, Director of Engineering Graduate Studies, Associate Dean of Engineering, Interim Dean of Engineering, Dean of the Graduate School, and Associate Vice President for Academic Affairs, and

WHEREAS, during his tenure as Dean of the Graduate School for 11 years, he provided leadership for graduate education at the University and was instrumental in initiating five new doctoral programs and four master's programs, and

WHEREAS, Dr. Harrison initiated and headed the Office of Post-Doctoral Education, and

WHEREAS, in 2008, Dr. Harrison and his wife, Leora, established the *B. Keith Harrison Endowed Scholarship in Chemical Engineering* and, in 2010, pledged an additional \$1 million to support deserving students studying chemical engineering,

THEREFORE, BE IT RESOLVED that the University of South Alabama Board of Trustees expresses its appreciation to Dr. B. Keith Harrison for his many contributions to the University of South Alabama and offers its best wishes upon his retirement.

President Waldrop reported on the Association of Governing Boards Annual Conference on Trusteeship held in Washington, D.C., in April. Joining him at the conference were Trustees Furr, Simon, Windom and Shumock. Photos of the travel group were shown and President Waldrop discussed conference highlights. Mr. Windom stated the conference, which focused on best practices, was outstanding.

President Waldrop gave information on the first Airbus A321 jet to come off the assembly line at the Brookley manufacturing facility and be delivered to JetBlue. Photos were shown of the USA Jaguar Marching Band and USA cheerleaders participating in an Airbus event commemorating this milestone.

President Waldrop remarked on the success of USA's brand launch, which culminated in a celebration held on March 23 that was attended by approximately 1,300 students, faculty and staff. A video featuring event highlights was shown. Mr. Haskins described the brand development process as a terrific experience and the feedback from constituents as positive. He said the University would build upon the brand platform through its marketing and communications. He credited the 40 individuals who served on the Marketing and Communications Advisory Committee.

President Waldrop reported on Spring Commencement activities held on May 7. He said 2,303 students received degrees in two ceremonies. He added that keynote speakers Judge Simon and Pulitzer Prize-winning journalist Ms. Cynthia Tucker Haynes gave outstanding addresses.

President Waldrop discussed a groundbreaking event on April 26 in Fairhope to mark the relocation of USA Mitchell Cancer Institute (MCI) services in Baldwin County. Photos were shown. President Waldrop said the new facility will house MCI operations that are currently conducted in space rented from Thomas Hospital. He said the program included passionate remarks by Ms. Charlotte Johnson, former MCI patient and cancer survivor.

President Waldrop called on Dr. Busta for a report on the Annual Fund. Dr. Busta shared results of the drive, noting contributions totaling \$628,623 from 3,138 employees and retirees, making the 2016 campaign USA's third largest and placing it among the nation's top ten programs. He stressed the significance of a 60-percent participation and added that 179 more employees gave in 2016 compared to the previous year. He said gifts were allocated across 100 endowments.

President Waldrop introduced USA's new Vice President for Medical Affairs and Dean of the College of Medicine Dr. John Marymont. He said Dr. Marymont, whose USA appointment becomes effective July 1, serves currently as Chair of the Department of Orthopedics at Louisiana

State University Health Sciences Center. Dr. Marymont thanked President Waldrop and the Board of Trustees for the opportunity to join South Alabama. He said USA has a great clinical enterprise and that he looks forward to building upon the University's successes.

President Waldrop called for remarks from Mr. Hammack. Mr. Hammack recognized Mr. Owen Bailey for his new position as Chief Operating Officer of USA Health. He shared that, before joining South in 2011 as Administrator of USA Children's & Women's Hospital, Mr. Bailey's background included leadership roles at the Infirmiry Health System and Thomas Hospital. Mr. Bailey said he was proud to be a part of South Alabama's important mission in the region.

President Waldrop called upon Provost Johnson for an update on other administrative appointments. Provost Johnson introduced Interim Associate Vice President for Academic Affairs Dr. Julio Turrens, noting his dual role as Interim Dean of the Graduate School effective June 1. He reminded the Board that Associate Vice President for Academic Affairs Dr. Charlie Guest is serving a dual role as Interim Dean of the School of Continuing Education and Special Programs. He advised of the appointment of Dr. Gregory H. Frazer as Dean of the Pat Capps Covey College of Allied Health Professions effective August 1. Dr. Frazer currently serves as Dean and Professor of the John G. Rangos Sr. School of Health Sciences at Duquesne University. Provost Johnson reported the appointment of Mr. Christopher Lynch as Associate Vice President for Enrollment Services. Mr. Lynch served previously as USA's Executive Director of Enrollment Services.

President Waldrop introduced recently elected Student Government Association President Mr. Josh Crownover. Mr. Crownover said students are grateful for their involvement in USA processes and he thanked President Waldrop for considering student perspectives. He thanked Mr. Abe Mitchell for making the Mitchell-Moulton Scholarship Initiative possible, noting its positive impact on students. He addressed SGA goals and corresponding strategic initiatives, noting teamwork as a means to optimize the South experience for students.

President Waldrop called on Athletics Development Specialist Ms. Mary Beth Massey, who reported the awarding of the Sun Belt Conference's *Vic Bubas Cup All-Sports Award* to USA for a second straight year based upon top athletic performance. She stated that Women's Cross Country, Women's Soccer, Women's Track and Field, and Baseball won Sun Belt championships. A photo was shown of the trophy presentation. Ms. Massey discussed USA's standing relative to the National Collegiate Athletic Association's (NCAA) Academic Progress Rate (APR), which measures eligibility and retention of scholarship student athletes among Division I schools. She said USA posted an APR at 988 for 2014-2015, the Institution's highest APR on record. She added that the nine USA programs which earned a perfect APR score were Baseball, Men's Basketball, Men's Cross Country, Men's Tennis, Men's Golf, Men's Track and Field, Women's Golf, Women's Cross Country and Women's Track and Field.

President Waldrop called on Provost Johnson for a report on USA's Honors Program. Provost Johnson discussed an event held annually in the spring which recognizes Honors Program scholars who receive national accolades, scholarships and awards. A poster featuring the honorees, known as USA's *Academic All Stars*, was shown. Provost Johnson introduced three All Stars: Chemical Engineering/Biomolecular Engineering graduate Mr. Robert Mines; Mechanical Engineering graduate Ms. Boni Yraguen; and Biomedical Sciences graduate Ms. Angela McGaugh. The students made brief remarks about their academic experiences, research pursuits and career aspirations.

President Waldrop recognized Dr. Stokes for the publishing of his book of biographical short stories and poems. Dr. Stokes said proceeds would benefit the Good Samaritan Cancer Fund.

Chairman Furr addressed consent agenda **ITEMS 4, 5, 7, 15, 19, 19.A, 20 and 21** as follows, respectively, noting all were unanimously recommended for Board approval by the respective committees that met on June 2 (for copies of policies and other authorized documents, refer to **APPENDIX A**). He called for a vote and the resolutions were approved unanimously:

**RESOLUTION
USA HOSPITALS MEDICAL STAFF APPOINTMENTS AND REAPPOINTMENTS
FOR FEBRUARY, MARCH AND APRIL 2016**

WHEREAS, the Medical Staff appointments and reappointments for February, March and April 2016 for the University of South Alabama Hospitals are recommended for Board approval by the Medical Executive Committees and the Executive Committee of the University of South Alabama Hospitals,

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

**RESOLUTION
USA HOSPITALS MEDICAL STAFF BYLAWS AND RULES AND REGULATIONS
REVISIONS OF APRIL 19, 2016**

WHEREAS, revisions to the USA Hospitals Medical Staff Bylaws and Rules and Regulations, approved at the April 19, 2016, Medical Staff meeting and attached hereto, are recommended for approval by the Medical Staffs and the Executive Committee of the University of South Alabama Hospitals,

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

**RESOLUTION
TENURE AND PROMOTION**

WHEREAS, in accordance with University policy, faculty applications for tenure and promotion have been reviewed by the respective faculty peers, Departmental Chair, College Dean, and by the Provost and

Senior Vice President for Academic Affairs, and the President, and of those faculty considered, the following individuals are hereby recommended for tenure and/or promotion,

THEREFORE, BE IT RESOLVED, the University of South Alabama Board of Trustees approves and grants tenure and/or promotion to those individuals whose names are listed below to be effective August 15, 2016.

COLLEGE OF ARTS AND SCIENCES:

Tenure:

Benjamin D. Hill
Rebecca A. Mindock
W. Matthew Reichert
Kimberly Zlomke
Richard L. Ward

Promotion to Professor:

Jeannette Fresne
Romulus Godang
Mara V. Kozelsky
Alexandra C. Stenson

Promotion to Associate Professor:

Benjamin D. Hill
Rebecca A. Mindock
W. Matthew Reichert
Kimberly Zlomke

COLLEGE OF ENGINEERING:

Tenure:

Edmund A. Spencer

Promotion to Associate Professor:

Edmund A. Spencer

COLLEGE OF MEDICINE:

Tenure:

Mary Burtnick
Xiangming Zha

Promotion to Professor:

Sidney Brevard
Hamayan Imran
Ehab Molokhia
Bassam Omar
Richard Whitehurst

Promotion to Associate Professor:

Robert Barrington
Mary Burtnick
Anne-Marie Kaufers
Paul Rider
Jeffrey Sosnowski
Xiangming Zha

COLLEGE OF NURSING:

Promotion to Senior Instructor:

Cindy A. Herf
Tricia K. Huey

Promotion to Associate Professor:

Katherine A. Bydalek
Leigh A. Minchew

MITCHELL CANCER INSTITUTE:

Tenure:
Eun-Young (Erin) Ahn
Seema Singh

Promotion to Professor:
Ajay Singh

Promotion to Associate Professor
Eun-Young (Erin) Ahn
Seema Singh
Jennifer Scalici

MITCHELL COLLEGE OF BUSINESS:

Tenure:
Charles T. Grant
Gwendolyn P. Pennywell

Promotion to Associate Professor:
Gwendolyn P. Pennywell

PAT CAPPS COVEY COLLEGE OF ALLIED HEALTH PROFESSIONS:

Tenure:
Robert B. Dale
Tara M. Davis

Promotion to Associate Professor:
Tara M. Davis
Terrence J. Ravine

SCHOOL OF COMPUTING:

Tenure:
Stephen M. Campbell

Promotion to Associate Professor:
Stephen M. Campbell

**RESOLUTION
REVISION OF USA'S ENDOWMENT FUNDS INVESTMENT POLICIES AND GUIDELINES**

WHEREAS, the University of South Alabama's Board of Trustees has established the Endowment Funds Investment Policies and Guidelines to provide an investment guideline when managing endowment investments, and

WHEREAS, the University's Board of Trustees delegates certain investment authority to the Development, Endowment and Investments Committee to manage the University's endowment investments, and

WHEREAS, the Development, Endowment and Investments Committee invests endowment funds on behalf of the University according to the investment policy guidelines approved by the Board of Trustees, and

WHEREAS, said guidelines may be amended from time to time to meet current investment conditions and objectives, and

WHEREAS, investment in private equity provides opportunities to pursue higher, long-term returns and greater diversification not available through traditional asset classes, and

WHEREAS, the Development, Endowment and Investments Committee reviewed said investment policies and guidelines and, after extensive analysis, proposes to include private equity as an investment allocation within the endowment portfolio,

THEREFORE, BE IT RESOLVED that the University of South Alabama Board of Trustees hereby approves changes to the investment policies and guidelines for endowment fund investments, as recommended by the Development, Endowment and Investments Committee.

**RESOLUTION
REAPPOINTMENT OF DIRECTORS OF THE USA RESEARCH AND TECHNOLOGY CORPORATION**

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

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

WHEREAS, Mr. Joseph Adamo and Mr. Donald Langham were elected to serve as directors for four-year terms which conclude in June 2016 but continue to serve pursuant to the Corporation's Amended Bylaws, which provide that directors hold office until their successors have been duly elected and qualified, and

WHEREAS, the Board of Directors of the Corporation has nominated for consideration and confirmation by the Board of Trustees of the University Mr. Joseph Adamo and Mr. Donald Langham for additional four-year terms beginning September 2016, and these individuals have agreed to serve in this capacity if elected,

THEREFORE, BE IT RESOLVED, the Board of Trustees of the University of South Alabama does hereby elect as Directors of the USA Research and Technology Corporation Mr. Joseph Adamo and Mr. Donald Langham, both for four-year terms beginning September 2016.

**RESOLUTION
GROUND LEASE OF UNIVERSITY PARCEL
TO THE USA RESEARCH AND TECHNOLOGY CORPORATION**

WHEREAS, the University of South Alabama ("University") owns certain real property which it utilizes to further its mission, and

WHEREAS, the USA Research and Technology Corporation ("Corporation"), a not-for-profit, supporting organization of the University, was incorporated to further the educational and scientific mission of the University, to promote the University and its schools and departments, to promote the development of and to facilitate funding for the infrastructure and services in Mobile, Alabama, and to attract high-technology and scientific enterprises, and

WHEREAS, in order for said Corporation to fulfill its above-stated mission, it is recommended that the University lease that portion of the land on the Springhill Avenue campus of the University of South Alabama identified as Subject Property on the attached picture and map to the Corporation for support of the development and operation of the Corporation for the sum of ONE DOLLAR AND NO/100 (\$1.00) per annum, and a term of approximately 29 years with two options to renew, each for a term of 10 years, and

WHEREAS, should said Corporation cease to exist for any reason, the land will revert to the University consistent with the terms of the lease, and

WHEREAS, the University has determined that leasing the real property described above is in the best interest of the University in that it will allow the University to continue and enhance its valued missions of education, research, and service,

THEREFORE, BE IT RESOLVED that the Board of Trustees of the University of South Alabama authorizes the President of the University to proceed with finalizing a land lease agreement with USA Research and Technology Corporation for the lease of a portion of the University of South Alabama Springhill Avenue campus identified above as Subject Property for the support of the development and operation of the Corporation.

**RESOLUTION
CONTRACT OFFICERS**

WHEREAS, since the inception of the University of South Alabama, the President of the University has been authorized to sign general contractual agreements and documents for and on behalf of the Board of Trustees, and

WHEREAS, other individuals and positions in the University have, from time to time, been given authority by the Board of Trustees to sign such contractual agreements and documents on behalf of the Board of Trustees,

THEREFORE, BE IT RESOLVED, the University of South Alabama Board of Trustees reaffirms the authority of the President of the University of South Alabama to sign and enter into contractual instruments, agreements, grants, and other similar legal documents for and on behalf of the University of South Alabama and its Board of Trustees, as well as, delegate signature authority to other University officials as he/she sees fit for contracts that are on templates pre-approved by the University Attorneys, and

BE IT FURTHER RESOLVED that the University of South Alabama Board of Trustees also authorizes and approves the positions of Executive Vice President; Vice President for Finance and Administration; Vice President for Medical Affairs; Vice President for Health Systems; University Treasurer; Chief Operating Officer, USA Health; Chief Financial Officer, USA Health; and Assistant Vice President for Hospital Financial Affairs as contracting officers of the University of South Alabama with all necessary power, responsibilities, authorities, and obligations to enter into contractual instruments, agreements, grants, and other similar legal documents for and on behalf of the University of South Alabama and its Board of Trustees.

**RESOLUTION
RATIFYING, AFFIRMING AND AUTHORIZING 2016 LINE OF CREDIT AND RELATED DOCUMENTS**

WHEREAS, the Board of Trustees (the "Board") has determined that it is necessary, wise, and in the public interest that certain public capital improvements be made to various public health care facilities of the University including, without limitation, public building improvements, hardware and software equipment, and various other public capital improvements and equipment for the University (collectively, the "2016 Improvements"), and

WHEREAS, the Board heretofore determined that the University finance the 2016 Improvements through the establishment of an unsecured line of credit of up to \$30 million (the "2016 Line of Credit"), and

pursuant to a resolution adopted March 4, 2016, the Board authorized and directed officers of the University to undertake a competitive bidding process to obtain the 2016 Line of Credit, and

WHEREAS, the University received proposals from three financial institutions in response to the said competitive bid process, and has determined that the proposal offered by Compass Bank (as reflected in the Loan Agreement and the Promissory Note described below) provides the lowest rate of interest and the best overall financing terms to the University for the 2016 Line of Credit, and

WHEREAS, the Board hereby seeks to ratify and affirm its prior authorization respecting the 2016 Line of Credit and to authorize and direct the President of the University and the Vice President for Finance and Administration to execute the Loan Agreement and the Promissory Note to effectuate the 2016 Line of Credit,

NOW, THEREFORE, BE IT RESOLVED, that the Board does hereby authorize and direct the President of the University and the Vice President for Finance and Administration to execute and deliver, for and in the name and behalf of the University, a Loan Agreement (the "Loan Agreement") in substantially the form presented to the meeting at which this resolution is adopted and which is attached as Exhibit I to the minutes of said meeting (which form is hereby adopted in all respects as if set out in full in this resolution), and a Promissory Note (the "Promissory Note") in substantially the form presented to the meeting at which this resolution is adopted and which is attached as Exhibit II to the minutes of said meeting (which form is hereby adopted in all respects as if set out in full in this resolution), and, further, does hereby authorize the Secretary of the Board to affix the seal of the University to the Loan Agreement and Promissory Note, and

FURTHER RESOLVED, that the Board does hereby authorize and direct the President of the University, the Vice President for Finance and Administration, and the Secretary of the Board to execute and seal such other agreements, certifications, instruments, notices, directions, and documents as shall be necessary or desirable in connection with the Loan Agreement and the Promissory Note and the transactions contemplated thereby.

Chairman Furr called for a report from the Health Affairs Committee. Dr. Stokes, Committee Chair, advised that, at a meeting on June 2, Mr. Bailey gave an update on the state's transition to a regional care organization (RCO) system for health care delivery and USA's plans to administer the Gulf Coast Regional Care Organization (GCRCO). He called upon Mr. Bailey, who introduced and shared background information on Mr. Chris Jett, who was recently named Administrator of USA Children's & Women's Hospital (CWH), and Mr. Alan Whaley, who was recently appointed Chief Strategy Officer for USA Health.

Chairman Furr called for a report from the Academic and Student Affairs Committee. Ms. Maye, Committee Chair, stated that, at a meeting on June 2, the Committee heard a presentation by Dr. Angela Coleman, Associate Vice President for Institutional Effectiveness, on USA's 2016 Scorecard, which documents progress pertaining to the five institutional priorities set forth as part of the University's 2016-2020 Strategic Plan. Ms. Maye said Dr. Bob Hanks, Director of USA's Department of Counseling and Testing Services, and Ms. Beverly Kellen, Student Health Center Practice Director, reported on a new program that provides psychiatric services to students at reasonable costs.

Ms. Maye called on Provost Johnson, who reported on plans to expand USA's Honors Program, in which 45 freshmen are currently enrolled, into an Honors College. He gave an overview of the enhanced program that is expected to launch in the 2017 fall semester and to accommodate the first full class of between 150 to 200 freshmen in the fall of 2018. He discussed the development of new educational tracks for students interested in global engagement, pre-health professions and technology, and conveyed enthusiasm for the program's potential to attract high-achieving students. Dr. Stokes asked about scholarship support. Provost Johnson advised that start-up funding is available and future support would need to be developed.

Chairman Furr called for a vote on **ITEM 10** as follows, which was unanimously recommended for Board approval by the Academic and Student Affairs Committee at its June 2 meeting. The resolution was approved unanimously:

**RESOLUTION
TUITION, HOUSING AND FEES SCHEDULES, 2016-2017**

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

WHEREAS, the Alabama Legislature has approved a 2016-2017 education budget that increases USA's state funding by \$2,307,957 or 2.3 percent from last year, and

WHEREAS, USA has faced over \$300 million in accumulated reductions in state appropriations since 2007-2008, and

WHEREAS, the University responded to the recession and reductions in state appropriations by implementing numerous cost-cutting measures that remain in place, and

WHEREAS, after extensive analysis of the University's financial needs for 2016-2017 and beyond, the University Administration and Budget Council have determined that increases in tuition and fees, as well as housing and meal plan rates, are necessary to maintain the standard of quality that USA students and their families desire and expect, and

WHEREAS, with the proposed tuition, housing, and meal rates for 2016-2017, as set forth in the attached schedules, such costs at the University would continue to be among the lowest in effect at peer public, doctoral-level research institutions in the state of Alabama,

THEREFORE, BE IT RESOLVED, that the Board of Trustees of the University of South Alabama approves the tuition, required student fees, and housing and meal plan rates for the 2016-2017 academic year as set forth in the attached schedules.

Chairman Furr called for a report from the Audit Committee. Mr. Peek, Committee Chair, said that, at a Committee meeting on June 2, Mr. Robert Berry, USA's new Executive Director of Internal Audit and Chief Financial Compliance Officer, was introduced. He extended a warm welcome to Mr. Berry.

Chairman Furr called for a report from the Budget and Finance Committee. On behalf of Mr. Corcoran, Committee Chair, Mr. Shumock stated Mr. Weldon reported on the quarterly financial statements for the six months ended March 31, 2016, and Ms. Stokley, Chair of USA's Process Improvement Committee (PIC), delivered a report on the work of the PIC. He explained **ITEM 22** as follows, which was unanimously recommended for Board approval by a Committee of the Whole acting on behalf of the Budget and Finance Committee since a quorum of the members was not present. Chairman Furr called for a vote and the resolution was approved unanimously:

**RESOLUTION AUTHORIZING THE ISSUANCE OF FACILITIES REVENUE REFUNDING BONDS
OF THE UNIVERSITY OF SOUTH ALABAMA**

WHEREAS, it is desirable and appropriate for the University of South Alabama (the "University") to issue its Facilities Revenue Refunding Bonds from time to time for the purpose of refunding and paying certain of its prior outstanding bonds and thereby achieving an overall interest expense savings to the University; and

WHEREAS, in order to manage the University's refunding opportunities in the most efficient manner possible and to permit the University to take advantage of changing market conditions, it is desirable and appropriate to authorize the officers of the University to arrange for the issuance of refunding bonds without further approval of the Board of Trustees of the University (the "Board"), subject to the limitations expressed in this resolution.

THEREFORE BE IT RESOLVED by the Board as follows:

Section 1. Findings.

The following bonds of the University are currently outstanding:

- (i) University Tuition Revenue Bonds, Series 1999 Capital Appreciation;
- (ii) University Tuition Revenue Refunding and Capital Improvement Bonds, Series 2006;
- (iii) University Facilities Revenue and Capital Improvement Bonds, Series 2008 (the "Series 2008 Bonds");
- (iv) University Facilities Revenue and Capital Improvement Bonds, Series 2010;
- (v) University Facilities Revenue Capital Improvement Bond, Series 2012-A;
- (vi) University Facilities Revenue Capital Improvement Bond, Series 2012-B;
- (vii) University Facilities Revenue Capital Improvement Bond, Series 2013-A;
- (viii) University Facilities Revenue Capital Improvement Bond, Series 2013-B;
- (ix) University Facilities Revenue Capital Improvement Bond, Series 2013-C;
- (x) University Facilities Revenue Refunding Bond, Series 2014-A; and

- (xi) University Facilities Revenue Capital Improvement Bond, Series 2015.

The Series 2008 Bonds are currently outstanding in the principal amount of \$101,715,000. The Series 2008 Bonds were issued under the terms of a Trust Indenture dated as of February 15, 1996 (the "Original Indenture") between the University and the Bank of New York Mellon Trust Company, N.A. (as successor trustee, the "Trustee") and a Sixth Supplemental Trust Indenture dated as of September 1, 2008. The Original Indenture, as heretofore amended and supplemented, and as further amended and supplemented by the Supplemental Indenture provided for in Section 6 of this resolution, is herein referred to as the "Indenture."

Section 2. Authorization of Bonds. The University is hereby authorized to issue its revenue bonds for the purpose of refunding any or all of the Series 2008 Bonds. The said bonds shall be issued under the terms, conditions and provisions set out in the Original Indenture, as heretofore supplemented, and as further supplemented by the Supplemental Indenture provided for in Section 6 of this resolution. The bonds herein authorized (the "Bonds") may be issued at such time or times and in such series as may be most advantageous to the University, subject to the provisions of Section 12 of this resolution.

All the provisions of the Original Indenture, as applicable to the Bonds, are hereby adopted as a part of this resolution as if set out at length herein.

Section 3. Bonds to be Issued as Additional Parity Bonds; Special Findings. The Bonds shall be issued as additional parity bonds under Article VIII of the Original Indenture.

In accordance with the provisions of Section 8.2(b) of the Original Indenture, the Board hereby finds and declares as follows:

- (a) The University is not now in default under the Indenture and no such default is imminent.
- (b) The Bonds shall be designated as "Facilities Revenue Refunding Bonds" and shall include a series designation reflecting the calendar year in which such Bonds are issued, and to provide any further identification of the Bonds as is appropriate.
- (c) The persons to whom the Bonds are to be delivered are set forth in Sections 7 and 9 hereof.
- (d) All of the Bonds are to be issued by sale in accordance with Section 7 hereof.
- (e) The sale price of the Bonds shall be as set forth in Sections 7 and 12 hereof.
- (f) The only parity bonds that have previously been issued by the University under the Indenture and that are currently outstanding are those bonds listed in Section 1 above.
- (g) The Series 2008 Bonds are to be refunded from proceeds of the Bonds, subject to the determinations and conditions set forth in Sections 11 and 12 hereof.

The Trustee is hereby requested to authenticate and deliver the Bonds to the purchaser(s) chosen as provided in Section 12 hereof upon payment of the purchase price designated therein.

Section 4. Source of Payment of the Bonds. The principal of and the interest on the Bonds shall be payable from Pledged Revenues as described and provided for in the Indenture.

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

Section 5. Bonds Payable at Par. All remittances of principal of and interest on the Bonds to the holders thereof shall be made at par without any deduction for exchange or other costs, fees or expenses. The bank or banks at which the Bonds shall at any time be payable shall be considered by acceptance of their duties hereunder to have agreed that they will make or cause to be made remittances of principal of and interest on the Bonds, out of the moneys provided for that purpose, in bankable funds at par without any deduction for exchange or other cost, fees or expenses. The University will pay to such bank or banks all reasonable charges made and expenses incurred by them in making such remittances in bankable funds at par.

Section 6. Authorization of Supplemental Indenture. The Board does hereby authorize and direct the President or the Vice President for Finance and Administration of the University to approve, execute and deliver, for and in the name and behalf of the University, to the Trustee, a supplement to the Indenture with respect to the Bonds (the "Supplemental Indenture"), and does hereby authorize and direct the Secretary of the Board to affix the official seal of the University to said Supplemental Indenture and to attest the same. The Supplemental Indenture shall be consistent with the provisions of the Original Indenture applicable to the issuance of Additional Bonds (as defined in the Original Indenture) and shall specify the terms of the Bonds.

Section 7. Sale of the Bonds. The Bonds may be sold as an underwritten public sale, or by a private placement with one or more banks or other institutional purchasers, as determined under Section 12 hereof. If the Bonds are sold to the public, the Board does hereby authorize and direct the President or the Vice President for Finance and Administration of the University to approve, execute and deliver, for and in the name and behalf of the University, a Bond Purchase Agreement with respect to the Bonds between the University and an underwriter or underwriters (the "Underwriter") approved under Section 12 of this resolution. If the Bonds are sold by private placement, the Board does hereby authorize the President or the Vice President for Finance and Administration of the University to approve, execute and deliver, for and on behalf of the University, a Placement Agreement with the purchaser(s) of the Bonds approved under Section 12 of this resolution.

Section 8. Authorization of Official Statements. If the Bonds are to be sold to the public, the Board does hereby authorize and direct the Underwriter to prepare and distribute, for and in the name and on behalf of the University, a Preliminary Official Statement and a final Official Statement with respect to the Bonds issued under this resolution. The Board does hereby further authorize and direct the President or the Vice President for Finance and Administration of the University to execute and deliver, for and on behalf of the University, such final Official Statement and does hereby declare that the Official Statement so executed by the President or the Vice President for Finance and Administration of the University shall be the Official Statement of the University with respect to the Bonds covered by such Official Statement.

Section 9. Execution and Delivery of Bonds. The Board does hereby authorize and direct the President of the University to execute the Bonds, in the name and on behalf of the University, by causing his signature or a facsimile thereof to be placed or imprinted on the Bonds, and does hereby authorize and direct the Secretary of the Board to cause a facsimile of the official seal of the University to be imprinted on the Bonds and to attest the same by causing his signature or a facsimile thereof to be placed or imprinted on the Bonds, all in the manner provided in the Indenture. The President or the Vice President for Finance and Administration of the University is hereby further authorized and directed to deliver the Bonds, subsequent to their execution as provided herein to the Trustee, and to direct the Trustee to authenticate all the Bonds and to deliver them to the Underwriter or other purchaser, upon payment to the University of the purchase price therefor in accordance with the provisions of Sections 7 and 12 hereof.

Section 10. Application of Proceeds. The entire proceeds derived by the University from the sale of the Bonds shall be paid to the Trustee under the Indenture. The Trustee is thereupon authorized and directed to apply and disburse such moneys for the purposes and in the order specified in the Supplemental Indenture.

Section 11. Redemption of Series 2008 Bonds; Authorization of Escrow Trust Agreement. The Series 2008 Bonds to be refunded by the Bonds shall be called for redemption on the first date permitted for the call and redemption of such Series 2008 Bonds subsequent to the date of issuance of the Bonds, at and for a redemption price equal to 100% of the principal amount of each Series 2008 Bond so redeemed, plus accrued interest. The President or the Vice President for Finance and Administration of the University is separately authorized to direct the Trustee to mail and/or publish notice of such redemption as required under the terms of the Indenture. Any such redemption notice mailed or published prior to the date of issuance of the Bonds shall provide that the call of the affected Series 2008 Bonds for redemption is contingent upon the issuance and sale of the Bonds.

Pursuant to Section 6.1(a) of the Indenture, the Board hereby confirms that the University is not in default under said Indenture.

The Board hereby authorizes and directs the President or the Vice President for Finance and Administration of the University to approve, execute and deliver in the name and on behalf of the University an Escrow Trust Agreement or Agreements, between the University and the Trustee, if necessary or desirable, with respect to the Series 2008 Bonds to provide for the escrow and investment of proceeds of the Bonds until the redemption date of the Series 2008 Bonds.

Section 12. Authorization to Approve Certain Matters. The Board has determined that it is in the best interest of the University to authorize the issuance of the Bonds for the purposes described in this resolution and subject to the limitations of this resolution without a further meeting or approval of the full Board. The Board does hereby authorize the President Pro Tempore and the Chairman of the Budget and Finance Committee of the Board:

(a) to determine when and if any Bonds shall be issued and to approve the schedule of issuance for the Bonds; provided that no Bonds shall be issued under the authority of this resolution after June 3, 2017;

(b) to approve the principal amount of the Bonds to be issued in each series and the designation of the Bonds as tax-exempt or taxable Bonds; provided that the aggregate principal amount of the Bonds issued to refund the Series 2008 Bonds shall not exceed the amount necessary to pay the principal and interest on the refunded Series 2008 Bonds (taking into account any original

issue premium or discount), to realize the savings available to the University in the manner chosen by the University, and to pay the costs of issuing the Bonds;

(c) to determine which of the Series 2008 Bonds are to be refunded and redeemed by the Bonds; provided that any such refunding shall result in a minimum net present value savings of at least 3%;

(d) to determine whether the Bonds are to be sold to the public or are to be privately placed with one or more banks or other financial institutions, and the terms of either form of sale;

(e) to approve the forms of Supplemental Indenture, Bond Purchase Contract (if the Bonds are sold to the public), Placement Agreement (if the Bonds are privately placed with a bank or financial institution), Preliminary Official Statement, Official Statement and Escrow Agreement to be delivered in connection with the Bonds;

(f) to approve the final form and pricing details of the Bonds, including the interest rates to be borne by such Bonds, the principal maturities thereof and any original issue discount or premium with respect to the Bonds; provided that the net interest cost of any series of Bonds shall not exceed 5%;

(g) to approve the expenses of issuing the Bonds;

(h) to approve the purchase price of the Bonds to be paid by the initial purchaser(s) thereof; provided that such purchase price shall be at least 98% of the principal amount of the Bonds (without regard to initial issue premium or discount);

(i) to select and retain a financial advisor to the University and Bond Counsel to the University, for the issuance of the Bonds; and

(j) to take such other steps and to execute and approve such other documents as may be necessary or appropriate to cause the Bonds to be issued, sold and delivered consistent with the provisions of this resolution and the Indenture.

The approval by the President Pro Tempore and the Chairman of the Budget and Finance Committee of the Board of the items listed above may be conclusively evidenced by a certificate signed by either of them and delivered at the time of issuance of the Bonds.

Section 13. Resolution Constitutes Contract. The provisions of this resolution shall constitute a contract between the University and each holder of the Bonds.

Section 14. Severability. The various provisions of this resolution are hereby declared to be severable. If any provision hereof shall be held invalid by a court of competent jurisdiction, such invalidity shall not affect any other portion of this resolution.

Section 15. General Authorization. The President of the University, the Vice President for Finance and Administration and the Secretary of the Board are hereby authorized to execute such further certifications or other documents and to take such other action as any of them may deem appropriate or necessary for the consummation of the matters covered by this resolution, to the end that the Bonds may be executed and delivered at the times and on the terms most advantageous to the University.

Chairman Furr called upon Dr. Mitchell for a report on the activities of the Division of Student Affairs, **ITEM 12**. Dr. Mitchell introduced Drs. Krista Harrell, Associate Dean of Students, and Andrea Agnew, Assistant Dean of Students – Student Services, who shared information on the American Association of University Women (AAUW) and its mission of advocacy, education, philanthropy and research; the activities of USA’s AAUW chapter; and the involvement of USA junior nursing major and AAUW scholarship recipient Ms. Kinsley Knapp, who represented South Alabama at the 2016 National Conference for College Women Student Leaders in Washington, D.C.

Chairman Furr called for a report from the Development, Endowment and Investments Committee. Mr. Yance, Committee Chair, stated that, at a meeting on June 2, endowment results were presented by Messrs. Terry Albano and Norman Pitman, as was an update on the due diligence process relating to the engagement of hedge fund and private equity managers. He added that, following a thorough analysis by members of the Committee and the Administration, the consensus of the group was to hire JP Morgan, Gerber/Taylor and Commonfund as private equity managers and Weatherlow and Forester as hedge fund manager. He reported that Dr. Stokes, *Upward & Onward* Campaign Co-Chair, gave an update on campaign activities and results, including 21,595 donors identified, 28,011 gifts secured, and \$90 million raised as of May 31. He stated Dr. Busta provided information on the USA Board of Trustees Scholarship program.

Brief updates were given by Mr. Albano on the Jaguar Investment Fund, Mr. Bailey on the Strada Patient Care Center, Mr. Lynch on fall enrollment projections, and Dr. Smith on housing.

Concerning the election of Board officers, **ITEM 23**, Chairman Furr reminded the group that officers would serve three-year terms and that previous bylaws revisions mandated terms to become effective immediately upon the conclusion of the Board meetings at which elections take place. He called for remarks from Mr. Yance, Nominating Committee Chair. Mr. Yance stated the Nominating Committee, comprised of fellow Trustees Ms. Maye, Capt. Jenkins and Chairman Furr, deliberated on a slate of officers for the Board’s consideration. On behalf of the Committee, he recommended Judge Simon for the position of Chair *pro tempore*, Mr. Shumock for the position of Vice Chair, and Ms. Mitchell for the position of Secretary. Chairman Furr called for other nominations. There being none, he made a motion to close the nomination process and accept the slate of officers as recommended. On motion by Dr. Stokes, seconded by Captain Jenkins, the Board voted unanimously to approve officers as proposed. Chairman Furr thanked Mr. Yance for his efforts as Nominating Committee Chair.

Chairman-elect Simon asked Mrs. Lisa Furr to join Chairman Furr and President Waldrop for the presentation of **ITEM 24** as follows. He described Chairman Furr as a great friend, an enthusiastic advocate for South Alabama and a catalyst for progress, citing specifically his strong leadership during the University’s presidential search process. Following the reading of the resolution by Chairman-elect Simon, Chairman Furr shared heartfelt remarks, stating the words *Upward & On-*

ward represent deep meaning for South Alabama. He proclaimed that seeds sewn today would launch the University to new heights. He shared thoughts on his tenure as Chairman and recognized several individuals who had pivotal roles during the Presidential search and transition. He and Mrs. Furr shared in the unveiling of their portrait as Trustees and guests applauded. On motion by Mr. Shumock, seconded by Mr. Yance, the resolution was approved unanimously:

**RESOLUTION
COMMENDATION OF DR. STEVEN P. FURR AS CHAIR *PRO TEMPORE* EMERITUS**

WHEREAS, Dr. Steven P. Furr has served faithfully as a member of the Board of Trustees of the University of South Alabama since his appointment in 2006, and

WHEREAS, Dr. Furr served as Chair Pro Tempore of the Board of Trustees from 2013 to 2016 and previously served the Board as Vice Chair from 2010 to 2013, and

WHEREAS, Dr. Furr and his wife, Lisa, are loyal supporters of the University and, over the years, have contributed generously to the mission of the University of South Alabama, and

WHEREAS, the Furr's substantial gifts have included support for USA Children's & Women's Hospital, Moulton Tower and Alumni Plaza, the Jaguar Athletic Fund, the 50th Anniversary Annual Fund, the USA Mitchell Cancer Institute and for the USA Board of Trustees Scholarship, which Dr. Furr was instrumental in creating in 2014, and

WHEREAS, Dr. Furr serves on the Steering Committee for *Upward & Onward*, the University's \$150-million fundraising campaign that aims to elevate and accelerate every aspect of the University of South Alabama, and

WHEREAS, Dr. Furr earned his undergraduate degree in 1976 and medical degree in 1981 from the University, giving him unique insight in decision-making and leadership, and

WHEREAS, Dr. Furr's leadership has been critical to the University's progress, as demonstrated through his service on the Board of Trustees Executive Committee, Long-Range Planning Committee, Bylaws Committee, and on the Health Affairs Committee, for which he served as chair, and

WHEREAS, we trust the positive results of Dr. Furr's tenure as Board Chairman will be realized for years to come, as made possible by initiatives he championed, including revisions to state legislation that broadened Board representation through term modification and district expansion, and

WHEREAS, Dr. Furr, through his wisdom, guidance, humor and philanthropy, has played a prominent role in advancing the interests of all University of South Alabama constituencies,

THEREFORE, BE IT RESOLVED that the Board of Trustees of the University of South Alabama expresses its sincere appreciation to Dr. Steven P. Furr for his many contributions and invaluable service to the Board, to the entire University community, and to the people of the state of Alabama, all of whom have benefited from his wisdom, dedication, service and generosity, by conferring upon him the honorary title of Chair Pro Tempore Emeritus of the University of South Alabama Board of Trustees.

USA Board of Trustees
June 3, 2016
Page 19

With regard to the passing of philanthropist and USA donor Ms. Fanny Meisler, Mr. Peek reminded everyone to keep the Meisler family in their thoughts and prayers.

There being no further business, the meeting was adjourned at 11:34 a.m.

Attest to:

Respectfully submitted:

James H. Shumock, Secretary

Steven P. Furr, M.D., Chair *pro tempore*

RESOLUTION
EXECUTIVE COMMITTEE OF THE BOARD OF TRUSTEES

WHEREAS, the Bylaws of the University of South Alabama Board of Trustees provide for the appointment by the Chair *pro tempore* of an Executive Committee, subject to the approval of the Board, for terms concurrent with the term of the Chair *pro tempore*, who shall serve as Chair of the Executive Committee,

THEREFORE, BE IT RESOLVED, the Board approves the appointment of the following named Trustees to serve on the Executive Committee for terms concurrent with the term of the current Chair *pro tempore*:

Hon. Kenneth O. Simon
Mr. James H. Shumock
Ms. Arlene Mitchell
Mr. E. Thomas Corcoran
Dr. Steven P. Furr
Mr. John M. Peek
Mr. James A. Yance

**UNIVERSITY OF SOUTH ALABAMA
BOARD OF TRUSTEES**



HEALTH AFFAIRS

**UNIVERSITY OF SOUTH ALABAMA
BOARD OF TRUSTEES**

HEALTH AFFAIRS COMMITTEE

**June 2, 2016
2:47 p.m.**

A meeting of the Health Affairs Committee of the University of South Alabama Board of Trustees was duly convened by Dr. Steve Stokes, Chair, on Thursday, June 2, 2016, at 2:47 p.m. in the Board Room of the Frederick P. Whiddon Administration Building.

Members Present: Chandra Brown Stewart, Bettye Maye, Ken Simon and Steve Stokes.

Members Absent: Scott Charlton and Arlene Mitchell.

Other Trustees: Steve Furr, Ron Jenkins, Bryant Mixon, John Peek, Jimmy Shumock, Mike Windom and Jim Yance.

Administration and Others: Owen Bailey, Joe Busta, Lynne Chronister, Joel Erdmann, Monica Ezell, Mike Finan, Happy Fulford, Mike Haskins, David Johnson, Mike Mitchell, Danny Rickert, John Smith, Sam Strada, Becky Tate, Jean Tucker, Tony Waldrop and Scott Weldon.

Press: Alyssa Newton (*Vanguard* and WPMI).

The meeting came to order and attendance roll was called. Dr. Stokes called for adoption of the minutes of the meeting held on March 3, 2016. On motion by Ms. Maye, seconded by Ms. Brown Stewart, the Committee voted unanimously to adopt the minutes.

Dr. Stokes called for consideration of **ITEM 4**, a resolution authorizing the USA Hospitals medical staff appointments and reappointments for February, March and April 2016 (for copies of resolutions, policies and other authorized documents, refer to the minutes of the Board of Trustees meeting held on June 3, 2016). On motion by Ms. Maye, seconded by Ms. Brown Stewart, the Committee voted unanimously to recommend approval by the Board of Trustees.

Dr. Stokes moved for the approval of **ITEM 5**, a resolution to approve revisions to the USA Hospitals Medical Staff Bylaws and Rules and Regulations. Judge Simon seconded and the Committee voted unanimously to recommend approval by the Board of Trustees.

Dr. Stokes called on Mr. Bailey to address **ITEM 6**, a report on the activities of USA Health and the College of Medicine. Mr. Bailey started his report by thanking Ms. Tate and Mr. Rickert for their efforts in creating the Gulf Coast Regional Care Organization (RCO). He advised that Medicaid remains \$85 million short of the \$785 million needed for level funding of a statewide RCO network.

He said the regular legislative session ended without movement on bridging this gap, despite hope that BP settlement money might be allocated. He said it is unknown if a special session would take place and stated there is speculation the Governor may have funds that could be applied to the deficit. He said, as the funding gap narrows, determining when Medicaid can move forward is a point of debate. He said legislation had passed to delay RCO implementation into 2017, which will allow the RCO team additional time to prepare. He said, because CMS (Centers for Medicare and Medicaid Services) is supportive of Alabama's managed care approach to Medicaid, it is willing to wait with the implementation delay, an indication the CMS 1115 waiver, a provision allowing states to apply for program flexibility to test new or existing approaches to financing and delivering Medicaid, should not be jeopardized. He said the team continues its work and recently took part in a readiness assessment conducted by Medicaid and its consultant with positive results. He added that the Alabama provider network has received good national press about its novel approach, citing an article in *USA Today*. He said the RCO initiative consists of a number of partners in the community working diligently with USA.

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

Respectfully submitted:

Steven H. Stokes, M.D., Chair

Committee Charge: Health Affairs Committee

Overall Roles and Responsibilities:

The Health Affairs Committee is responsible for providing guidance to and receiving reports from University of South Alabama Health system and College of Medicine leadership. It will consider and make recommendations requiring Board action relating to the hospitals, ambulatory services, the Mitchell Cancer Institute and the College of Medicine.

Responsibilities:

Specific responsibilities of the Committee include:

- Recommend approval of medical staff appointments and reappointments for USA Health
- Recommend approval of University of South Alabama Medical Staff Bylaws revisions
- Recommend approval of the University of South Alabama Medical Staff Rules & Regulations revisions
- Recommend approval of major capital requests

Meetings:

The Committee shall meet upon the call of the President, the Chair *pro tempore*, or the Chair of the Committee. Meetings typically occur on the day prior to the regularly-scheduled quarterly meetings of the Board of Trustees, but may be called to take place at any time.

Membership:

Committee members and the Chair and the Vice Chair of the Committee shall be appointed by the Chair *pro tempore* for terms concurrent with the term of the Chair *pro tempore*. The Chair *pro tempore* shall consider appointing members with backgrounds in, and knowledge of, medical affairs, health care delivery and hospital systems. As provided by the Board Bylaws, the Committee includes, as non-voting *ex officio* members, the President, the Vice President for Medical Affairs, the Dean of the College of Medicine, the President of the Medical Staff of the University of South Alabama Medical Center and the Vice President for USA Health.

Reports:

The following reports are commonly submitted by the University Administration for consideration by the Committee:

- State and national healthcare policy updates
- USA Health updates
- Construction updates
- Introduction of patient stories
- Tri-annual community health needs assessment

RESOLUTION

**USA HOSPITALS MEDICAL STAFF APPOINTMENTS AND REAPPOINTMENTS
FOR MAY, JUNE AND JULY 2016**

WHEREAS, the Medical Staff appointments and reappointments for May, June and July 2016 for the University of South Alabama Hospitals are recommended for Board approval by the Medical Executive Committees and the Executive Committee of the University of South Alabama Hospitals,

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

Date:
August 8, 2016

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

From:
Owen Bailey 

Subject:
Board Meeting Documents

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

Resolution – University of South Alabama Hospitals Medical Staff
Appointments and Reappointments for May, June and July 2016

- Credentials Report – May, June and July 2016

OB/kh

Attachments

REC'D
Office of the President

AUG 09 2016

**UNIVERSITY OF SOUTH ALABAMA HEALTHCARE NETWORK
MEDICAL STAFF APPOINTMENTS/REAPPOINTMENTS
FOR BOARD OF TRUSTEE APPROVAL
May 2016, June 2016, and July 2016**

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

NAME	USACWH			USAMC			AMBULATORY CARE		
	Type/Stat	Category	Dept/Ser	Type/Stat	Category	Dept/Ser	Type/Stat	Category	Dept/Ser
Abdul-Rahim, Osama, MD	New Appt.	Active	Radiology	New Appt.	Active	Radiology	New Appt.	Active	Radiology
Allen-Johnson, Jennifer C., MD	Reappt.	Refer & Follow	Pediatrics	NA	NA	NA	NA	NA	NA
Angerholzer, Susan L., PA	Reappt.	Allied	Surgery	Reappt.	Allied	Surgery	NA	NA	NA
Baker, Susan L., MD	Reappt.	Active	OB/GYN	Reappt.	Active	OB/GYN	Reappt.	Active	OB/GYN
Baldy, Maureen T., DMD	Reappt.	Allied	Surgery	NA	NA	NA	NA	NA	NA
Balesh, Elie R., MD	New Appt.	Consult/Assoc.	Radiology	New Appt.	Consult/Assoc.	Radiology	NA	NA	NA
Baliem, Wilma, ACNP-BC	Reappt.	Allied	Internal Medicine	Reappt.	Allied	Internal Medicine	Reappt.	Allied	Internal Medicine
Barber, IV, William H., MD	Reappt.	Active	Surgery	Reappt.	Active	Surgery	Reappt.	Active	Surgery
Barbour, Ellen Grace, PA	Reappt.	Allied	Neurosurgery	Reappt.	Allied	Neurosurgery	Reappt.	Allied	Neurosurgery
Barton, Patton M., MD	Reappt.	Courtesy	OBGYN	Reappt.	Courtesy	OBGYN	NA	NA	NA
Bennett, Erin M., PCT	New Appt.	Allied	Internal Medicine	New Appt.	Allied	Internal Medicine	NA	NA	NA
Beverly, Tonia M., CCA	Reappt.	Allied	Surgery	Reappt.	Allied	Surgery	Reappt.	Allied	Surgery
Bhat, Ramachandra, MD	Reappt.	Active	Pediatrics	Reappt.	Active	Pediatrics	Reappt.	Active	Pediatrics
Bilbao, Nordie, MD	Reappt.	Active	Pediatrics	NA	NA	NA	Reappt.	Active	Pediatrics
Bowden, Stephen E., MD	NA	NA	NA	New Appt.	Active	Emergency Med.	NA	NA	NA
Bowman, Ashleigh A., CRNP	New Appt.	Allied	Evaluation Center	NA	NA	NA	NA	NA	NA
Boyd, Jr., Jimmy L., PA	Reappt.	Allied	Orthopaedic	Reappt.	Allied	Orthopaedic	NA	NA	NA
Brevard, Sidney B., MD	Reappt.	Active	Surgery-Pediatrics	Reappt.	Active	Surgery-Pediatrics	Reappt.	Active	Surgery-Pediatrics
Brevard, Sidney B., MD	Reappt.	Active	Surgery-Trauma	Reappt.	Active	Surgery-Trauma	Reappt.	Active	Surgery-Trauma
Brown, Mark S., MD	NA	NA	NA	Reappt.	Consulting	Surgery	NA	NA	NA
Brutkiewicz, Barbara, CRNP	Reappt.	Allied	Pediatrics	NA	NA	NA	Reappt.	Allied	Pediatrics
Burkett, Jared L., MD	Reappt.	Courtesy	Orthopaedic	Reappt.	Courtesy	Orthopaedic	NA	NA	NA
Cameron, Daniel G., MD	Reappt.	Active	Internal Medicine	Reappt.	Active	Internal Medicine	Reappt.	Active	Internal Medicine
Camp, Pamela R., ANCP	Reappt.	Allied	Surgery	Reappt.	Allied	Surgery	Reappt.	Allied	Surgery
Campbell, Maura L., MD	New Appt.	Contract/Locums	Radiology	New Appt.	Contract/Locums	Radiology	NA	NA	NA
Carpenter, David C., MD	Reappt.	Active	OBGYN	Reappt.	Active	OBGYN	NA	NA	NA
Clarkson, David R., MD	Reappt.	Active	Internal Medicine	Reappt.	Active	Internal Medicine	Reappt.	Active	Internal Medicine
Clements, Lloyd S., MD	Reappt.	Active	Evaluation Center	NA	NA	NA	NA	NA	NA
Cole, Jason, MD	Reappt.	Courtesy	Internal Medicine	Reappt.	Courtesy	Internal Medicine	NA	NA	NA
Cotton, Laura L., RN	New Appt.	Allied	OBGYN	New Appt.	Allied	OBGYN	NA	NA	NA
Crocker, Percy V., MD	Reappt.	Courtesy	Surgery	NA	NA	NA	NA	NA	NA
Davenport, Linda K., MD	Reappt.	Refer & Follow	Family Medicine	Reappt.	Refer & Follow	Family Medicine	NA	NA	NA
Davis, Angela, RN	Reappt.	Allied	Internal Medicine	Reappt.	Allied	Internal Medicine	NA	NA	NA
Douglas, Mark J., MD	Reappt.	Courtesy	Surgery	Reappt.	Courtesy	Surgery	NA	NA	NA
Dudley, William Timothy, CRNP	New Appt.	Allied	Evaluation Center	NA	NA	NA	NA	NA	NA
Fedok, Frederick G., MD	Reappt.	Consult/Assoc.	Surgery	Reappt.	Consult/Assoc.	Surgery	NA	NA	NA

**UNIVERSITY OF SOUTH ALABAMA HEALTHCARE NETWORK
MEDICAL STAFF APPOINTMENTS/REAPPOINTMENTS
FOR BOARD OF TRUSTEE APPROVAL
May 2016, June 2016, and July 2016**

NAME	USACWH			USAMC			AMBULATORY CARE		
	Type/Stat	Category	Dept/Ser	Type/Stat	Category	Dept/Ser	Type/Stat	Category	Dept/Ser
Finn, Edgar W., MD	Reappt.	Consult/Assoc.	Psychiatry	Reappt.	Consult/Assoc.	Psychiatry	NA	NA	NA
Flanagan, Ashley M., CRNP	New Appt.	Allied	Internal Medicine	New Appt.	Allied	Internal Medicine	New Appt.	Allied	Internal Medicine
Griffin, Tiffany L., CRNP	New Appt.	Allied	Evaluation Center	NA	NA	NA	NA	NA	NA
Hand, Jessica C., Neuro Tech	Reappt.	Allied	Neurosurgery	Reappt.	Allied	Neurosurgery	NA	NA	NA
Hart, Eugene L., MD	Reappt.	Academic	Pathology	Reappt.	Academic	Pathology	NA	NA	NA
Hart, Katharine, CRNP	Reappt.	Allied	Pediatrics	NA	NA	NA	Reappt.	Allied	Pediatrics
Hartin, Charles W., MD	New Appt.	Active	Surgery - Pediatrics	New Appt.	Active	Surgery-Pediatrics	New Appt.	Active	Surgery-Pediatrics
Hartin, Charles W., MD	New Appt.	Active	Surgery - Trauma	New Appt.	Active	Surgery-Trauma	New Appt.	Active	Surgery-Trauma
Henderson, Phillip K., DO	New Appt.	Active	Internal Medicine	New Appt.	Active	Internal Medicine	New Appt.	Active	Internal Medicine
Hill, Grayson B., CCCA-SLP	Reappt.	Allied	Surgery	Reappt.	Allied	Surgery	Reappt.	Allied	Surgery
Holston, Joseph T., CCCA	Reappt.	Allied	Surgery	Reappt.	Allied	Surgery	Reappt.	Allied	Surgery
Horn, Leah K., Hearing Screener	New Appt.	Allied	Surgery	NA	NA	NA	NA	NA	NA
Howell, Cambrey Nicole, RTT	NA	NA	NA	New Appt.	Allied	Radiology	NA	NA	NA
Howell, Druhan, MD	Reappt.	Active	Pediatrics	NA	NA	NA	NA	NA	NA
Hunter, III, John D., MD	New Appt.	Active	Surgery	New Appt.	Active	Surgery	New Appt.	Active	Surgery
Jensen, Jessica L., CRNP	NA	NA	NA	New Appt.	Allied	Internal Medicine	New Appt.	Allied	Internal Medicine
Johnson, Alfreda, RN	Reappt.	Allied	Internal Medicine	Reappt.	Allied	Internal Medicine	NA	NA	NA
Jones, Christopher M., MD	New Appt.	Active	Orthopaedic	New Appt.	Active	Orthopaedic	New Appt.	Active	Orthopaedic
Jones, Susan V., CRNA	New Appt.	Allied	Anesthesiology	New Appt.	Allied	Anesthesiology	NA	NA	NA
Jones, Vanessa, CRNP	Reappt.	Allied	Internal Medicine	Reappt.	Allied	Internal Medicine	Reappt.	Allied	Internal Medicine
Justice, Wiley H., MD	Reappt.	Active	Surgery	Reappt.	Active	Surgery	Reappt.	Active	Surgery
Kleyn, Emile, MD	New Appt.	Active	Internal Medicine	New Appt.	Active	Internal Medicine	New Appt.	Active	Internal Medicine
Lammle, Markus, MD	New Appt.	Active	Radiology	New Appt.	Active	Radiology	New Appt.	Active	Radiology
Lewis, Angelia D., CRNP	Reappt.	Refer & Follow	Family Medicine	Reappt.	Refer & Follow	Family Medicine	NA	NA	NA
Lintner, Alicia C., CRNP	New Appt.	Allied	Surgery	New Appt.	Allied	Surgery	New Appt.	Allied	Surgery
Little, Jr., Walter K., DDS	Reappt.	Refer & Follow	Surgery	Reappt.	Refer & Follow	Surgery	NA	NA	NA
Luscher, Elizabeth H., CRNP	New Appt.	Allied	Orthopaedic	NA	NA	NA	NA	NA	NA
Maurtura-Neumann, Paola, MD	Reappt.	Active	Pediatrics	NA	NA	NA	Reappt.	Active	Pediatrics
McCoy, Amy M., MD	Reappt.	Courtesy	OBGYN	NA	NA	NA	NA	NA	NA
Myers, Lori A., MD	NA	NA	NA	Reappt.	Active	Emergency Medicine	NA	NA	NA
Norden, Carole W., MD	Reappt.	Active	Internal Medicine	Reappt.	Active	Internal Medicine	Reappt.	Active	Internal Medicine
Norris, Florence, Rn	Reappt.	Allied	Internal Medicine	Reappt.	Allied	Internal Medicine	NA	NA	NA
Payne, Isaac C., DO	NA	NA	NA	Reappt.	Active	Contr/Moonlighter	NA	NA	NA
Peace, Ashley D., PA	Reappt.	Allied	Internal Medicine	Reappt.	Allied	Internal Medicine	Reappt.	Allied	Internal Medicine
Petty, Melody, MD	Reappt.	Active	Pediatrics	NA	NA	NA	Reappt.	Active	Pediatrics
Roach, Tonya M., CRNP	Reappt.	Refer & Follow	Family Medicine	Reappt.	Refer & Follow	Family Medicine	NA	NA	NA
Rollins, Courtney J., Neuro Tech	New Appt.	Allied	Neurosurgery	New Appt.	Allied	Neurosurgery	NA	NA	NA
Roveda, Mary Kelly, MD	Reappt.	Active	Pathology	Reappt.	Active	Pathology	Reappt.	Active	Pathology
Santorio, Jessica J., Neuro Tech	New Appt.	Allied	Neurosurgery	New Appt.	Allied	Neurosurgery	NA	NA	NA

**UNIVERSITY OF SOUTH ALABAMA HEALTHCARE NETWORK
MEDICAL STAFF APPOINTMENTS/REAPPOINTMENTS
FOR BOARD OF TRUSTEE APPROVAL
May 2016, June 2016, and July 2016**

NAME	USACWH			USAMC			AMBULATORY CARE		
	Type/Stat	Category	Dept/Ser	Type/Stat	Category	Dept/Ser	Type/Stat	Category	Dept/Ser
Sbahi, Hani, MD	New Appt.	Active	Internal Medicine	New Appt.	Active	Internal Medicine	New Appt.	Active	Internal Medicine
Self, John A., CRNA	Reappt.	Allied	Anesthesiology	Reappt.	Allied	Anesthesiology	NA	NA	NA
Self, Lauren C., MD	Reappt.	Courtesy	OB/GYN	NA	NA	NA	NA	NA	NA
Semple, Henry C., MD	Reappt.	Courtesy	Surgery	Reappt.	Courtesy	Surgery	NA	NA	NA
Sheppard, Ryan S., DMD	Reappt.	Courtesy	Surgery	NA	NA	NA	NA	NA	NA
Shell, Grantham M., MD	Reappt.	Courtesy	Orthopaedic	Reappt.	Courtesy	Orthopaedic	NA	NA	NA
Slater, Nicole A., PharmD	Reappt.	Allied	Family Medicine	Reappt.	Allied	Family Medicine	NA	NA	NA
Smith, Clayton A., MD	New Appt.	Active	Radiology	New Appt.	Active	Radiology	New Appt.	Active	Radiology
Terry, Andrew P., MD	Reappt.	Courtesy	Surgery	NA	NA	NA	NA	NA	NA
Thomas, Jacqueline F., CRNP	Reappt.	Refer & Follow	Family Medicine	Reappt.	Refer & Follow	Family Medicine	NA	NA	NA
Turner, Curtis W., MD	New Appt.	Active	Pediatrics	New Appt.	Active	Pediatrics	New Appt.	Active	Pediatrics
Vick, Valerie L., MD	Reappt.	Courtesy	Surgery	Reappt.	Courtesy	Surgery	NA	NA	NA
Vreeland, Thomas H., MD	New Appt.	Consult/Assoc.	Radiology	New Appt.	Consult/Assoc.	Radiology	NA	NA	NA
Ward, Hollis L., CRNP	Reappt.	Refer & Follow	Family Medicine	Reappt.	Refer & Follow	Family Medicine	NA	NA	NA
Williams, Jennifer, CRNP	Reappt.	Allied	Pediatrics	NA	NA	NA	Reappt.	Allied	Pediatrics
Young, Stephanie, RN	Reappt.	Allied	Internal Medicine	Reappt.	Allied	Internal Medicine	NA	NA	NA
Change Requests									
Barber, IV, William H., MD	Added Privileges	Active	Surgery	Added Privileges	Active	Surgery	Added Privileges	Active	Surgery
Bhat, Ramachandra, MD	Added Privileges	Active	Pediatrics	Added Privileges	Active	Pediatrics	Added Privileges	Active	Pediatrics
Brevard, Sidney B., MD	Added Privileges	Active	Surgery	Added Privileges	Active	Surgery	Added Privileges	Active	Surgery
Patterson, Scott B., DO	Added Privileges	Active	Surgery - Pediatrics	Added Privileges	Active	Surgery - Pediatrics	Added Privileges	Active	Surgery - Pediatrics
Patterson, Scott B., DO	Added Privileges	Active	Surgery - Trauma	Added Privileges	Active	Surgery - Trauma	Added Privileges	Active	Surgery - Trauma
Roca, Theresa P., MD	Requesting LOA	Consulting/Assoc.	Pediatrics	Requesting LOA	Consulting/Assoc.	Pediatrics	NA	NA	NA
Schulinkamp, Amy M., CRNF	NA	NA	NA	Chg Coll Phy	Allied	Internal Medicine	Chg Coll Phy	Allied	Internal Medicine
West, III, James L., ME	Status Change	Active	Orthopaedic	Status Change	Active	Orthopaedic	Status Change	Active	Orthopaedic
Yan, Weisi, MD	Added Privileges	Active	Radiology	Added Privileges	Active	Radiology	Added Privileges	Active	Radiology
Retired/Resigned									
Name	Reason	Date	Dept.	Reason	Date	Dept.			
Bolton, Janice, RN	Resigned	6/30/2016	Internal Medicine	Resigned	6/30/2016	Internal Medicine			
Chinrock, Brittany, Dental Assist.	Resigned	7/1/2016	Surgery	NA	NA	NA			
Drake, Jeremy M., MD	NA	NA	NA	Resigned	7/1/2016	Emergency Med.			
Fenley, Roselee R., RN	Resigned	7/3/2016	Internal Medicine	Resigned	7/3/2016	Internal Medicine			
Gaston, Lashanda, PCT	Resigned	6/30/2016	Internal Medicine	Resigned	6/30/2016	Internal Medicine			

UNIVERSITY OF SOUTH ALABAMA HEALTHCARE NETWORK
 MEDICAL STAFF APPOINTMENTS/REAPPOINTMENTS
 FOR BOARD OF TRUSTEE APPROVAL
 May 2016, June 2016, and July 2016

NAME	USACWH			USAMC			AMBULATORY CARE		
	Type/Stat	Category	Dept/Ser	Type/Stat	Category	Dept/Ser	Type/Stat	Category	Dept/Ser
<u>Retired/Resigned</u>									
<u>Name</u>	<u>Reason</u>	<u>Date</u>	<u>Dept.</u>	<u>Reason</u>	<u>Date</u>	<u>Dept.</u>			
Hupp, Carolyn, CRNP	Resigned	4/22/2016	Internal Medicine	Resigned	4/22/2016	Internal Medicine			
Lampley, Shani T., MD	Resigned	6/30/2016	Internal Medicine	Resigned	6/30/2016	Internal Medicine			
Landry, Stephanie W., CRNP	Resigned	5/22/2016	Neurology	Resigned	5/22/2016	Neurology			
McDonnell, Lynne A., MD	NA	NA	NA	Resigned	7/1/2016	Emergency Med.			
Overschmidt, Carrie S., M.S.	Resigned	1/22/2016	Surgery	Resigned	1/22/2016	Surgery			
Russell, John R., MD	Retired	5/31/2016	Radiology	Retired	5/31/2016	Radiology			
Salameh, Mohammed, MD	Resigned	6/30/2016	Evaluation Center	NA	NA	NA			
Simpson, III, James, MD	Resigned	7/1/2016	Internal Medicine	Resigned	7/1/2016	Internal Medicine			
Ul Haq, Ehtesham, MD	NA	NA	NA	Resigned	7/1/2016	Emergency Med.			
Vu, Mary, MD	Resigned	6/17/2016	Internal Medicine	Resigned	6/17/2016	Internal Medicine			
Waldrop, Julee B., CRNP	Resigned	5/24/2016	Pediatrics	Resigned	5/24/2016	Pediatrics			

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

May 2016, June, 2016, and July 2016

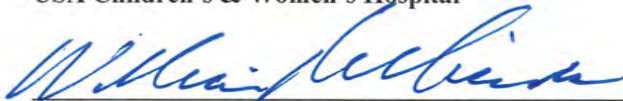
LEGEND:

New Appt.	New application for medical/allied staff privileges recommended for approval.
Reappt.	Reappointment application for medical/ allied staff privileges recommended for approval.
No Privs.	No privileges requested
Change in Status	Added privileges
	Change Department
Retired Resigned	Moved, Retired or Resigned

RECOMMENDED BY:



Charles E. McCathran, M.D., Chair of Medical Executive Committee or Chair Elect
USA Children's & Women's Hospital



William O. Richards, M.D., Chair of Medical Executive Committee or Chair Elect
USA Medical Center



Owen Bailey
Chief Operating Officer, USA Health System

RESOLUTION

**USA HEALTH COMMUNITY HEALTH NEEDS ASSESSMENT
AND IMPLEMENTATION STRATEGIES**

WHEREAS, the Patient Protection and Affordable Care Act requires that not-for-profit hospitals conduct community health needs assessments, and

WHEREAS, USA Health has conducted the above-referenced assessment for 2016, and

WHEREAS, USA Health has developed implementation strategies based on the findings of the 2016 community health needs assessment, and

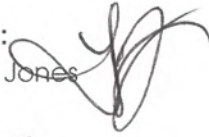
WHEREAS, the Patient Protection and Affordable Care Act further requires that health system governing bodies adopt those implementation strategies developed by the health system to meet the community needs identified through such assessment,

THEREFORE, BE IT RESOLVED, the Board of Trustees of the University of South Alabama accepts the community health needs assessment conducted by USA Health and adopts the implementation strategies developed by USA Health as a result, both of which are attached hereto and incorporated herein.

Date:
August 8, 2016

To:
Tony G. Waldrop, Ph. D.

From:
Traci Jones



Subject:
Community Health Needs Assessment

Under the provisions of the Patient Protection and Affordable Care Act each covered hospital is to conduct a community health needs assessment at least once every three years. Furthermore, the governing board of the hospital is required to adopt an implementation strategy proposed to meet the community needs identified through such assessment. I am recommending for your approval and recommendation to the Board of Trustees the attached Community Health Needs Assessment conducted by USA Health for 2016, the proposed Implementation Strategies and the resolution for approval and adoption of same by the Board of Trustees.

- Community Health Needs Assessment

TJ/kh
Enclosures

REC'D
Office of the President

AUG 09 2016

University of South Alabama

2015 – 2016 COMMUNITY HEALTH NEEDS ASSESSMENT

Prepared by:

Thomas C. Shaw, Ph.D.

Jaclyn Bunch, Ph.D.

Laura Carlson, M.P.A.

 USA HEALTH

 UNIVERSITY OF SOUTH ALABAMA
MEDICAL CENTER

 UNIVERSITY *of* SOUTH ALABAMA
Children's & Women's
HOSPITAL

 UNIVERSITY OF SOUTH ALABAMA
MITCHELL
CANCER INSTITUTE

TABLE OF CONTENTS

EXECUTIVE SUMMARY - 1	3
INTRODUCTION	3
USA HEALTH SYSTEM	3
COMMUNITY	4
CHNA METHODOLOGY	4
SUMMARY OF KEY FINDINGS	5
COMMUNITY DEMOGRAPHIC PROFILE - 2	8
POPULATION BY AGE AND SEX	8
POPULATION BY RACE AND ETHNICITY	10
POVERTY	12
EDUCATION	14
BIRTHS	16
BIRTHS TO SELECT GROUPS: TEENS AND UNWED MOTHERS	17
BIRTH COMPLICATIONS AND INFANT MORTALITY	19
DEATHS	21
DEATHS: DISEASES AND CANCERS	24
COMMUNITY INPUT SURVEY - 3	28
COMMUNITY SURVEY METHODOLOGY	28
KEY SURVEY FINDINGS	30
COMPARING THE GENERAL AND FOCUSED SURVEY AREAS	36
COMPARING COMMUNITY AND PROVIDER SURVEYS	37
COMMUNITY RESOURCES - 4	41
SUMMARY	41
COMMUNITY RESOURCE LIST	41
2012-2013 IMPLEMENTATION STRATEGIES EVALUATION - 5	46
INTRODUCTION	46
IMPLEMENTATION STRATEGIES	46
SUMMARY	56
2015-2016 IMPLEMENTATION STRATEGIES - 6	58
INTRODUCTION	58
HEALTH NEEDS - COMMUNITY DEMOGRAPHIC PROFILE	58
HEALTH NEEDS - COMMUNITY INPUT SURVEY	59
APPENDIX A - DEMOGRAPHIC DATA PROFILE	64
APPENDIX B - COMMUNITY SURVEY DATA TABLES	81
APPENDIX C - SURVEY DATA OPEN-ENDED RESPONSES	97
APPENDIX D - SURVEY INSTRUMENT	100

EXECUTIVE SUMMARY - 1

Introduction

The Patient Protection and Affordable Care Act, passed March 23, 2010, requires that not-for-profit hospitals conduct a Community Health Needs Assessment (CHNA) every three years. The assessment should define the community, solicit input regarding the health needs of the community, assess and prioritize those needs, identify relevant resources, and evaluate any actions taken since preceding CHNAs.

This executive summary presents the key elements of the 2015-2016 USA Health System Community Health Needs Assessment. This assessment was conducted between May and July, 2016. First the USA Health System and its constituent parts are described. Second, the community served by the USA Health System is defined. Next, the overall methodology of the CHNA is provided, and finally, a summary of the health needs identified in section six are presented.

USA Health System

The USA Medical Center (USAMC), USA Children's & Women's Hospital (USAC&W), and the USA Mitchell Cancer Institute (USAMCI) are each collectively part of the broader University of South Alabama Health System and are collaborating as part of this CHNA. Throughout this report each facility is referenced individually as appropriate or collectively as the USA Health System.

USA Medical Center

The University of South Alabama Medical Center is a 406-bed acute care facility that serves as the primary teaching hospital for the University of South Alabama College of Medicine. In addition to serving Mobile County, it is the major referral center for southern Alabama, southern Mississippi, and portions of northwest Florida. Its sophisticated technology combined with the desire, dedication, and determination of an acclaimed professional staff allows patients to receive the finest medical care available.

USA Medical Center is on the front line in delivering nationally recognized quality care to the area's most critically ill patients, with the region's only Level I trauma unit and a burn center that provides care from injury to recovery. The life-saving care that stroke and congestive heart patients receive has been recognized year after year by the American Heart Association, with its quality stroke care also lauded by The Joint Commission. The Medical Center also plays a key role in the education of tomorrow's health care professionals, training hundreds of future professionals from the Colleges of Medicine, Nursing and Allied Health.

USA Children's & Women's Hospital

USA Children's & Women's Hospital is one of five freestanding hospitals in the United States devoted exclusively to the care of children and women. It offers among its specialized

services the region's most advanced neonatal intensive care and pediatric intensive care units, which provide the most specialized care to critically ill and injured newborns and children. Its specialized staff also offers a variety of innovative programs for hospitalized children teens and their families to meet their developmental, educational, social and emotional needs.

Mitchel Cancer Institute

Combining cutting-edge research with advanced care, the USA Mitchell Cancer Institute fights cancer from the laboratory bench to the patient's bedside. With \$5 million in annual research funding, more than 40 clinical trials and 50,000 annual patient visits, MCI is the only academic-based cancer research and treatment facility on the upper Gulf Coast. Through a partnership with the University of Alabama at Birmingham, MCI is on track to achieve the exclusive designation of Comprehensive Cancer Center from the National Cancer Institute by 2020.

Community

The USA Health System has a far-reaching impact throughout the region including areas beyond southern Alabama in both northwestern Florida and southern Mississippi. However, the primary community served by the USA Health System is the area of Mobile County. Approximately 67 percent of the patients served by the USA Medical Center and USA Children's & Women's Hospital are from Mobile County. While this is down somewhat from approximately 80 percent in 2013, it still suggests that despite a broader regional impact, the primary community served by the USA Health System is the population of Mobile County.

Mobile County, Alabama is situated in southwest Alabama and is bordered by the following counties: Baldwin, Clark, Escambia, Monroe and Washington in Alabama and George, Greene, and Jackson in Mississippi. The population of Mobile County is 415,395 according to the 2015 Census population estimates generated July 1, 2015. Forty-eight percent of the population is male and 52.0 percent are female. The percent of the population identifying as white only is 60.2 while 34.6 percent identify as African-American only. The median age is 36.9 years old. The median household income is \$43,844; 84.9 percent of the population have a high school degree or better; and 19.9 percent of the population are below the federal poverty level. Within the county there are 32 seats of government, 35,912 companies, and 180,277 housing units.¹

CHNA Methodology

Having identified the relevant community, in this case Mobile County, Alabama, the key objective of the CHNA is to assess the health needs of that community. A two-pronged approach is used herein to assess Mobile County's health needs. First, a comprehensive

¹ County information is taken from various census sources including 2015 Population Estimates, 2010 Demographic Profile, 2010-2014 American Community Survey 5-Year Estimates, 2012 Census of Governments, and 2012 Survey of Business Owners.

demographic profile is developed using secondary data sources that provide insight into the composition and prevalent conditions within the community. Second, a telephone survey was conducted of individuals living in the defined community in order to solicit their input regarding their health needs. Having assessed the current health needs of the community, the findings of the previous USA Health System's CHNA are evaluated and then the current health needs are presented.

Summary of Key Findings

Community Demographic Profile

The community demographic profile is an in-depth examination of secondary data indicators that compare Mobile County to Alabama and the United States. Data for the profile were taken from many different sources including the US Census, the Alabama Department of Public Health, and Share Southwest Alabama. The following represent the most important findings from the community demographic profile.

There are a number of problems faced by infants and expecting mothers. With our changing demographics (falling numbers of residents aged 0-19 while growing numbers 60+) it is essential that the community preserve and protect the new residents we could potentially gain. The assessment shows that not only are neonatal deaths and post neonatal death rates on the rise in Mobile, but that the infant death rate is climbing at an alarming rate over the past five years (7.5 to 10.2) and even higher for minority groups (reaching 14.4 for blacks in Mobile by 2014). The community survey shows that community members feel that there is not enough access to women's health care, part of which is pregnancy and childbirth.

The assessment shows that diabetes has been on the rise in Mobile over the past 5 years. The USA Health System may want to review its programs focused on diabetes education and prevention.

In the United States cancers of the respiratory system hold the highest mortality of all cancers. This is also the case for Alabama and Mobile. The USA Health System should consider enhancing their efforts at combating respiratory cancers.

There is an overall need for disease prevention efforts. The system should continue to focus on increasing and promoting screenings for the more prevalent diseases in our area, and in the United States. For instance, behind respiratory cancers, the largest killers can be caught early through regular screenings and visits with one's primary care physician (colorectal, breast, and prostate cancers). Care should be taken to promote regular primary care in the community and encourage screenings.

There is a need for more secondary education for the general public. Studies have shown the beneficial effect that education has on many aspects of life (income, job stability, health and longevity of life).

Community Input Survey

A random digit dialed telephone survey of Mobile County was conducted between April 25 and May 19, 2016. The survey interviewed both a general sample of all residents as well as a focused sample of residents from zip codes that contain a majority of USA Health System's patients. A total of 520 residents were interviewed for a margin of error of +/-4.3%. The following represent the most important findings from the community input survey.

Residents indicated that the availability of general and specialized medical care in the community was an important aspect of healthcare. This is manifested in identified needs for family doctors, specialty physicians, and emergency medical care. This need is further indicated by expressed difficulties in accessing services where either it is not possible to get an appointment soon enough, appointments are not available at peak times such as in the evening or on the weekend, or providers are not taking new patients.

Community members identified a number of harmful health conditions that they felt were a problem for Mobile County. These included in order of community priority: high blood pressure, high cholesterol, diabetes, heart disease, depression, and obesity.

There needs to be more healthcare providers and resources specifically oriented around women's healthcare.

Some community members have difficulty accessing health services. In particular, this is directly manifested by an inability to afford medical care and more indirectly indicated by either a lack of health insurance or problems with existing health insurance among residents.

There needs to be more mental healthcare facilities and providers to address depression and mental illness.

Residents identified transportation services as an important aspect of healthcare in the community.

There needs to be more dental healthcare providers to address dental needs.

When comparing the general and focused areas of Mobile County, these groups generally agreed on most issues and very few statistically significant differences were found between them. The differences that were found included focused sample residents more frequently identifying less tobacco use, more quality education, and dental problems as important healthcare issues. Focused sample residents were also more likely to identify emergency medical care and women's health as services difficult to get. Finally, focused sample residents were more likely to seek out an ER or family doctor while general sample residents were more likely to go to an urgent care facility.

The survey instrument was designed around the instrument used to survey health providers by Mobile Infirmery; consequently, comparisons can be made between community residents and health providers. Overall there was little consensus regarding the top issues facing the community. Providers, as might be expected, were more likely to focus on broader health issues while community members often focused on more immediate concerns such as safe

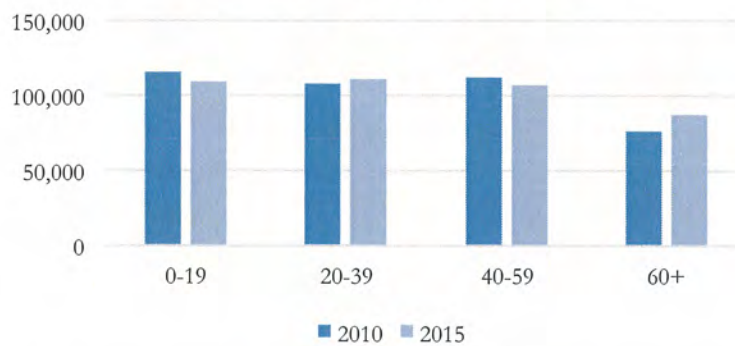
neighborhoods and domestic violence. There was some agreement on the most important health issues including heart disease, mental health, and diabetes. The most striking agreement between providers and community members regarded the healthcare services most difficult to obtain in Mobile County. Providers and community members agreed in order of priority that mental health services, pharmacy services, and dental care services were three of the top four healthcare services most difficult to access.

COMMUNITY DEMOGRAPHIC PROFILE - 2

Population by Age and Sex

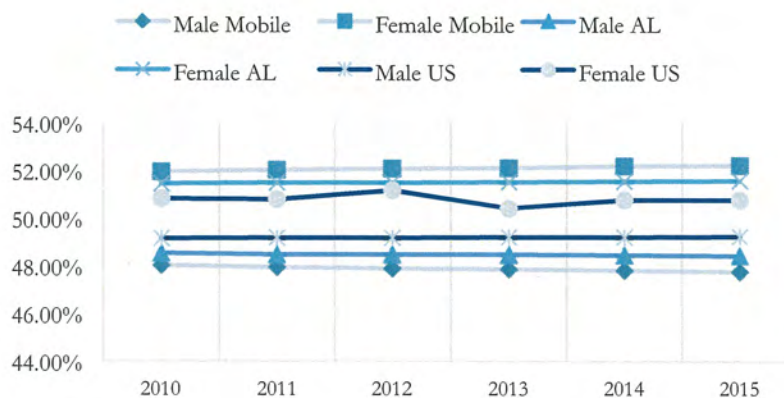
Population is an important characteristic to consider when assessing community needs, as it reflects the potential pool of patients and relative demand of the community. Population data was taken from the U.S Census Bureau. While an official census is only taken every ten years, the Census Bureau provides yearly estimates. According to this source, in 2010 the population of the county was 412,992, but has reached 415,395 by 2015. The relative population growth is bracketed by age below.

Population by Age in Mobile



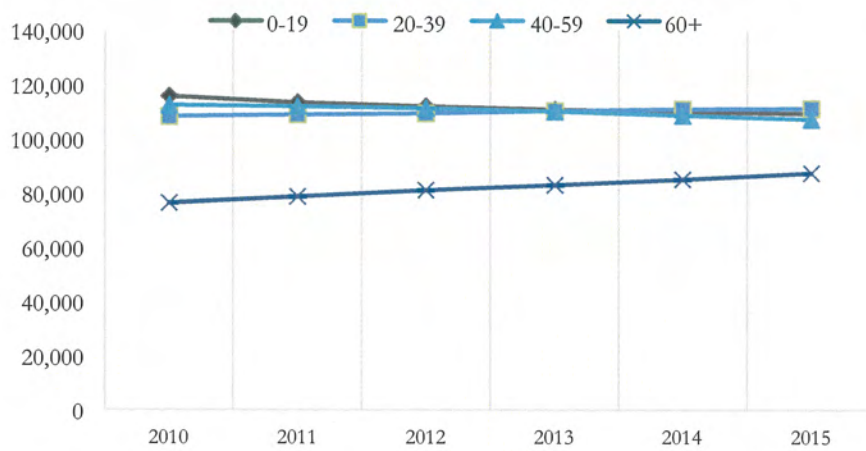
Generally, the distributions by age and sex are similar to statewide and nationwide comparisons. However, Mobile has a slightly above average number of females and below average number of male residents. In 2015 Mobile was home to 216,979 females and 198,416 males. These averages have remained largely stagnant over the time period, with some exceptions. For instance, between 2010 and 2015 Mobile gained approximately 2,361 females while only gaining 41 male residents.

Gender Percentages



Another trend worth noting is the rise in elderly residents. As of 2015, Mobile is home to 109,388 residents aged 0-19, 111,322 residents aged 20-39, 107,227 residents aged 40-59, and 87,458 residents aged 60 and over. In comparison to 2010, this makes 60 and over the fastest growing age demographic for the county. In this same time period there has been a significant loss in the 0-19 age bracket. This is unsurprising given national trends and generational birth rates. The trend can be found below.

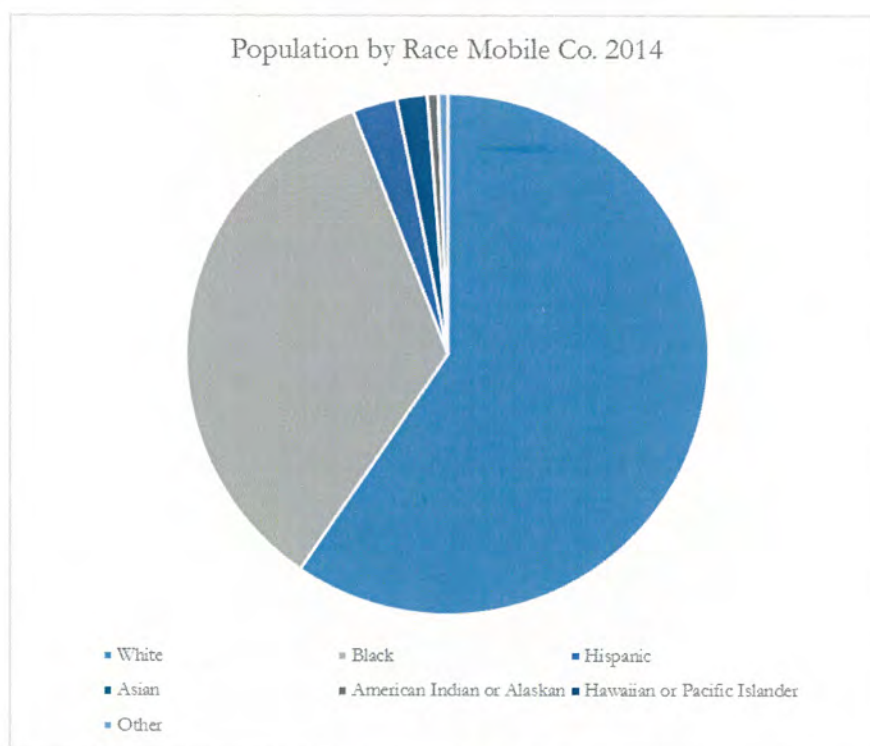
Population by Age in Mobile



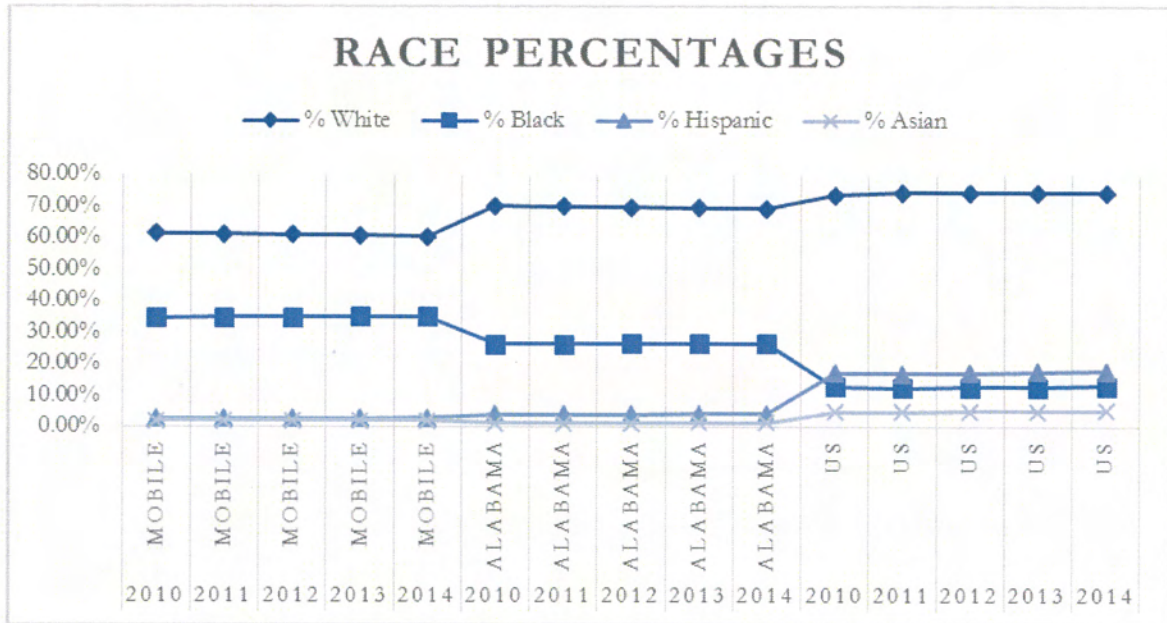
Population by Race and Ethnicity

Race and ethnicity are another important factor to consider when assessing community health. Studies have shown that specific racial groups are more susceptible to certain diseases and conditions. As such, it is important to know the racial makeup of a region in determining the needs of the community in regards to public health. Data was obtained by the U.S Census Bureau in 2010 with estimates through 2014 available. The Census asks individuals to self-identify, with the vast majority of respondents identifying as one race and ethnicity.

The two most predominant races in Mobile are white, with 249,439 residents in 2014, and Black, with 144,637 residents in 2014. Hispanic is the largest listed ethnicity, with 11,520 residents in 2014. The fourth largest demographic was those self-reporting as Asian, with 7,953 resident. The demographic breakdown for 2014 is provided below.



The distribution by Race and Ethnicity has remained largely the same for Mobile County over the time period. However, the distribution is substantially different than both Alabama and the United States as a whole. Compared to Alabama, Mobile has -8.83% Whites, +8.58% Blacks, -1.21% Hispanics, and +.71% Asians. This is remarkably different than the national averages, which indicate that Mobile has -13.57% Whites, +22.34% Blacks, -14.82% Hispanics, and -3.08% Asians. Thus Mobile County has fewer Whites, more Blacks, and fewer Hispanics than both Alabama overall and the nation as a whole. The four-year trend and comparison to state and national averages are depicted below.

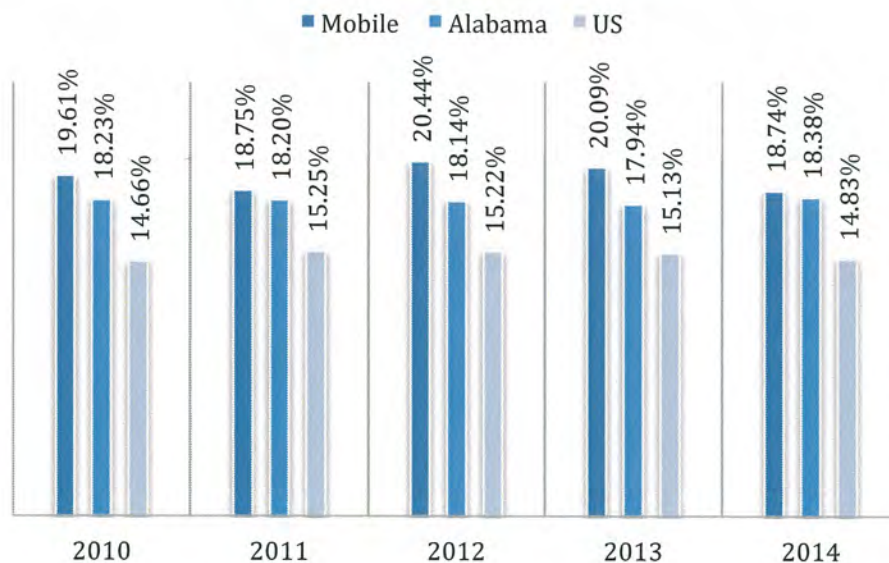


Poverty

Socio-economic status is an extremely important indicator of community need, especially in regards to health. Studies have consistently demonstrated a link between wealth, poverty, and individual health. Adults in poverty are more likely to experience poor health, neglect routine doctor visits, utilize emergency services as primary care, fail to possess health insurance, and die at a younger age. Additionally, these ramifications extend to children as well. Children in poverty are more likely to experience poor physical and mental health as well as experience cognitive impairments. The impacts extend beyond health and studies have shown that poverty increases the likelihood of school failure and teen pregnancy. Finally, it should be noted that poverty rates are often tied race and ethnic identification. Previous community health needs assessments have identified the disparity between poverty rates among white and black children, indicating that poverty rates among black children are three times the rate of non-Hispanic whites nationally. These estimates have not changed significantly over the past four years.

Each year the federal government measures regional poverty using the Federal Poverty Level -- a metric based upon a dollar amount for single person and family income. In 2014 the FPL for a single person household was \$11,670 and \$23,840 for a family of four. Reported in the figure below is the Mobile, Alabama, and United States estimates for the percentage of residents living at or below 100% of the FPL for the years 2010 to 2014.

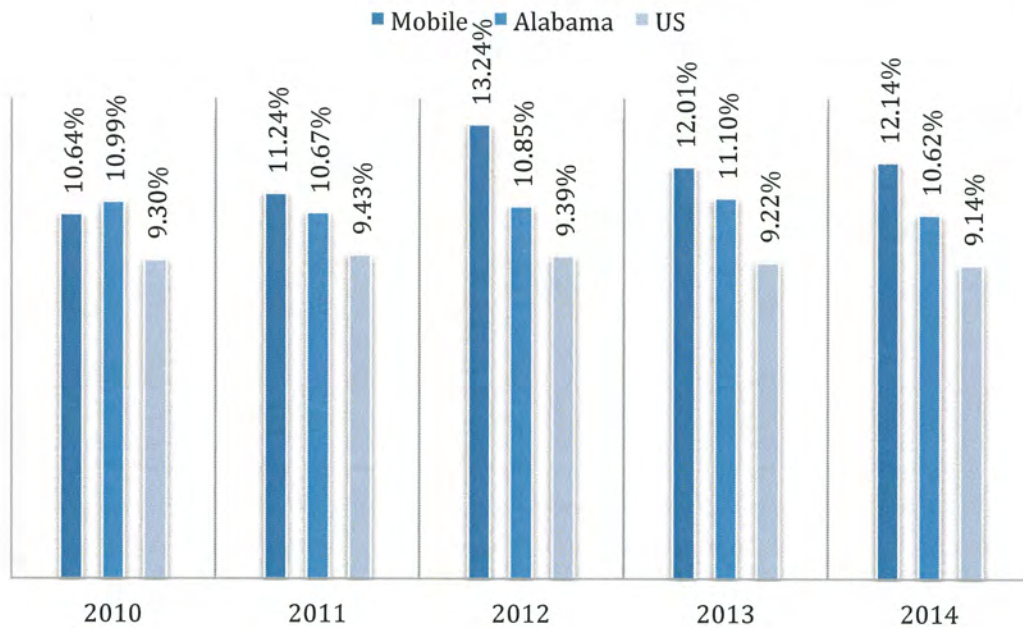
Percent of Population Below 100% Federal Poverty Level



As can be observed, Mobile County consistently has a higher percentage of resident living at or below the FPL throughout the time series, compared to both the state of Alabama as well as the nation as a whole. While the gap between Mobile and Alabama appears to diminish in

2011 and 2014 this is not due to shrinking numbers of residents in Mobile under the FPL, but rather a worsened state for the entirety of Alabama. Further, having an income above 100% FPL does not necessarily alleviate the problems associated with poverty and health. Often times, it has been shown that individuals up to 150% and even 200% FPL have difficulty meeting basic needs related to health care, such as food, housing, and transportation. As such, the profile for percent population between 100 - 149% FPL has also been provided below.

Percent of Population 100%-149% Federal Poverty Level



Education

While education is known to increase the likelihood of higher income, and thus influence health in an indirect manner, education also has been tied directly to health benefits in communities. Research has shown that those with higher educational attainment are more likely to have longer lives and healthier lifestyles. For instance, the Robert Wood Johnson Foundation found that the average lifespan for females is increased by approximately 5 years (78.4 years for less than high school degree and 83.5 years for college graduates) and by nearly 7 years for males (72.9 years for less than high school degree and 79.7 years for college graduates) on average. Additionally, education has been tied to reduced health risk in a range of areas:

An additional four years of education lead to on average:

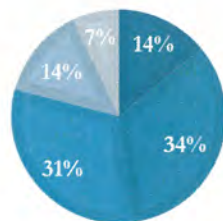
- 1.3% reduction in diabetes
- 2.2% reduction in heart disease
- 5% reduction in being overweight
- 12% reduction in smoking

The impact of education often extends to a child's health as well. For instance, a mother with 0-11 years of education is nearly twice as likely than mothers with 16 or more years of education to experience infant mortality (8.1 versus 4.2 mortality rate in 2010). Additionally, studies have shown that healthier children tend to perform better in school and other collegiate activities.

Below is a 2014 snapshot of Mobile education levels as compared to Alabama as a whole for adults 25 and older, demonstrating that the county is on par with state level proportions. However, Mobile is behind the national average by 3% for graduate or professional degrees and 4% for Bachelor's degrees.

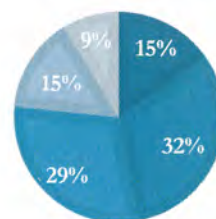
Education Levels for Mobile 2014

- Less than high school graduate
- High school graduate (includes equivalency)
- Some college or associate's degree
- Bachelor's degree
- Graduate or professional degree



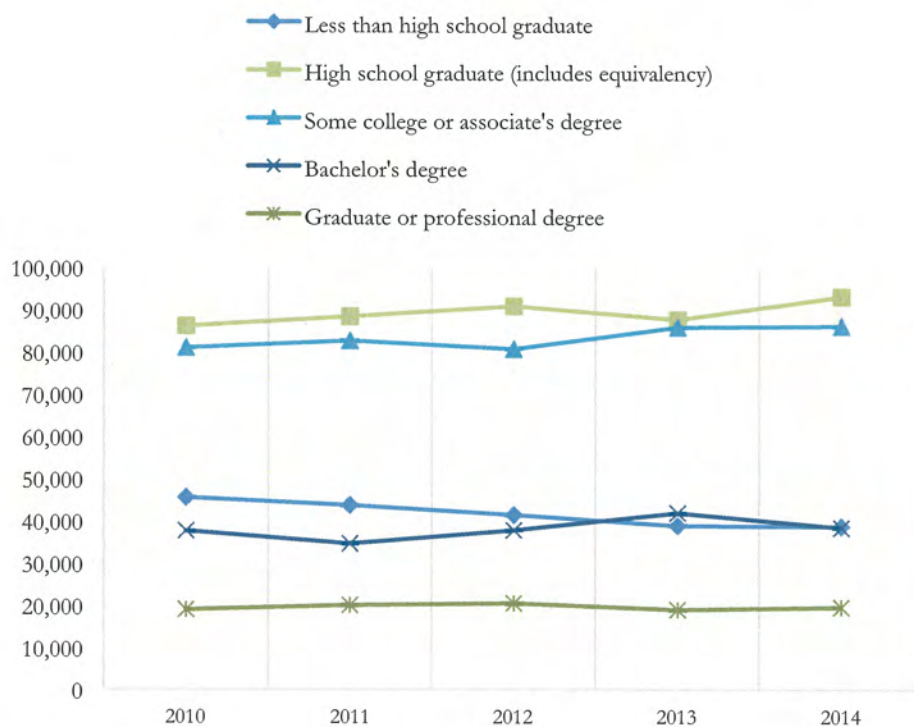
Education Levels for Alabama 2014

- Less than high school graduate
- High school graduate (includes equivalency)
- Some college or associate's degree
- Bachelor's degree
- Graduate or professional degree



One of the most striking gaps, for both Mobile and the state of Alabama compared to the nation, is post high school education. While the county and the state have increased the proportion of high school graduates in recent decades, they continue to fall behind in those obtaining bachelors and graduate or professional degrees. This gap appears to be consistent over the past five years with the largest proportion of the population ceasing educational attainment after high school. In 2014 the resident break down was 93,045 high school graduates, 86,044 with some college followed by a gap of with 38,674 and 38,378 residents with less than high school and bachelor's degrees respectively. Finally, the smallest category consistently includes graduate or professional degrees with 19,516 residents.

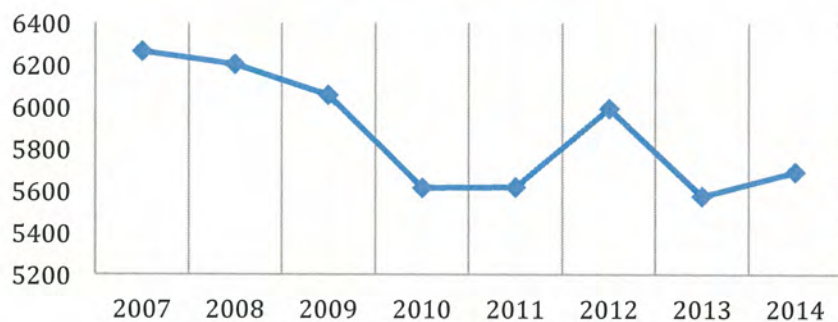
Education Levels in Mobile



Births

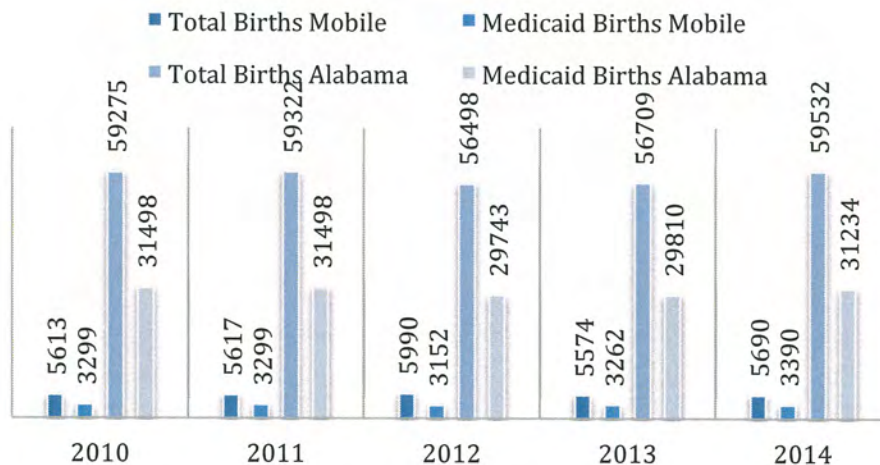
Previous community health needs assessments have identified the decline in both crude birth rates and fertility rates within Alabama since the 1950s'. This decline was extended to Mobile County, with data from 2007 to 2011 showing a significant decrease (645 less births between the two comparative years). However, data collected from 2011 to 2015 has indicated that this decline appears to be leveling off. While Mobile County only had 5,690 recorded births in 2014, that number is actually only 6 births below the five year average. This trend is unsurprising when coupled with the economic conditions of the national economy beginning with the recession of 2008.

Births in Mobile



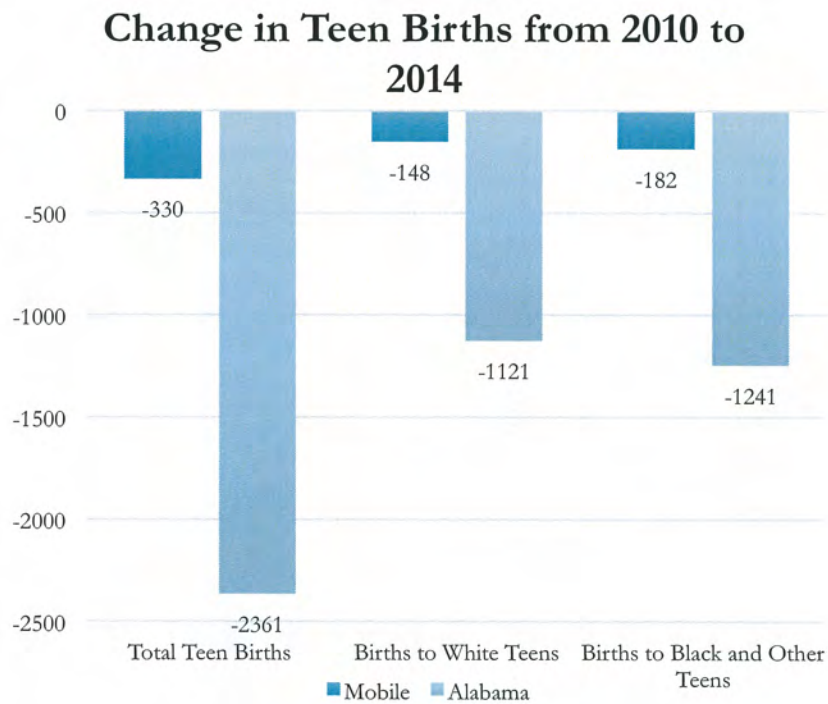
Further evidence shows that this overall trend for birth rates is not unique to Mobile County. When compared to Alabama, proportionally the rate of births are similar. Additionally, we do not observe any distinct changes in recipients of Medicaid, with consistent numbers of births across the previous five year period.

Total and Medicaid Births in Mobile and Alabama

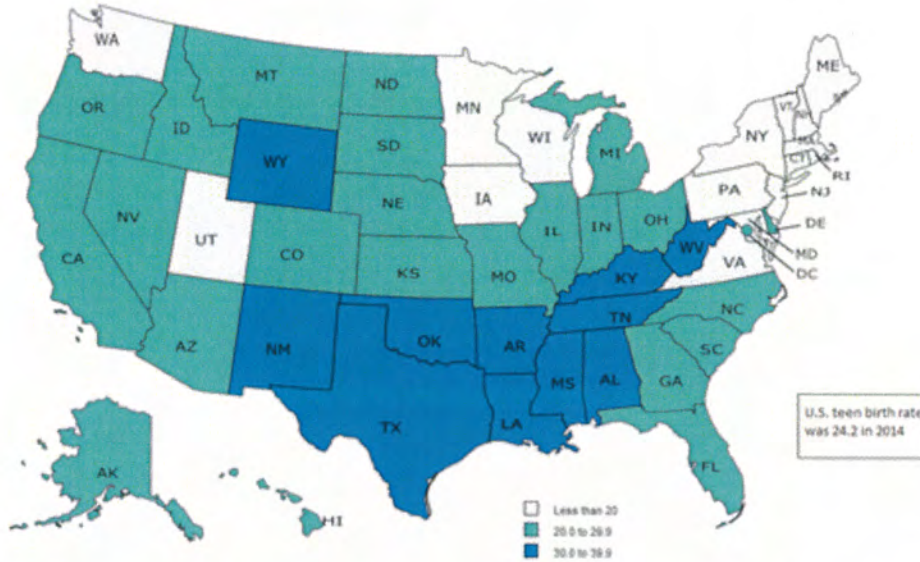


Births to Select Groups: Teens and Unwed Mothers

Teenage pregnancy has been a social concern since the 1960s due to the long-term negative effects for both mother and child. Research has shown that teenage pregnancy began to rise significantly between the 1950s and the 1970s, reaching nearly 19% of births in 1975. However, teenage birth rates have since been in a consistent decline for the past twenty years. According to the Department of Health and Human Services, 24.2 of every 1000 births in the U.S was to an adolescent between the ages of 15-19 in 2014. This marks a nine percent decline nationally from the previous year. This pattern of decline is consistent with both the state of Alabama and Mobile County, only to a lesser degree. The figure below shows the decline in teenage births in Alabama and Mobile over a five year period (2010 to 2014).



While teenage birth rates are lower than in previous decades, Alabama, and much of the south central region of the United States, has higher teenage birth rates than the vast majority of the country.



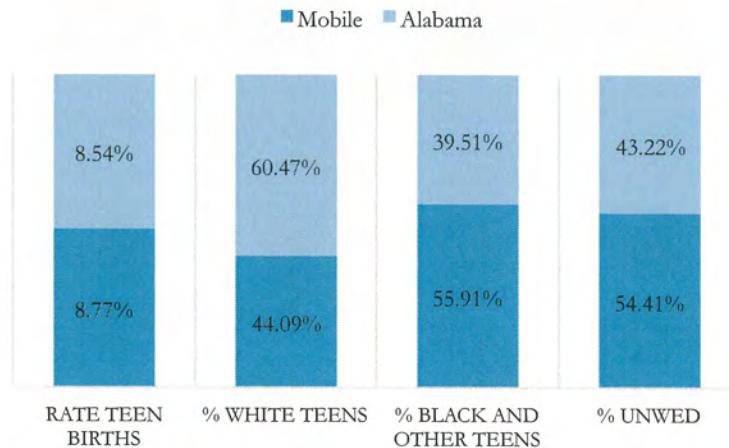
Source: Martin, J. A., Hamilton, B. E., Ventura, S. J., & Osterman, M. J. K. S.C., & Mathews, T.J (2015). *Births: Final data for 2014*. Hyattsville, MD: National Center for Health Statistics via Department of Health and Human Services

Further evidence indicates that most births to adolescents are to mothers 18 years or older. In 2014, 73 percent of teenage births were to mothers aged 18 or 19 years old.

Data also shows that most teenage pregnancies are unwed births. According to the Department of Health and Human Services, 89% of teen births in 2014 occurred outside of marriage. There also appears to be racial and ethnic differences in birth rates. Nationally, births rates are highest among Hispanic or black teens. For instance, the birth rate for every 1000 adolescent births in 2014 was 34.9 for blacks and 17.3 for whites.

The figure below compares Mobile County to Alabama as a whole for birth rates to teens and unwed mothers.

Births in Mobile and Alabama 2014

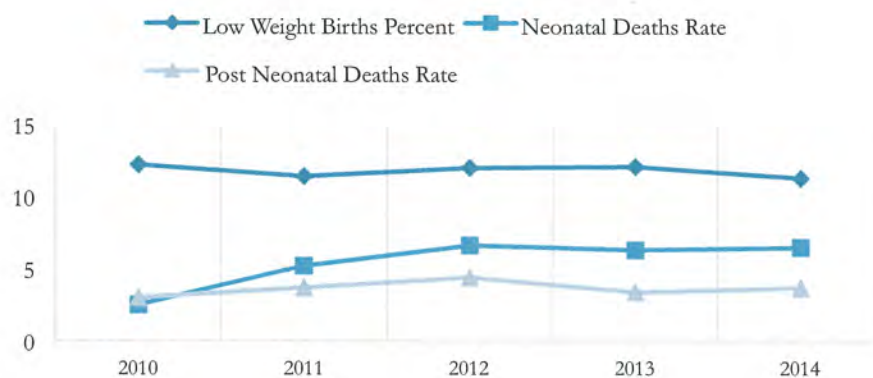


As can be seen, Mobile County is slightly above average in teen births when compared to the state (8.77% as opposed to 8.54%). For Mobile, these births are disproportionately to black teenagers than to whites (55.91% versus 44.09%). When analyzing the rates of birth to unwed mothers, we observe that Mobile is significantly above average as well. 54.41 percent of births in Mobile are to unwed mothers (including all age ranges), whereas statewide the percentage is only 43.22%.

Birth Complications and Infant Mortality

Given Mobile's declining population in the 0-19 age bracket and the reduction in birth rates following the recession, it is important to explore the community health needs of pregnant mothers and infants. Provided below are the rates for low birth weight, neonatal death, and post neonatal death from 2010 to 2014.

Pregnancy and Birth Complication Rates in Mobile

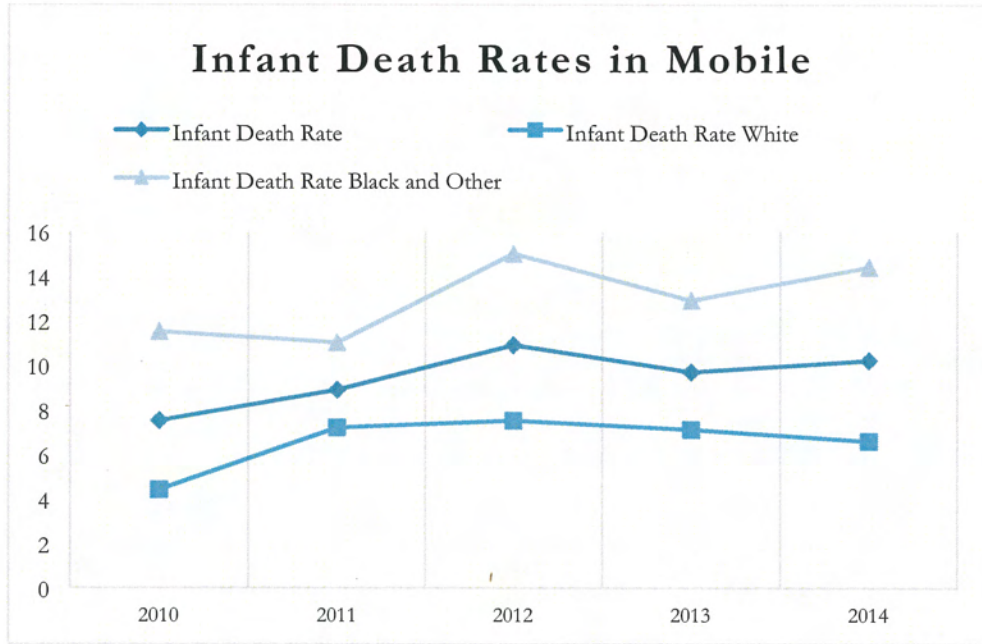


From this data it would seem that low birth weight is a consistent problem for Mobile, with the rate averaging 11.79% in the time period. The data also reveals that the rate of both neonatal deaths and post neonatal deaths are on the rise.

In 2014, Alabama had the third highest low birth weight rate in the nation (10.1%), behind only Louisiana (10.5%) and Mississippi (11.3%). When assessed by race, Alabama is again third highest for blacks (15%), lagging behind Mississippi (15.6%) and New Mexico (16.5%) and ninth highest for whites.

Further, Alabama has consistently been in the top three states for perinatal mortality rate since 2010.

Unfortunately, the problems facing mothers and births in our community go beyond pregnancy complications. Mobile has had consistently rising infant death rates over the past five years. In 2010 the infant death rate for Mobile was 7.5, by 2014 that rate has risen to 10.2. For blacks, that rate is even higher, moving from 11.5 in 2010 to 14.4 in 2014. This rising trend is presented below.



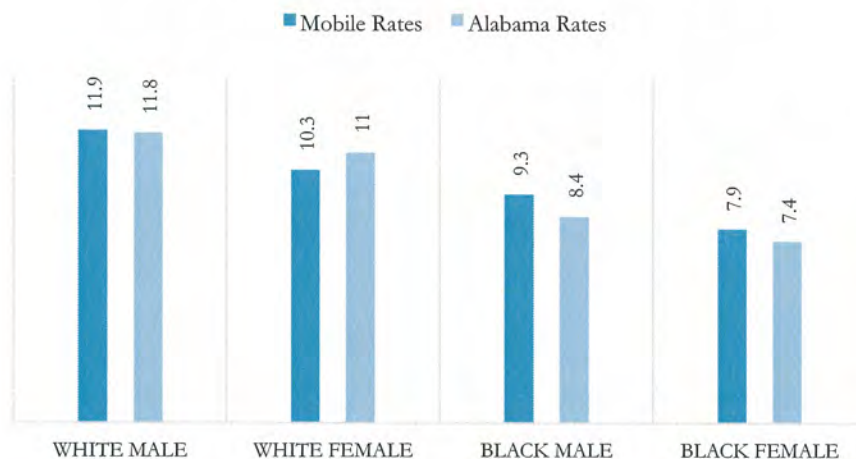
Deaths

Death rates within Mobile have remained relatively consistent since the last community health needs assessment. In 2010 the death rate for all of Mobile was 9.8 and has only risen to 10.1 in 2014 (decreasing from a two year high of 10.3 in 2012 and 2013). These rates are proportionally comparable to Alabama, which had a death rate of 10.3 in 2014, also rising .3 points over the time period, from a rate of 10 in 2010.

Rates are also significantly different between sexes and race, with white male having the highest rates both within Mobile County and for the state (11.9 and 11.8 respectively in 2014) and black female as the lowest (7.9 and 7.4 respectively for 2014). On average Mobile has a lower white female death rate than the state average and a higher black male death rate.

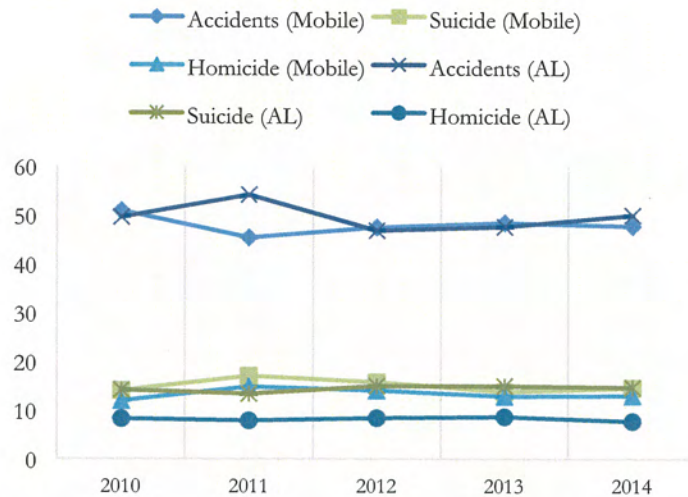
These comparisons are consistent in our five year sample between 2010 and 2014. However, the trends are not similar across all groups. Black male and female death rates both rose .6 over the time period, followed by white male rising .5. White female was the only category to fall during the time period, with a reduction of .4.

Death Rates by Race 2014



The state of Alabama tracks deaths by type, typically comparing homicides, accidents, and suicides. Of these, accidents were the highest category of death consistently. When comparing these three categories the state of Alabama consistently ranks as accidents as highest in frequency followed by suicides, with homicides showing the lowest frequency of the three. However, Mobile's homicide rate rivals that of its suicides. In fact, over the five year sample (2010-2014) Mobile's homicide rate was on average 5.2 higher than the state as a whole, while the suicide rate was only .6 greater and the accident rate was 1.7 lower.

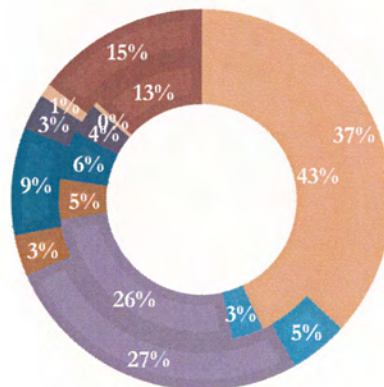
Accident, Suicide, & Homicide Rates



Since accidents are consistently the highest cause of death for both Mobile County and Alabama, it is important to understand the types of accidents that increase mortality.

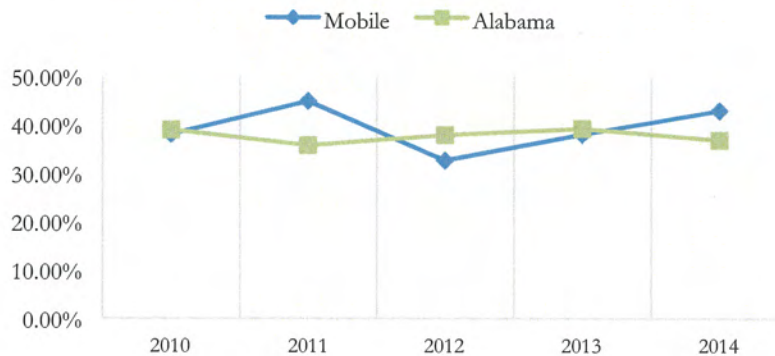
Accidents in 2014 Outer Circle: Alabama Inner Circle: Mobile

- Motor Vehicle
- Smoke Fire & Flames
- Firearms
- Suffocation
- Falls
- Other Accidents
- Poisoning
- Drowning



In 2014 the top three specific causes of accidental death in both Mobile and Alabama were Motor Vehicle, Poisoning, and Falls. Firearm related deaths, suffocation, and Drowning follow causing about 3-6% of deaths each. On average for the five-year period, Mobile had about 1.57% higher rate of motor vehicle accident fatalities with 2014 representing a significantly elevated year with 5% more motor vehicle accident fatalities than the Alabama average.

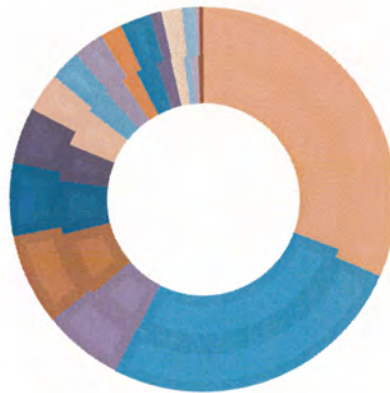
Motor Vehicle Accident Rates



Provided below is a 2014 snapshot of all causes of death, by number, in Mobile. A detailed discussion of diseases and cancer trends can be found in the following section.

Causes of Death by Number in 2014
Outer Circle: Alabama
Inner Circle: Mobile

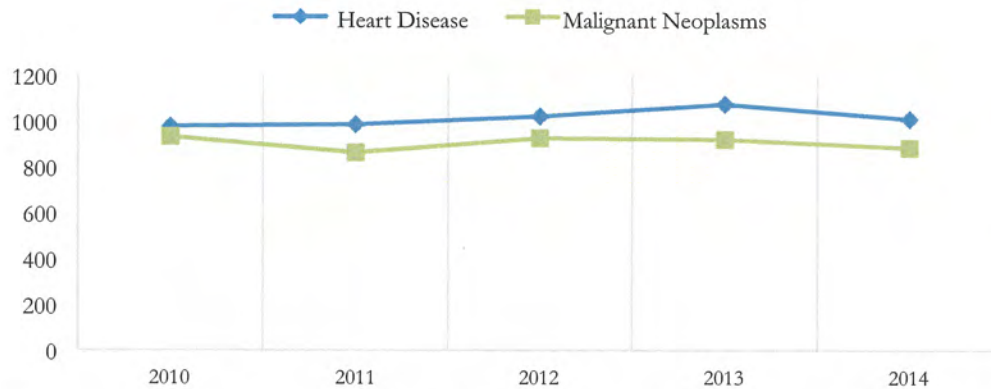
- | | |
|---|-----------------------------|
| ■ Heart Disease | ■ Malignant Neoplasms |
| ■ Cerebrovascular Disease | ■ Chronic Lower Respiratory |
| ■ Accidents | ■ Alzheimers |
| ■ Diabetes Mellitus | ■ Influenza & Pnuemonia |
| ■ Nephritis Nephrotic Syndrom & Nephrosis | ■ Suicide |
| ■ Septicemia | ■ Homicide |
| ■ Chronic Liver Disease & Cirrhosis | ■ Parkinsons |
| ■ HIV | ■ Viral Hepatitis |



Deaths: Diseases and Cancers

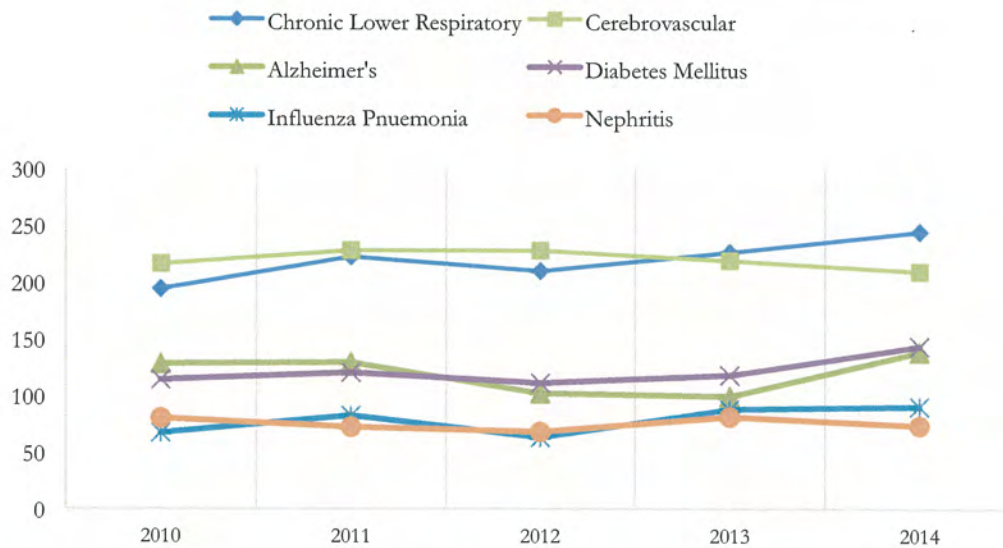
According to the Centers for Disease Control and Prevention, the top ten leading causes for death in the United States in 2014 were Heart Disease, Cancer, Chronic Lower Respiratory Diseases, Accidents, Stroke, Alzheimer's diseases, Diabetes, Influenza and Pneumonia, Nephritis (Nephrotic syndrome and Nephrosis included) and Suicide. The leading causes for Mobile County are the same, with the exception of Diabetes Mellitus and Alzheimer's, with Diabetes leading in deaths over Alzheimer's since 2012. Provided below are the trends for the top ten causes of death in Mobile from 2010 to 2014.

Top Two Diseases in Mobile



Heart disease and Malignant Neoplasms rates remain consistent over the time period.

Remaining Eight Diseases in Mobile

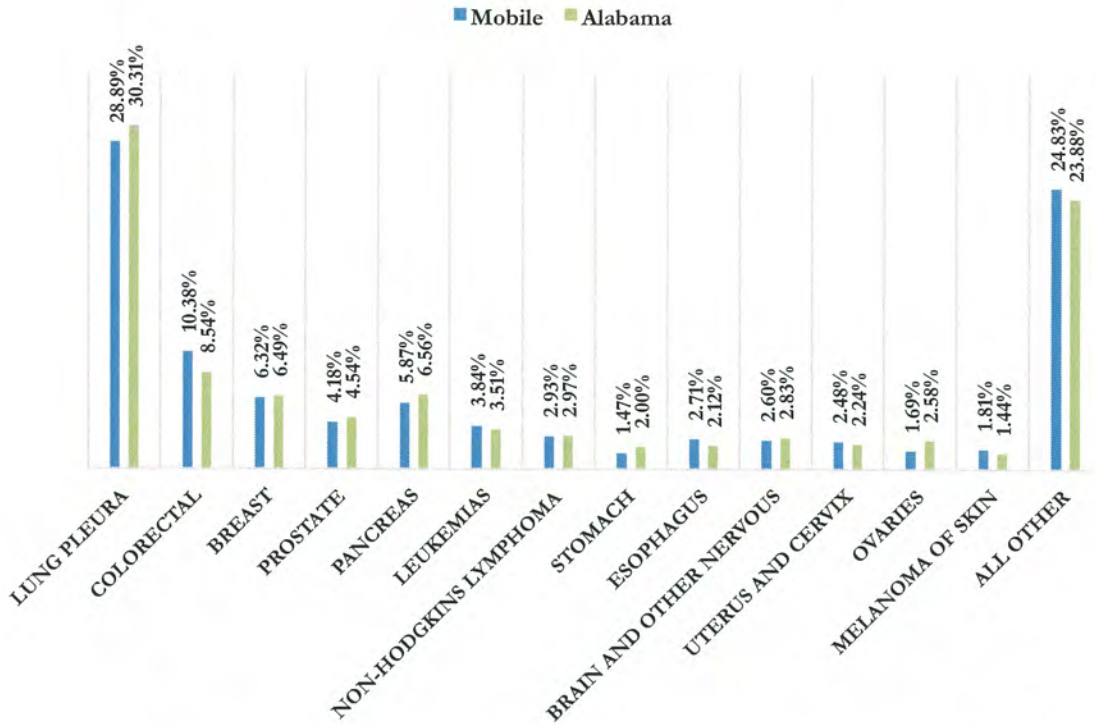


Over the time period, Chronic Lower Respiratory, Diabetes, Alzheimer's and Influenza/Pneumonia all have risen in the number of deaths caused a year. Given the change in population demographics discussed earlier, this may not come as a surprise, as these diseases are often associated with age. Additionally, the relationship between Alzheimer's disease, dysphagia, and aspiration pneumonia may contribute, in part, to the overall increase in deaths reported as pneumonia.

Cancer is the second leading cause of death in Mobile County, claiming the lives of approximately 906 Mobilians every year for the last five years -- roughly 22% of all deaths in Mobile and 20.8% of all deaths in Alabama.

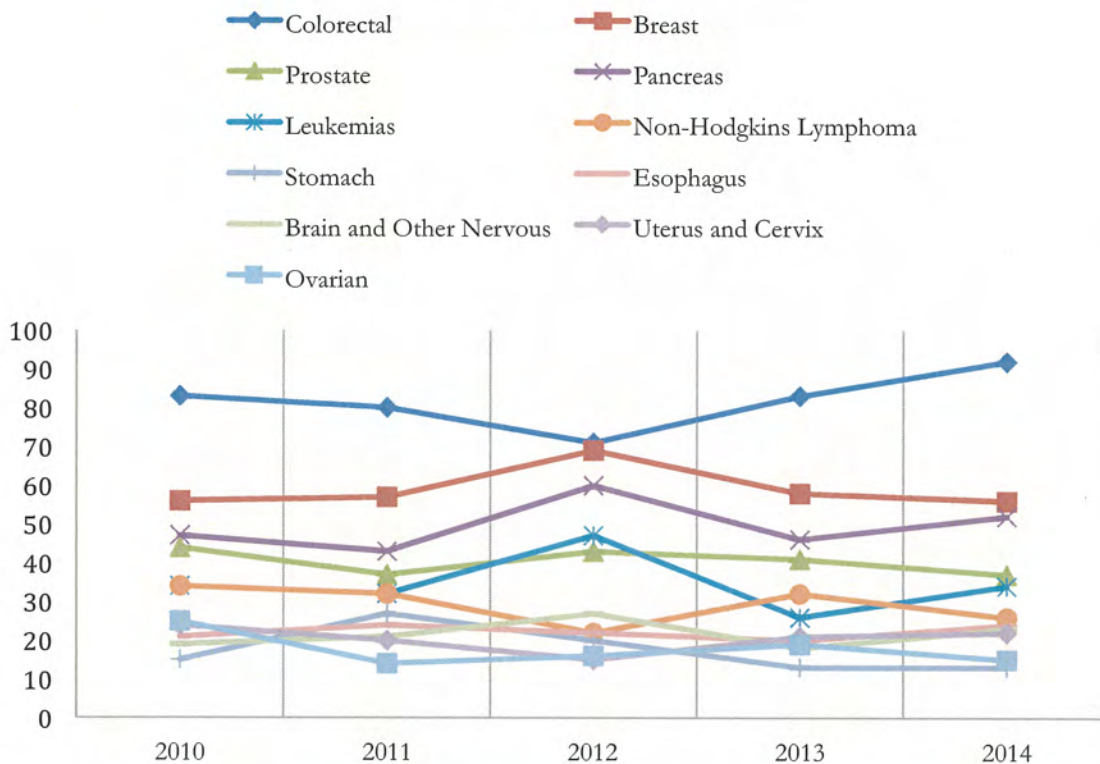
Together, cancers of the respiratory system, including Trachea, Bronchus, Lung, and Pleura account for the vast majority of cancer related deaths. In Mobile this grouping constituted 28.89% of cancer deaths in 2014 and 30.94% of all cancer deaths from 2010-2014. These statistics are similar to that of Alabama, with 30.31% in 2014 and 30.67% of all cancer deaths from 2010-2014.

Cancer Rates by Type in 2014



Of the other cancers of significant frequency in both Mobile, Alabama, and the U.S are colorectal and breast cancers. Colorectal cancer is the third most lethal cancer type in the United States among both men and women. Mobile and Alabama report colorectal cancer deaths at a similar mortality rate to the nation (9% across both sexes). Breast cancer mortality is much lower in Mobile and Alabama when compared to the national mortality of women (14%). Similarly, the mortality for prostate cancer is much lower in Mobile and Alabama than it is nationally (10% of men).

Cancer Deaths in Mobile



Despite this, colorectal cancer and breast cancer are still the two of the more prominent contributors to Mobile and Alabama mortality. From the five year trend provided, breast cancer has remained steady in Mobile while the incidents of colorectal cancer deaths appears to be on the rise.

Increasing age demographics as described earlier may contribute to the apparent increase in colorectal cancer frequency. With the USPTF recommended screening for colorectal cancer after 50, increase in incidence may be due to an aging population.

Colorectal death rates are also highest among blacks, a significant population in Mobile. Finally, Diabetes can contribute to the development of colorectal cancer -- and as demonstrated earlier, diabetes appears to be on the rise in both Mobile and Alabama as a whole.

COMMUNITY INPUT SURVEY – 3

Community Survey Methodology

The Community Health Needs Assessment survey was comprised of two key sampling elements: 1) the general community survey and 2) the focused community survey. Both surveys examined the key community area of Mobile County but in different ways. The general community survey was a standard random digit dialed (RDD) survey of residents of Mobile County. This survey also included cell phone respondents.² A total of 263 respondents were collected from Mobile County in the general community survey for a margin of error of +/- 6.0%. These respondents reflect a somewhat more general view and encompass opinions of respondents throughout all of Mobile County.

The focused community survey examined those zip codes within Mobile County where most USA Health System patients reside. In order to be included, the zip code area needed to have had at least 50 patients visiting either the USA Medical Center or USA Children's & Women's Hospital in fiscal year 2015. See Table 3.1 for a breakdown of the zip codes included and the number of patients visiting either the USA Medical Center or USA Children's & Women's hospital. The focused survey did not include cell phone respondents.³ A total of 257 respondents were collected from Mobile County in the focused community survey for a margin of error of +/- 6.1%. These respondents are considered more focused in that they reflect the opinions of respondents in areas more likely to utilize the USA Health System.

The two groups were then combined to provide an overall estimation of residents of Mobile County. While typically one would need to weight the responses of the focused sample, an examination of the percentage of the population collected for each zip code showed such minor differences that weighting was not necessary. This combined "overall" category includes 520 respondents for a margin of error of +/- 4.3%. The response rate for the survey was 8.87% if "No Answer" responses are included in the base and 15.51% if they are excluded.

For these surveys a computer assisted telephone interviewing (CATI) system was used to conduct the interviews and collect data. The CATI system recorded information related to the call histories and call dispositions used by interviewers to document the outcome of each call attempt, as well as the surveys questions and their responses. The USA Polling Group uses WinCATI/CI3, developed by Sawtooth Technologies in Evanston, Illinois, to program and field its surveys. WinCATI/CI3 is widely used by major academic, public, and private survey organizations. With CATI systems, data are entered directly into the computer by the

² Cell phone respondents were screened for the following items: 1) were they in a safe location to be able to speak by phone, 2) were they 18 years of age or older, and 3) were they still residents of Mobile County.

³ The county level is typically the lowest geographic unit for which cell phone numbers can be supplied. Since this sample was focused around zip codes it was not possible to include cell phone numbers.

interviewer, so that interviewing and data entry become a single, seamless step. The benefit is twofold: accuracy of data transmission is enhanced and time otherwise spent re-entering data is saved. In addition, CATI capabilities allow skip patterns and range checks within the interview to reduce back-end data cleaning. In addition to questionnaire programming, the USA Polling Group also utilizes WinCATI/CI3's call scheduling capabilities to maximize the probability of contacting potential respondents. A central file server arranges call scheduling for interviewer administration. The system enables calls to be scheduled so that different times of the day and week are represented.

Table 3.1: Number of USA Health System Patients from Mobile County Zip Codes - Used to determine the zip codes included in the focused survey

<i>Zip Code</i>	<i>Area in Mobile County</i>	<i>USA Medical Center Count</i>	<i>USA Children's & Women's Count</i>	<i>Total</i>
36509	Bayou La Batre	25	59	84
36521	Chunchula	55	77	132
36522	Chunchula	78	170	248
36541	Citronelle	114	229	343
36544	Grand Bay	120	252	372
36560	Irvington	54	106	160
36571	Mt. Vernon	126	160	286
36572	Saraland	62	58	120
36575	Satsuma	152	281	433
36582	Semmes	216	514	730
36587	Theodore	115	197	312
36603	Wilmer	187	253	440
36604	Mobile	159	271	430
36606	Mobile	279	579	858
36607	Mobile	177	180	357
36608	Mobile	250	544	794
36609	Mobile	162	515	677
36610	Mobile	430	518	948
36611	Mobile	90	188	278
36612	Mobile	86	164	250
36613	Eight Mile	236	263	499
36617	Mobile	418	474	892
36618	Mobile	151	360	511
36619	Mobile	117	173	290
36693	Mobile	125	211	336
36695	Mobile	207	477	684

The survey questionnaire was based on the instrument used by Mobile Infirmiry to survey community health leaders.⁴ Some questions were dropped to reduce the survey length while others were modified slightly to accommodate implementation by telephone. The full text of the survey can be found in Appendix D. By using a common questionnaire comparisons can later be made between the findings of both surveys.

Table 3.2: Survey Details

<i>Area</i>	<i>Date Started</i>	<i>Date Completed</i>	<i>N</i>	<i>Margin of Error</i>	<i>Cell Phone %</i>	<i>Median Length (minutes)</i>	<i>Response Rate w/ No Answers¹</i>	<i>Response Rate w/ out No Answers²</i>
General	4/25/2016	5/19/2016	263	+/-6.0	13.3%	18.00	-	-
Focused	5/9/2016	5/17/2016	257	+/-6.1	0.0%	17.29	-	-
Overall	4/25/2016	5/19/2016	520	+/-4.3	6.7%	17.42	8.87%	15.51%

¹ Calculated by dividing the number of completions by all numbers attempted except those that were out of scope

² Calculated the same as ¹ but numbers that were never answered were also excluded from the numerator

Key Survey Findings

This section details the key elements of the survey findings and in particular identifies some the most highly rated areas of community need. To see all of the findings regarding the survey data please refer to the tables in Appendix B.

Mobile County residents are mixed on how they rate their own health. Twelve percent rate themselves in excellent health, 21 percent say very good, 41 percent say good, 20 percent say fair, and six percent say poor. When rating others though only two percent say people in Mobile are very healthy, 20 percent say healthy, 61 percent say somewhat healthy, 16 percent say unhealthy, and three percent say very unhealthy. Thus, in terms of rating one's own health there is a slight tendency toward more extreme categories both positive and negative, while perceptions of other people tend more toward the middle ground of somewhat healthy with relatively equitable splits between healthy and unhealthy.

Mobile County residents are also mixed on how they perceive the quality of healthcare services available in Mobile County. Thirty-six percent say healthcare is either excellent or very good, 35 percent also take the middle ground and say it is good, and Twenty-eight percent say it is only either fair or poor.

Most respondents have Medicare. This is not surprising given the older age of many of the respondents. Nineteen percent have employer based private insurance, 17 percent have private insurance they purchased themselves, and five percent do not have insurance. Eight percent of respondents report not having a personal doctor or health care provider. Ninety-

⁴ Mobile Infirmiry agreed to allow the USA Health System to utilize the survey instrument.

two percent say they have seen a doctor for a wellness exam or routine checkup in the past year but only 64 percent say the same for a dental exam or cleaning.

Respondents were asked about a series of items and how important they felt each item would be in improving the overall health in their community. The top six items rated as most important include: 1) a clean environment, 2) lower crime and safe neighborhoods, 3) family doctors and specialists, 4) less sexually transmitted diseases, 5) more quality education, and 6) good schools. The rankings for Mobile County including the overall combined sample, the general sample, and the focused sample can be seen in Table 3.3 while the full list of all items can be found in Tables B.8 and B.9 in Appendix B.

Table 3.3: Top 6 Items Respondent Thinks Would Be Important For Improving the Overall Health In Your Community – Ranked According to Overall Saying “Very Important”

	<i>Mobile County*</i>	<i>Very Important</i>	<i>Somewhat Important</i>	<i>Neither</i>	<i>Somewhat Unimportant</i>	<i>Very Unimportant</i>	<i>Total</i>	<i>N</i>
Q8e. A clean environment including water, air, etc.	<i>O</i>	98.1	1.7	0.0	0.2	0.0	100.0%	519
	<i>G</i>	98.1	1.5	0.0	0.4	0.0	100.0%	263
	<i>F</i>	98.1	2.0	0.0	0.0	0.0	100.1%	256
Q8n. Lower crime and safe neighborhoods.	<i>O</i>	96.5	2.1	0.8	0.4	0.2	100.0%	518
	<i>G</i>	95.8	2.3	1.2	0.4	0.4	100.1%	262
	<i>F</i>	97.3	2.0	0.4	0.4	0.0	100.1%	256
Q8f. Family doctors and specialists.	<i>O</i>	96.4	3.3	0.2	0.0	0.2	100.1%	520
	<i>G</i>	94.7	4.6	0.4	0.0	0.4	100.1%	263
	<i>F</i>	98.1	2.0	0.0	0.0	0.0	100.1%	257
Q8p. Less sexually transmitted diseases.	<i>O</i>	95.9	3.0	1.0	0.0	0.2	100.1%	506
	<i>G</i>	94.9	2.8	2.0	0.0	0.4	100.1%	255
	<i>F</i>	96.8	3.2	0.0	0.0	0.0	100.0%	251
Q8s. More quality education.	<i>O</i>	94.8	4.4	0.2	0.4	0.2	100.0%	519
	<i>G</i>	91.6	7.3	0.4	0.4	0.4	100.1%	262
	<i>F</i>	98.1	1.6	0.0	0.4	0.0	100.1%	257
Q8j. Good schools.	<i>O</i>	94.4	4.5	0.8	0.4	0.0	100.1%	514
	<i>G</i>	93.0	5.4	1.2	0.4	0.0	100.0%	258
	<i>F</i>	95.7	3.5	0.4	0.4	0.0	100.0%	256

* The O designation refers to Mobile County Overall, the G designation refers to the Mobile County General sample, and the F designation refers to the Mobile County Focused sample. See the Community Survey Methodology section for a description of the three designations.

Respondents were asked how they felt about a number of health issues. For each issue, the respondent rated how important a problem was for Mobile County. Table 3.4 shows the top six issues respondents felt were a problem for Mobile County: 1) child abuse and neglect, 2) drug use and abuse, 3) cancers, 4) domestic violence, 5) heart disease and stroke, and 6) rape and sexual assault. The full list of health issues are located in Appendix B in Tables B.10 and B.11.

Table 3.4: Top 6 Health Issues Respondent Feels Are A Problem For Mobile County – Ranked According to Overall Saying “Very Important”

	<i>Mobile County</i>	<i>Very Important</i>	<i>Somewhat Important</i>	<i>Neither</i>	<i>Somewhat Unimportant</i>	<i>Very Unimportant</i>	<i>Total</i>	<i>N</i>
Q9d. Child abuse and neglect.	<i>O</i>	96.5	3.5	0.0	0.0	0.0	100.0%	513
	<i>G</i>	97.3	2.7	0.0	0.0	0.0	100.0%	259
	<i>F</i>	95.7	4.3	0.0	0.0	0.0	100.0%	254
Q9h. Drug use and abuse.	<i>O</i>	94.5	4.1	0.6	0.4	0.4	100.0%	511
	<i>G</i>	92.3	5.8	0.8	0.4	0.8	100.1%	258
	<i>F</i>	96.8	2.4	0.4	0.4	0.0	100.0%	253
Q9c. Cancers.	<i>O</i>	94.1	4.9	1.0	0.0	0.0	100.0%	512
	<i>G</i>	92.7	5.4	1.9	0.0	0.0	100.0%	259
	<i>F</i>	95.7	4.4	0.0	0.0	0.0	100.1%	253
Q9g. Domestic violence.	<i>O</i>	93.4	5.5	1.0	0.2	0.0	100.1%	514
	<i>G</i>	94.2	4.3	1.5	0.0	0.0	100.0%	259
	<i>F</i>	92.6	6.7	0.4	0.4	0.0	100.1%	255
Q9j. Heart disease and stroke.	<i>O</i>	93.0	5.8	1.0	0.0	0.2	100.0%	515
	<i>G</i>	91.2	7.3	1.5	0.0	0.0	100.0%	261
	<i>F</i>	94.9	4.3	0.4	0.0	0.4	100.0%	254
Q9s. Rape and sexual assault.	<i>O</i>	92.9	5.9	0.4	0.4	0.4	100.0%	510
	<i>G</i>	91.2	7.3	0.4	0.4	0.8	100.1%	260
	<i>F</i>	94.8	4.4	0.4	0.4	0.0	100.0%	250

Determining the prevalence of different health conditions is vital in determining community need. Respondents were asked to identify whether a doctor or other health professional had ever told them if they had any number of a series of twelve major health issues. The top six health conditions identified by respondents in Mobile County were: 1) high blood pressure, 2) high cholesterol, 3) diabetes, 4) heart disease, 5) depression, and 6) obesity. Table 3.5 shows these rankings for all three samples – overall, general, and focused – and Table B.12 in Appendix B shows the responses to all twelve health issues.

Table 3.5: Top 6 Health Conditions Among Mobile County Residents – Ranked According to Overall Saying “Yes” A Doctor or Other Health Professional Told Them They Have the Condition

	<i>Mobile County</i>	<i>Yes</i>	<i>No</i>	<i>Total</i>	<i>N</i>
Q10h. High blood pressure.	O	57.3	42.7	100.0%	513
	G	53.5	46.5	100.0%	260
	F	61.3	38.7	100.0%	253
Q10g. High Cholesterol.	O	43.0	57.0	100.0%	512
	G	39.6	60.4	100.0%	260
	F	46.4	53.6	100.0%	252
Q10e. Diabetes.	O	26.7	73.3	100.0%	513
	G	26.2	73.9	100.1%	260
	F	27.3	72.7	100.0%	253
Q10f. Heart Disease.	O	18.6	81.5	100.1%	512
	G	15.8	84.2	100.0%	260
	F	21.4	78.6	100.0%	252
Q10d. Depression.	O	18.1	81.9	100.0%	514
	G	16.9	83.1	100.0%	260
	F	19.3	80.7	100.0%	205
Q10j. Obesity.	O	17.2	82.8	100.0%	513
	G	17.7	82.3	100.0%	260
	F	16.7	83.3	100.0%	252

Health related services that are difficult to access are a clear problem and point to community needs. Respondents were asked to identify healthcare services that they felt were difficult to obtain in Mobile County. These responses were unprompted, that is respondents had to identify them on their own, and respondents could select as many as they felt were problems. Not counting those saying some “other” issue, Table 3.6 identifies the six healthcare services respondents feel are most difficult to access in Mobile County: 1) mental health services, 2) specialty medical care, 3) prescription and pharmacy services, 4) dental care, 5) emergency medical care, and 6) women’s health. The full list of services can be found in Table B.13 in Appendix B. The “other” responses are presented in Appendix C, these responses range over a number of issues however many of them reference limitations regarding accessing specialist physicians generally and accessing particular specialists

Table 3.6: Top 6 Healthcare Services Respondent Feels Are Difficult to Get in Mobile County – Ranked According to Overall and Not Counting “Other” in Top 6

	<i>Mobile County - Overall</i>	<i>Mobile County - General</i>	<i>Mobile County - Focused</i>
Other	10.0	11.8	8.2
Mental health services	7.3	8.0	6.6
Specialty medical care (specialist doctors)	6.2	4.6	7.8
Prescriptions / pharmacy services	5.6	4.6	6.6
Dental care / dentures	4.4	3.0	5.8
Emergency medical care	4.2	1.9	6.6
Women’s health	4.2	1.5	7.0

Approximately 14 percent of Mobile County residents indicated that they had delayed in getting needed medical care at some point in the past 12 months. Delays in seeking healthcare can lead to more severe, complicated, and costly problems. Factors contributing to such delays are again clear signals of community needs. Table 3.7 lists the top six reasons, not counting those saying “other”, identified by respondents for why they delayed in getting needed medical care: 1) could not afford medical care, 2) insurance problems or a lack of insurance, 3) could not get an appointment soon enough, 4) lack of transportation, 5) provider was not taking new patients, and 6) could not get a weekend or evening appointment. The full list of reasons for delaying needed medical care can be found in Table B.15 in Appendix B. The “other” responses are presented in Appendix C; many of these responses indicate insufficient time due to other obligations.

Table 3.7: Top 6 Reasons Respondent Delayed Getting Needed Medical Care - Ranked According to Overall and Not Counting “Other” in Top 6

	<i>Mobile County - Overall</i>	<i>Mobile County - General</i>	<i>Mobile County - Focused</i>
Other	37.5	40.5	34.3
Could not afford medical care	31.9	29.7	34.3
Insurance problems / lack of insurance	20.8	18.9	22.9
Could not get an appointment soon enough	8.3	2.7	14.3
Lack of transportation	6.9	5.4	8.6
Provider was not taking new patients	4.2	2.7	5.7
Could not get a weekend or evening appointment	4.2	5.4	2.9

When seeking medical care for someone who is sick, Mobile County residents most often go to their family doctor (64%), the emergency room (16%), or an urgent care clinic (10%).

Respondents have a great deal of confidence that they can make and maintain lifestyle changes. Thirty-four percent are extremely confident in their ability to do so and 43 percent are very confident.

Only 10 percent of respondents indicate that they are currently using tobacco products such as cigarettes and cigars. A modest one percent report using chewing tobacco or snuff and slightly less than one percent say they use e-cigarettes or vaporizing pens. Seventy-nine percent report never having used tobacco products.

Most respondents for the survey were older. Thirty-nine percent were between the ages of 46 and 65 and 53 percent were over 65. However, given that the survey’s goal is to identify healthcare needs, this upward age bias is less concerning.

Whites constituted 57 percent of those responding; African-American's constituted 39 percent.

Thirty percent of respondents possess a high school degree or GED. Twenty-seven percent have some college coursework; 22 percent have a Bachelor's or four year degree, and 13 percent have a graduate or professional degree.

Given the older age of the respondents it is not surprising that 53 percent say they are retired. Twenty-one percent are working full-time, nine percent are disabled, and six percent are unemployed.

While many respondents (22%) indicated an income of less than \$15,000 annually, there was a relatively equitable distribution of respondents across all of the remaining income brackets.

The majority of survey respondents (74%) were female.

Comparing the General and Focused Survey Areas

Comparisons were made to determine if there were any differences between the general and focused survey areas. Crosstabulation was used to test for statistically significant differences in the two areas. Generally across most questions, respondents from the Mobile County general survey were very similar in their answers to respondents from the Mobile County Focused survey and very few statistically significant differences were found. The eleven areas where statistically significant differences were identified are discussed below.

When asked how important various items would be to improving the overall health of their community, there were two statistically significant differences based on the general versus the focused samples. Those in the focused survey area were more likely (94%) than those in the general sample (88%) to say that "less tobacco use" was very important. Similarly, those in the focused survey area were more likely (98%) than those in the general sample (92%) to say that "more quality education" was very important. In both of these cases the relationships were statistically significant at the .05 level.

Among the list of health issues that respondents identified as being important problems for Mobile County, the issue related to dental problems showed differences between the general and focused samples. Those in the focused sample area (85%) were rather more likely to identify dental problems as an important issue than were those in the general sample area (75%).

Respondents from the focused sample area were somewhat more likely to identify that they had been told they had dementia or Alzheimer's (2.8%) compared to those in the general sample area (0.4%). Those from the focused sample area were also more likely to identify emergency medical care (6.6%) and women's health (7.0%) as healthcare services difficult to get in Mobile County compared to the general sample area (1.9% and 1.5% respectively).

There were a number of differences between the two areas when looking at where they go for healthcare when someone in their family is sick. Those in the focused sample area were more likely to say the ER (18%) and family doctor (69%) than were those in the general area (15% and 58% respectively). However, those in the general sample area were much more likely to go to an urgent care facility (13%) compared to those in the focused sample area (6%).

In terms of tobacco use, respondents in the general sample area were more likely to say that they do not currently use tobacco products and had quit more than a year ago (11%) than were residents of the focused sample area (6%). Based on the table, focused sample residents more frequently indicated that they had never used tobacco products; however, this relationship was not statistically significant so it is not conclusive that focused area residents were less likely to have ever used tobacco products.

The final three statistically significant differences relate to demographic data. Focused sample respondents were more likely to be older with 59 percent saying they were 65 or older compared to only 46 percent of general sample respondents. This difference however is likely due to the fact that cell phones numbers could not be used for the focused sample area (see the survey methodology section for more explanation). In terms of race, the focused sample area had more African-Americans (48%) than the general sample area (30%) and less whites (48% compared to 65%). Finally looking at employment, respondents in the focused sample area were less likely to be employed full-time (14%) but more likely to be retired (59%) or unemployed (8%) compared to general sample respondents (27%, 49%, and 5% respectively).

Comparing Community and Provider Surveys

The community survey used herein was based on the provider survey used by Mobile Infirmary in conducting their 2016-2018 CHNA. Mobile Infirmary surveyed 41 individuals working with local health and social service organizations to identify community needs. Using a similar survey for community input allows an opportunity to compare the perceptions of community health leaders with the impressions of the community at large regarding health needs.⁵ The following tables present the findings from each study for comparison.

⁵ Changes to the survey included: 1) re-phrasing questions to make them appropriate for the surveyed audience and telephone interviewing, and 2) removing some questions to reduce the time required to complete the survey.

Table 3.8: Comparison of Features of a Health Community

<i>Mobile Infirmary Provider Survey</i>	<i>USA Health System Community Survey</i>
1. Access to health services such as a health clinic or hospital.	1. A clean environment including water, air, etc.
2. More quality education.	2. Lower crime and safe neighborhoods.
3. More quality health care options.	3. Family doctors and specialists.
4. Mental Health Services.	4. Less sexually transmitted diseases.

Based on the top four responses, as shown in Table 3.8, there is only slight correspondence between the two different groups. Providers identified access to health services and more quality health care options while the community identified family doctors and specialists. These are not exactly the same, but it does suggest a focus on health care options across both groups.

Immediately following the top four, measures relating to education seemed to be a focus of respondents. The fifth and sixth rated community items were more quality education and good schools respectively. This focus on education clearly aligns with the provider focus on more quality education. While not identified in the top six responses for providers, it is unsurprising that community identified a clean environment and safe neighborhoods as high priorities. Also, the relatively high ranking regarding STD's for the community at large may indicate a wider community problem.

Table 3.9: Comparison of Most Important Health Issues

<i>Mobile Infirmary Provider Survey</i>	<i>USA Health System Community Survey</i>
1. Obesity.	1. Child abuse and neglect
2. Mental health problems.	2. Drug use and abuse.
3. Heart disease and stroke.	3. Cancers.
4. Diabetes.	4. Domestic violence.

Table 3.9 presents a comparison of the most important health issues. There is little consensus amongst the top four issues identified by each group. Again, for the community respondents we see a number of what are likely more personal family issues--including child abuse, drug abuse, and domestic violence. Also, heart disease was the fifth highest ranked

option among the community and mental health, diabetes, and obesity were ranked eighth, ninth, and tenth respectively. It should also be noted that only a few percentage points separate many of these rankings; thus, while the top four items are not consistent between providers and community, there is still considerable concern regarding the provider identified issues among the community at large.

Table 3.10: Comparison of Community Health and Health Services

	<i>Mobile Infirmiry Provider Survey</i>	<i>USA Health System Community Survey</i>
The health of my community:	Somewhat Healthy	Somewhat Healthy
Quality of health services:	Good	Good

There is complete agreement in Table 3.10 between the providers and community at large regarding the health of the community and the quality of health services available in the community. This consensus however should not be too surprising as these each represent the middle category of each questions response options. At least in terms of the community at large, it would not be uncommon for responses to cluster in the middle as it is the most cognitively easy response option.

Table 3.11: Comparison of Healthcare Services That Are Difficult to Obtain

<i>Mobile Infirmiry Provider Survey</i>	<i>USA Health System Community Survey</i>
1. Mental health services.	1. Mental health services.
2. Preventative care.	2. Specialty medical care.
3. Prescriptions / pharmacy services.	3. Prescriptions / Pharmacy services.
4. Dental care.	4. Dental care.

There is considerable alignment among providers and the community at large regarding the healthcare services believed to be most difficult to obtain. Table 3.11 shows that both groups identify mental health services, prescription/pharmacy services, and dental care as services that are difficult to obtain. There is slight disagreement with providers suggesting preventative care is difficult to obtain while the community at large feels that specialty medical care is more difficult to acquire.

Overall, the community at large seems to place a slightly higher emphasis on more immediate issues such as safe neighborhoods. However, despite not aligning directly on

some issues, the community at large shares many of the same concerns identified by the providers. Further in terms of evaluating the health of the community and the quality of services available, both groups are in agreement. Finally, given the strong agreement among both groups regarding services that are difficult to obtain, it should be clear that mental health services, pharmacy services, and dental care are the most difficult services to obtain in Mobile County.

COMMUNITY RESOURCES – 4

Summary

Along with the five acute care hospitals, two specialty hospitals, and three federally qualified health clinics, there are numerous other community resources dedicated to providing access to healthcare services or provide services that directly impact health. This includes nursing homes, hospice care, and in home health care for those that need assistance. There are currently 19 nursing homes, 13 hospice care providers, and 12 home care providers. Beyond direct health care, there are a variety of agencies that assist with access to prescriptions, food, housing, childcare, counseling, and more.

A list of major providers of health and social services is provided in the Community Resource List Tables 4.1 thru 4.7. This list however is not exhaustive. To find specific services or further providers, residents can call 211 where operators can direct callers to the appropriate service providers.

Community Resource List

Table 4.1: Acute Care Hospitals

Mobile Infirmiry	(251) 435-2400
Providence Hospital	(251) 633-1000
Springhill Medical Center	(251) 344-9630
University of South Alabama Medical Center	(251) 471-7110
USA Children’s and Women’s Hospital	(251) 415-1000

Table 4.2: Specialty Hospitals

BayPointe Children’s Hospital	(251) 661-0153
Mobile Infirmiry Long Term Acute Care Hospital	(251) 435-2400

Table 4.3: Federally Qualified Health Clinics

Franklin Primary Health Centers	(251) 432-4117
Mobile County Health Department Clinics	(251) 690-8158
Mostellar Medical Center	(251) 824-2174

Table 4.4: Nursing Homes

Allen Memorial Home	(251) 433-2642
Ashland Place Health & Rehabilitation	(251) 471-5431
Azalea Gardens of Mobile	(251) 479-0551
Citronelle Health & Rehabilitation Center	(251) 866-5509
Crowne Health Care of Mobile	(251) 473-8684
Crowne Health Care of Springhill	(251) 304-3013
Gordon Oaks Health & Rehab	(251) 661-7608
Grand Bay Convalescent Home, Inc.	(251) 865-6443
Gulf Coast Health & Rehabilitation	(251) 634-8002
Kindred Transitional Care and Rehab	(251) 316-0917
Little Sisters of the Poor Sacred Heart Residence	(251) 476-6335
Lynwood Nursing Home	(251) 661-5404
Mobile Nursing & Rehabilitation Center	(251) 639-1588
North Mobile Nursing & Rehabilitation Center	(251) 452-0996
Palm Gardens Health & Rehabilitation	(251) 450-2800
Sea Breeze Healthcare Center	(251) 433-5471
Springhill Manor Nursing Home	(251) 342-5623
Springhill Senior Residence	(251) 343-0909
Twin Oaks Rehabilitation & Healthcare Center	(251) 476-3420

Table 4.5: Hospice Services

Alacare	(251) 341-0707
Coastal Hospice Care	(251) 675-0012
Community Hospice of Baldwin County	Mobile County: (251) 937-7330
Covenant Care Hospice	(251) 478-8671
Gentiva Hospice	(251) 340-6387
Infirmity Hospice Care	(251) 435-7460
Kindred at Home	(251) 478-9900
Mercy Medical Home Care & Hospice	(251) 304-3135
Odyssey Health Care	(251) 478-9900
Saad's Hospice Services	(251) 343-9600
Southern Care Hospice	(251) 621-2844
Springhill Home Health and Hospice	(251) 433-8172
Veterans Affairs Outpatient Clinic	(251) 219-3900

Table 4.6: Home Health Agencies

Amedisys	(800) 239-9192
Addus Healthcare	(251) 414-5855
Alacare Home Health & Hospice	(251) 341-0707
BrightStar Care North Mobile/Baldwin Co.	(251) 405-6451
Carestaff	(251) 380-2070
Home Instead Senior Care	(251) 342-6655
Kindred at Home	(251) 478-9900
Infirmity HomeCare of Mobile	(251) 450-3300
Maxim Healthcare	(251) 470-0223
Mercy Life of Alabama	(251) 287-8427
Oxford HealthCare Services	(800) 404-3191
Saad Healthcare	(251) 343-9600

Table 4.7: Social Service Agencies

AIDS South Alabama	(251) 471-5277
AltaPointe Health Systems	(251) 450-2211
American Red Cross	(251) 544-6100
Area Agency on Aging	(251) 433-6541
Big Brothers Big Sisters of South Alabama	(251) 344-0536
Boys & Girls Club of South Alabama	(251) 432-1235
CASA Mobile	(251) 574-5277
Catholic Social Services	(251) 434-1500
Child Advocacy Center	(251) 432-1101
Child Day Care Association	(251) 441-0840
Crittendon Youth Services	(251) 639-0004
Dearborn YMCA	(251) 432-4768
Drug Education Council	(251) 478-7855
Dumas Wesley Community Center	(251) 479-0649
E.A. Roberts Alzheimer Center	(251) 435-6950
Emma's Harvest Home	(251) 478-8768
Epilepsy Foundation of Alabama	(251) 341-0170
Family Promise of Coastal Alabama	(251) 441-1991
Feeding the Gulf Coast	(251) 653-1617
Goodwill Easter Seals of the Gulf Coast	(251) 471-1581
GRMCA Early Childhood Directions	(251) 473-1060
Habitat for Humanity in Mobile County	(251) 476-7171
Home of Grace for Women	(251) 456-7807
Housing First	(251) 450-3345
The Learning Tree	(251) 649-4420
Lifelines Counseling Services	(251) 602-0909
McKemie Place	(251) 432-1122
Mission of Hope	(251) 649-0830
Mobile Community Action	(251) 457-7143
Mobile Arc	(251) 479-7409
Mulherin Custodial Home	(251) 471-1998
Oznam Charitable Pharmacy	(251) 432-4111
Penelope House Family Violence Center	(251) 342-8994
Preschool for the Sensory Impaired	(251) 433-1234
Ronald McDonald House Charities of Mobile	(251) 694-6873

Salvation Army of Coastal Alabama	(251) 438-1625
Serenity Care	(251) 478-1917
South Alabama Volunteer Lawyers Program	(251) 438-1102
St. Mary's Home	(251) 344-7733
United Cerebral Palsy of Mobile	(251) 479-4900
United Way of Southwest Alabama	(251) 433-3624
Via! Senior Citizens Services	(251) 470-5226
Victory Health Partners	(251) 460-0999
Volunteers of America	(251) 300-3500
Waterfront Rescue Mission	(251) 433-1847
Wilmer Hall Children's Home	(251) 342-4931
Wings of Life	(251) 432-5245

2012-2013 IMPLEMENTATION STRATEGIES EVALUATION – 5

Introduction

After the 2013 USA Health System Community Health Needs Assessment, a variety of implementation strategies were created in order to guide community activity and partnerships with local nonprofits, as well as means to examine actions that have been taken and progress made. The seven strategies are related to USA's and the USA Health System's impact on the community primarily through their partnerships with local nonprofits. Each strategy is identified and discussed.

Implementation Strategies

Strategy 1: A significant portion of the population is poor or near poor.

Low socioeconomic status leads directly and indirectly to lower levels of health for this segment of the population.

Opportunities for the USA Health System to directly change the level of poverty in the community is limited; however, the University of South Alabama (including its component hospitals) is one of the major economic drivers of the local economy. As such, the University makes numerous contributions to the alleviation of poverty in the community. Specifically:

- The University is one of the largest employers in the region.
- The University provides affordable access to higher education to thousands of local residents.
- The University has provided education and training to the vast majority of teachers in the local public schools.
- The University supports and participates in a broad spectrum of economic development initiatives affecting the local area.

According to the Mobile Area Chamber of Commerce, the University of South Alabama and the USA Health System are the second largest employer in the area as well as the second largest non-industry employer.

Table 5.1: Largest Employers in Mobile, AL

	2013	2014
Mobile County Public School System	7,280	7,400
University of South Alabama and USA Health System	5,168	5,180
Infirmity Health	5,100	5,070
Austal USA	4,000	4,202
City of Mobile	2,323	2,290

The university is classified as a largely in-state student university, with approximately 75% of the enrolled student body being considered in-state students. In Fall 2014, total enrollment was 15,805 and undergraduate enrollment was 11,479. Of these students, 60% were receiving grants or scholarship aid. Federal Pell Grants are grants from the U.S. federal government specifically for students that demonstrate financial need and have not earned their first bachelor's degree. Of full-time beginning undergraduates, 43% were receiving a Pell Grant, and 40% of all enrolled undergraduates were receiving one as well which indicates a relatively high need for educational costs assistance.

Training and education of teachers was identified as one of the ways the university impacts poverty in the community. The College of Education at USA provides 12 undergraduate programs with 12 certificate options as well as 21 graduate programs with 58 certificate options. A variety of programs are offered online, particularly for the graduate level, in order to make it easier for teachers to continue their education while continuing to work. More than 85% of the educators in the Mobile region have at least one teaching credential or degree from the College of Education.

In 2014, the University of South Alabama partnered with Mobile County, the City of Mobile, Mobile Area Chamber of Commerce and members of Partners of Growth investors to apply for southwest Alabama to become a recognized Manufacturing Community via Investing in Manufacturing Communities Partnerships. Southwest Alabama was selected to be one of 12 such Manufacturing Community and received a \$100,000 grant from the U.S. Department of Commerce.

Importantly, as the health emphasis shifts to accountable care, the USA Health System will focus on identifying vulnerable, underserved, and at risk portions of their service populations. Once identified, these groups can be targeted for increased screening, prevention activities, and intensive treatment for chronic conditions.

The USA Health System has partnered with University of South Alabama College of Nursing as well as other community outreach programs such as 15th Place Wellness Center, Dumas Wesley Community Outreach, Goodwill Easter Seals, and Think First for Kids and Teens.

15th Place Wellness Center is part of Housing First Inc. and is focused on providing a one stop location for as many services and resources for the homeless as possible, including assistance to find housing. Housing First, Inc. performed the annual Point-in-Time homeless count for 2016 and reports that there are 495 homeless individuals in the City of Mobile and 96 in Mobile County. While the count is in progress, identified individuals are provided with supplies such as blankets, socks, toiletries, and first aid items. Housing First, Inc. also hold an annual event called Project Homeless Connect (PHC). Project Homeless Connect is a day of service that bring medical services, legal services, government agency representatives, faith-based organizations, Work Force Development, and other nonprofits together in order to serve the homeless population. USA provides volunteers to help with medical needs, including examinations, screenings, and medicine. The most recent PHC was hosted in January 2016 and served approximately 300 people.

Goodwill Easter Seals focuses on helping adults and children with disabilities along the Gulf Coast by providing early intervention and access to day care, parent training, and assisting with job training. Medical equipment for trauma patients is also provided.

Table 5.2: Goodwill Easter Seals Medical Equipment and Number Served

	2014	2015
Free Medical Equipment & Supplies Given Out	\$125,000	1,905
Total Number Served (All Programs & Populations)	\$11,208	11,524
People w/ Disability Served	\$4,416	4,346
At Risk Youth Served	\$618	685
Early Childhood Education Served	\$931	636
Un/Underemployed Adults Served	\$2,832	3,258

* 2014 was reported in dollars spent while 2015 was reported in total pieces of equipment.

Think First for Kids and Teens is education program that is designed to prevent brain, spinal cord and other traumatic injuries by identifying high risk behaviors, such as riding a bicycle with no helmet on, and highlighting the consequences of poor decision making. In order to educate children on injuries related to risky behaviors, presentations are targets to different age groups within schools and representatives attend health fairs.

Table 5.3: Think First Total Health Fairs and Students

	2013 - 2014	2014 - 2015
Health Fairs	2	2
Kindergarten – 3 rd Grade Students	98	738
4 th Grade – 5 th Grade Students	-	196
6 th Grade – 8 th Grade Students	-	157
9 th Grade – 12 th Grade Students	-	65

Dumas Wesley Community Center provides meals and activities for senior citizens, after school meals for children, transitional housing, a food pantry, and a variety of other services in order to fulfill its mission to educate, empower, and enrich the local community. Dumas Wesley and the College of Nursing had partnered to provide blood pressure, health, and functional screening along with health education to the adult and senior population, but that partnership has since ended.

Strategy 2: There is limited access to all types of healthcare for the low income, uninsured, underinsured, and unemployed segments of the population and for the working poor.

There is also limited access in some cases for persons covered by Medicaid.

The USA Health System has a long and ongoing tradition of filling the role of safety net healthcare providers for the Mobile region.

The USA Health System assists in the provision of healthcare for lower middle class families, the working poor, elderly people who are living on a fixed income and the homeless populations. Each year, almost 20,000 inpatient days of hospital care are provided to individuals without health insurance (over 14,000 days at USA Medical Center and over 5,000 days at USA Children's & Women's Hospital).

The Center for Healthy Communities works with and trains Community Health Advocates, who are individuals who actively seek to improve the health of their communities. They have strong roots within their communities and can help bridge the gaps between community members and health care professionals. The Center also runs an Education Pipe-Line Program that aims to actively involve high potential minority students from underserved communities in the sciences and research to bring awareness to health disparities.

Table 5.4: Community Health Advocate Community Events

	2013	2014	2015
Number of events	16	18	3
Number of participants	262	931	224

STARS are students that come from three local high schools and participate in intensive summer enrichment experience on USA's campus. STRIPES come back for another intensive summer enrichment experience. When they complete, they are eligible for the Shadows Program for the summer after senior year of high school. Shadows follow and learn from researchers in biomedical research fields they are interested in pursuing. Participants in the undergraduate research program participate in a summer of research which culminates in a presentation of their projects at the College of Medicine Research day. Finally, the Research Apprentice Program engages community members from underrepresented minority community in hands-on train in the research process to gain exposure to health disparities and research aimed at addressing these disparities.

Table 5.5: Education Pipe-line Program

	2013	2014	2015
STARS Program	10	10	11
STRIPES Program	13	-	9
Shadows	3	3	4
Undergraduate Research Program	2	2	3
Research Apprentice Program	8	12	10
Research Apprentice Program	8	12	10

Victory Health Partners serves under/uninsured adults that have difficulty accessing healthcare across a variety of services including medical care, medication for short term illnesses, dental care, eye care, diabetes education, and more. In 2015, approximately 16,500 individuals were assisted along the Gulf Coast, with approximately 14,500 in Mobile County alone. Victory Health sees anywhere between 75-90 new patients each month.

Our Neighborhood Healthcare Clinic was a clinic staffed by board certified nurse practitioners, registered nurses, case managers and other integrated primary healthcare providers to deliver accessible healthcare to the community with payments based on a sliding scale. The Clinic however has since been disbanded. Its services included acute illness management, laboratory testing, minor lacerations, physical exams, sinus infections, etc.

Strategy 3: Poor healthy living decisions, especially related to diet and exercise, smoking, and abuse of drugs and alcohol, have resulted in high levels of obesity, cardiovascular disease, cancer, hypertension, diabetes, chronic lower respiratory diseases and other chronic and acute health problems.

Success will depend on disseminating evidence-based community health programming to reduce chronic disease rates, prevent the development of secondary conditions, address health disparities, and develop a stronger base of effective prevention programs.

As teaching institutions, the USA Health System has the potential to contribute to the health knowledge and awareness of low-income community residents from diverse racial and ethnic backgrounds. This can be made possible by aligning system resources with the resources in the community to create better interfaces between community-based prevention and clinical-based intervention. Examples include the USA Mitchell Cancer Institute and the USA Physicians Group offering free take-home colorectal cancer screening test; the partnership with the Alabama Department of Public Health in offering free breast and cervical cancer screenings; Stroke Awareness Education; Diabetes Education; Nutrition Assessment and Weight Loss Education; and Community Health Fairs.

The Alabama Department of Public Health provides free breast and cervical cancer screenings for women who are 40-64 years old, have an income at or below 200% of the federal poverty guidelines, or without insurance or are underinsured along with other guidelines and exceptions. The ability to provide screening services is dependent on grant funding.

Table 5.6: Alabama Department of Public Health Breast and Cervical Cancer Screenings

	July 2012 – June 2013	July 2013 – June 2014	July 2014 – June 2015
Number of women screened	15,996	16,097	15,408
Number of clinical breast exams performed	12,864	11,951	11,226
Number of mammograms	13,022	12,700	12,284
Number of Pap smears	5,805	5,533	4,903
Number of breast cancers detected	139	135	118
Number of cervical preinvasive (CIN I, II, & III) and invasive cancers detected	133	148	140

USA Mitchell Cancer Institute and the USA Physicians Group has provided an annual colorectal cancer screening initiative to USA employees and dependents, age 50 and older since 2013. They are offered the opportunity to schedule a colonoscopy or to complete a take-home Fecal Immunochemical Test (FIT) to send back to for testing. Letters are mailed to those with negative results while those with positive results receive a personal follow-up

phone call, along with assistance in scheduling a diagnostic follow-up colonoscopy with USAGI or a physician of their choosing.

Table 5.7: Take Home Colorectal Cancer Screening Tests

	2015	2016*
FIT tests distributed	146	250
FIT tests returned	112	125
Positive results	25	24
Negative results	86	101

* 2016 collection is ongoing and based on estimated numbers from late May.

Diabetes Education takes the form of a class one Wednesday each month. There is room for 25 people in each class, though classes are not typically filled. Approximately 50 people attended classes held in 2015, which is similar to previous years. Diabetes educators attended five health fairs in 2015, less than previous years due to a reduction in staff.

Nutrition Education takes place largely on an in-patient basis, with longer sessions for those patients with diabetes or other medical problems related to diet. Nutrition education is also provided to patients that will be undergoing bariatric surgery and those that are repeatedly hospitalized. A dietitian also joins in the Diabetes Education class once a month.

Strategy 4: There is a shortage in the county of primary care physicians, especially those who see low-income patients.

The USA Health System, through graduate medical education programs for physicians, and the University of South Alabama College of Medicine are primary sources of new physicians, including primary care physicians, for Mobile County.

Table 5.8: Graduates from College of Medicine

	2013	2014	2015	2016
USA College of Medicine Graduates	73	63	74	73

In addition to training board certified physicians in all of the primary care fields, USA participates in the training programs for physician extenders and allied health professionals in the local area. The physician extenders include physician assistants, nurse practitioners and clinical nurse specialists and the allied health professional include physical therapy, occupational therapy and speech-language pathology.

Table 5.9: Graduates from College of Nursing and Allied Health Professionals

	2013	2014	2015	2016
BS in Nursing	239	366	297	330
MS in Nursing	287	426	570	589
Doctor of Nursing Practice	59	95	134	100
Physician's Assistant	38	39	40	-
Occupational Therapist	30	30	30	30
Physical Therapist	32	37	32	38
Speech-Language Pathology	21	22	20	19

Strategy 5: Mental health issues, particularly depression, stress, and substance abuse affect a significant number of people in the county.

There is a shortage of mental and behavioral health workers in the county and there is also a shortage of outpatient venues in the county for providing mental and behavioral health services. Access to mental health services for low-income individuals is limited.

Table 5.10: Board Certified Practicing Psychiatrists and Psychologists

	2013	2014	2015
Psychiatrists	27	28	32
Psychologists	-	-	4

It is important to note that board certification is not necessarily needed to practice psychology. These numbers are taken from the American Board of Professional Psychology and the American Board of Psychiatry and Neurology.

The USA Health System will continue to maintain and enhance their existing partnership with AltaPointe Health Systems, Inc. (formerly Mobile Mental Health) to meet the mental health needs of the community.

Table 5.11: Patients Served by AltaPointe Health Systems, Inc.

	2013	2014	2015
Total patients	15,696	20,700	23,612
Adults	10,511	14,335	16,039
Children	5,185	6,365	7,573
Outpatient*	13,478	11,092	22,032
Residential*	560	748	795
Hospital*	1,939	1,598	2,384
NH/ALF/Other Hospitals*	2,108	2,243	1,629

* Counted as individuals instead of patients. Individuals are not patients until admitted into AltaPointe's continuum.

A portion of this ongoing relationship is the graduate medical education program in Psychiatry and the graduate psychology program's Psychological Clinic which expands the availability of mental and behavioral health services during the training period and eventually increases the number of board certified psychiatrists and psychologists practicing in the local area.

Table 5.12: Graduates from Medical Education Program in Psychiatry and Psychology Clinic

	2013	2014	2015
Graduates of Medical Education in Psychiatry	-	1	1
Graduates of Medical Education continuing (Entered Child and Adolescent Psychiatry Fellowship or continuing outside of institutions)	-	3	5
Graduates of Psychology Clinic	6	4	5

Strategy 6: Many people in the county do not have affordable access to oral health services. Currently the only oral health services provided by the USA Health System are sedation of children whose medical condition requires general anesthesia for extensive oral health procedures. When traumatic injuries require it, local oral health practitioners are called in for consultations.

The USA Health System currently partners with federally qualified health centers, such as Franklin Primary Health Center, which provides access to oral care in their clinics and with a medical and dental express van which travels to schools, health fairs, and social service agencies serving children and adults in need.

Below are patient characteristic as well as percentage of patients receiving dental care for Franklin Primary Health Center and the Mobile County Health Department, which are both health centers that serve medically underserved populations/areas in the Mobile area and are recognized by the U.S. Department of Health and Human Services.

Table 5.13: Patient Characteristics and Percent Dental Care for Franklin Primary Health Center and Mobile County Health Department

	2013	2014
Franklin Primary Health Center – 38,037 patients served		
Patients at or below 200% of poverty	98.9%	98.8%
Patients at or below 100% of poverty	80.6%	81.7%
Uninsured	56.7%	53.1%
Children uninsured	18.1%	17.0%
Dental	23.2%	22.0%
Mobile County Health Department – 41,204 patients served		
Patients at or below 200% of poverty	99.1%	99.1%
Patients at or below 100% of poverty	80.6%	80.2%
Uninsured	56.6%	52.5%
Children uninsured	19.6%	17.2%
Dental	15.8%	12.4%

Strategy 7: There is limited collaboration and coordination between healthcare providers and other social service organizations serving older adults.

This situation can have dramatic impacts on the health and well-being of these adults, especially those who are frail, disabled, or have chronic health conditions.

Collaboration and coordination of care between healthcare providers and other social service organizations are essential in the care of the older adult population.

The USA Health System will be participating in regional care organizations in Alabama to assist in the networking and coordination of healthcare for Medicaid patients.

Due to legislation passed in 2013 and 2014 (Ala. Code §§ 22-6-150 and following amendment) the state has been divided into regions and community-led, regional organizations are to coordinate health care of Medicaid patients. The Mobile area falls within Region E, which includes Alabama Healthcare Advantage South and Gulf Coast Regional Care Organization. Making up Gulf Coast Regional Care Organization are USA HealthCare Management LLC, and AltaPointe Health Care Systems. Alabama Medicaid enters into contracts with these established RCOs to provide care at an established cost.

The USA Health System has also partnered with several community organizations to assist in providing care to older adults.

Mercy Life PACE Program is a program offering all-inclusive care for the elderly including primary and specialty care, vision care, dental care, personal care services, therapy services, hot meals, transportation, and spiritual care and support. The goal of Mercy Life is to help the elderly stay in their homes instead of entering nursing homes while still having all of their needs met. PACE (Program of All-Inclusive Care for the Elderly) programs operate under the Alabama Medicaid Agency. Mercy Life is capped at caring for 175 patients each year.

Area Agency on Aging serves to assist seniors and their families by coordinating resources and services that allow seniors to maintain their independence. They maintain a Medicaid Waiver for the Elderly and Disabled Program that provides services to the elderly and disabled whose needs would otherwise require them to live in a nursing home. Such services include case management, adult day care, companion service, homemaker, personal care, respite care, home delivered meals, and skilled nursing (for HIV/AIDS only). The program is funded by the Social Security Act through the Alabama Department of Senior Services. To be eligible, applicants must be receiving full Medicaid benefits or SSI. Currently, the Area Agency on Aging has 846 clients through this program and assessed 2000 applications in the last fiscal year.

Healthy Gulf Coast Communities and the Continuum of Care Network and Patient Care Networks were also mentioned in the implementation strategies, but operational information could not be found for these services.

Summary

The 2012-2013 CHNA implementation strategies involved a strong reliance on community partners to address the health needs identified. Unfortunately in most cases these partnerships and the implementation objectives were never fully formalized and thus relied on these community organizations to merely fulfill their own separate ongoing missions. Not only did these strategies cover a wide array of community organizations but data reporting was not requested or required. Consequently, it has been difficult to gather relevant information related to these strategies.

Since 2013, some aspects of the strategies have seen steady growth and improvement while others have experienced declines. Some of the programs have ended or faced shortages (e.g. Dumas Wesley's partnership with the College of Nursing, Our Neighborhood Healthcare Clinic). Overall given the difficulty in collecting measures and the somewhat mixed results implied by the data collected, it appears that while there have not been significant gains made relative to these strategies, neither have there been significant declines in the health needs of the community related to these strategies.

One key finding from the evaluation of these implementation strategies is that in almost all cases these community organizations would like to strengthen their partnership with the

USA Health System. Community organizations specifically identified better communication between themselves and the USA Health System as a means to enhance their own missions to serve their clients. Thus the USA Health System should consider mechanisms that can enhance both their communication and overall interaction with these community organizations.

2015-2016 IMPLEMENTATION STRATEGIES - 6

Introduction

In this section the 2015-2016 health needs are identified. They have been broken down into two sections that correspond to the data collection process: 1) the health needs identified in the community demographic profile, and 2) those identified in the community input survey. Each section presents the key needs identified. These needs are then further prioritized according to how much of an impact the USA Health System is likely to be able to have in addressing the need.

An important aspect of the CHNA is measuring the change in these needs and attempting to identify what impact the USA Health System has had in effecting that change. There are currently many programs in place through the USA Health System that are oriented around these and other community health needs; however, these are spread throughout the system and the data either go unreported or are scattered amongst many different departments. Further there is a considerable amount of data that could be collected on internal processes. In order to better assess USA Health System's impact for future CHNAs three things should be considered: 1) identify any areas where community needs are being addressed but data are not being collected, 2) identify mechanisms for collecting data, and 3) make arrangements for data to be centrally stored.

It should also be noted that there are limitations to measuring change and to isolating the impact of specific organizations such as the USA Health System. First, many of the health needs identified herein are related to rather broad measures of the community. When dealing with such broad measures it often requires a significant amount of change for these measures to even move slightly. Also, it often takes a considerable amount of time for actual changes to be realized in the collected measures. Thus, expectations for impact should be set at realistic levels. Second, as identified in the section on community resources, there are numerous organizations oriented around health and the community's health needs in Mobile County. Particularly when dealing with broad measures, it is difficult if not impossible to fully isolate the impact of any one organization on any change that might occur. To this end, a number of measures directly related to internal processes have been recommended. It will be important to collect these measures in the interim between CHNAs as just noting change in a demographic characteristic will say little about the unique impact of the USA Health System.

Health Needs - Community Demographic Profile

The following needs were identified from the data collected for the community demographic profile. They are ordered according to how much of an impact the USA Health System should be able to have on the need.

1 – Focus efforts on the problems faced by infants and expecting mothers. With our changing demographics (falling numbers of residents aged 0-19 while growing numbers 60+)

it is essential that the community preserve and protect the new residents we could potentially gain. The assessment shows that not only are neonatal deaths and post neonatal death rates on the rise in Mobile, but that the infant death rate is climbing at a noticeable rate over the past five years (7.5 to 10.2) and even higher for minority groups (reaching 14.4 for blacks in Mobile by 2014). The community survey shows that community members feel that there is not enough access to women's health care, part of which is pregnancy and childbirth. While the health system does participate in some notable efforts to combat this growing problem (such as participation in the Kohl's Infant Safe Sleep Program where new mothers are educated in safe sleeping habits for infants), this and related efforts should be expanded. Suggested efforts include participation in activities that encourage education for expecting mothers and new mothers-- nutrition, child care, etc., in addition to providing additional and affordable access to care where possible.

2 – Combat diabetes. The assessment shows that diabetes has been on the rise in Mobile over the past 5 years. Suggestions include providing more resources into the diabetes education programs offered through the USA Health System, participation in health nutrition programs, school lunch programs, school exercise programs. This could decrease long-term death rates and related syndromes and comorbidities such as nephrotic syndrome.

3 – Combat respiratory cancers. In the United States cancers of the respiratory system hold the highest mortality of all cancers. This is also the case for Alabama and Mobile. The health system should focus efforts on combating respiratory cancers. Suggested activities include: promoting tobacco cessation programs, education for public on behavioral and lifestyle choices that promote cancer, funding or participation in cancer research programs, etc.

4 – Disease prevention efforts. The system should continue to focus on increasing and promoting screenings for the more prevalent diseases in our area, and in the United States. For instance, behind respiratory cancers, the largest killers can be caught early through regular screenings and visits with one's primary care physician (colorectal, breast, and prostate). Care should be taken to promote regular primary care in the community and encourage screenings. This can be encouraged in needier communities, such as the poor, by providing discounted screening days for instance.

5 – Promote secondary education for the general public. Studies have shown the beneficial effect that education has on many aspects of life (income, job stability, health and longevity of life). To date, the health system does participate in some related efforts, such as the Summer Scrubs program, which allows a select number of local high school students interested in the field of medicine to participate in a shadowing experience, additional programs and efforts in this area should be pursued. Suggested activities include: working with local high schools to encourage enrollment (guest speakers, high school tours, shadowing experiences) or funding scholarships.

Health Needs – Community Input Survey

The following needs were identified from the data collected for the community input survey. They are ordered according to how much of an impact the USA Health System should be

able to have on the need. The first three needs have been identified as directly addressable needs; that is, the USA Health System is most likely to have a direct impact on satisfying these needs. Needs four through seven have been identified as indirect needs; that is, they are peripheral to USA Health System's immediate objectives. While the USA Health System and partner organizations will certainly do what is possible to address these needs, resource constraints will likely restrict efforts to address these needs such that USA Health System's impact on them will be limited.

1 – The availability of general and specialized medical care in the community. This is manifested in identified needs for family doctors, specialty physicians, and emergency medical care. This need is further indicated by expressed difficulties in accessing services where either it is not possible to get an appointment soon enough, appointments are not available at peak times such as in the evening or on the weekend, or providers are not taking new patients. Suggested efforts to address this need include continuing and improving the USA Health System's provision of general, specialized, and emergency medical care. The USA Health System provides such care at its facilities including the USA Medical Center, USA Children's & Women's Hospital and through the USA Physician's Group.

Possible Internal Measures:

- Number of physicians broken down by year and by specialty either employed, treating patients, or practicing at USA Medical Center, USA Children's & Women's Hospital, the Mitchel Cancer Institute, the USA Physicians Group.
- Number of patients seen in the emergency room by year for USA Medical Center and USA Children's and Women's Hospital.

Possible External Demographic Measures:

- Number of practicing physicians in Mobile County broken down by year and by specialty.

Possible External Community Measures:

- How much of an effect can the USA Health System have on the availability of (family doctors/specialty physicians/emergency medical care) . . . a major affect, moderate affect, neutral affect, minor affect, no affect?
- How much of an effect is the USA Health System having on the availability of (family doctors/specialty physicians/emergency medical care) . . . a major affect, moderate affect, neutral affect, minor affect, no affect?

2 – The prevalence of a number of harmful health conditions including in order of community priority: high blood pressure, high cholesterol, diabetes, heart disease, depression, and obesity. Suggested efforts to address this need include continuing, improving, and expanding the USA Health System's provision of care for these health conditions. Not only would such care include clinical procedures but the continuation and expansion of community based programs such as health fairs that provide screenings for many of these conditions.

Possible Internal Measures:

- Identify services and or treatments related to each of the health conditions and then provide the number of those services and/or treatments conducted by USA Medical Center, USA Children's & Women's Hospital, and the Mitchell Cancer Institute each year.
- Identify any programs specially oriented to treating, promoting awareness, or reducing the incidence of these conditions. If possible for each program, identify the number of individuals served and the number of activities held or sponsored.

Possible External Demographic Measures:

- Prevalence of each condition broken down according to the nation overall, Alabama overall, and Mobile County.

Possible External Community Measures:

- On a scale of 1 to 5 where 1 is doing almost nothing and 5 is doing as much as possible, how much would you say the USA Health System is doing to treat (high blood pressure/high cholesterol/diabetes/heart disease/depression/obesity) in your community?

3 – The availability of healthcare providers and resources specifically oriented around women's healthcare. As USA Children's & Women's Hospital is one of only five freestanding facilities in the nation focused on children's and women's health it is already a leader in this respect. Suggested efforts to address this need include continuing and improving the provision of care through USA Children's & Women's Hospital as well as the continuation and expansion of community programs devoted specifically to women's health.

Possible Internal Measures:

- Number of USA physicians practicing in areas specifically related to women's health.
- Identify services and treatments related specifically to women's health, e.g., mammograms and then provide the number of those services and/or treatments conducted by USA Medical Center, USA Children's & Women's Hospital, and the Mitchell Cancer Institute each year.
- Identify any programs specifically oriented to promoting women's health. If possible for each program, identify the number of individuals served and the number of activities held or sponsored.

Possible External Demographic Measures:

- Prevalence of specifically women's related health conditions broken down according to the nation overall, Alabama overall, and Mobile County.

Possible External Community Measures:

- How much of an affect is the USA Health System having on the availability of women's health . . . a major affect, moderate affect, neutral affect, minor affect, no affect?

4 – Community member’s ability to access health services. In particular, this is directly manifested by an inability to afford medical care and more indirectly indicated by either a lack of health insurance or problems with existing health insurance. It is unlikely that the USA Health System will have much direct impact in this area; however, in contracting with Change Healthcare they may be able to provide some services to better facilitate patient access to care.

Possible Internal Measures:

- The USA Health System is in the process of contracting with Change Healthcare to help facilitate with patient access to disability and Medicaid. If this contracting goes forward, have Change Healthcare provide the USA Health System with numbers related to how many USA Health System clients they serve overall and how many of them are successful in acquiring disability and Medicaid services.

Possible External Demographic Measures:

- Prevalence of individuals with different types of insurance, and in particular those with no insurance broken down according to the nation overall, Alabama overall, and Mobile County.

Possible External Community Measures:

- Continue to ask the survey question about what type of healthcare insurance the respondent has.

5 – The availability of mental healthcare facilities and providers to address depression and mental illness. This is another area where the USA Health System is unlikely to have much direct impact as it is outside of the primary mission of the system. However, through the efforts of the University on a broader scale there is some impact on the community in the provision of psychiatry and psychology clinic graduates.

Possible Internal Measures:

- The number of medical education program graduates in psychiatry and psychology clinic.

Possible External Demographic Measures:

- The number of practicing psychiatrists and psychologists in Mobile County.
- The number of mental healthcare facilities operating in Mobile County and/or the southwest Alabama region.
- Prevalence of reported mental illness and depression broken down according to the nation overall, Alabama overall, and Mobile County.

Possible External Community Measures:

- Continue to include survey questions and response options related to mental health and mental health issues.

6 – The availability of transportation services. The direct provision of transportation services is outside of the mission focus of the USA Health System; however, they are experimenting with some limited transportation option with a pilot partnership with AK Transportation. If successful these efforts may eventually be expanded.

Possible Internal Measures:

- The USA Health System typically does not provide transportation services; however, there is a possibility of a pilot program with AK Transportation. This company previously operated in Atlanta, Georgia and has received approval for Medicaid payment in the Mobile area. If this initiative goes forward, AK Transportation should be required to provide information on the number of clients served and if possible broken down by whether the client was specifically transported for services at a USA Health System facility.

Possible External Demographic Measures:

- Number of public and private transportation services available in the community.
- If possible, the number of clients served by each transportation service.

Possible External Community Measures:

- Continue to include survey questions and response options related to transportation.

7 – The availability of dental healthcare providers to address dental needs in the community. Dental services are outside of the primary mission of the USA Health System. USA should be open to opportunities that may arise to aid the community in this area but at this time are unable to directly address this community need.

Possible Internal Measures:

- Not applicable.

Possible External Demographic Measures:

- Number of practicing dentists in Mobile County.
- Number of dental practices in Mobile County.

Possible External Community Measures:

- Continue to include survey questions and response options related to dental care.

APPENDIX A – DEMOGRAPHIC DATA PROFILE

Table 1a: County, State, and National Population by Age (2015) – Mobile County
Source: U.S. Census Bureau

	Mobile County	Percent of Total	Male	Female
Under 5 Years	27,589	6.64%	13,814	13,775
5 to 9 years	27,442	6.61%	13,956	13,486
10 to 14 years	26,947	6.49%	13,709	13,238
15 to 19 years	27,410	6.60%	13,856	13,554
20 to 24 years	29,202	7.03%	14,376	14,826
25 to 29 years	30,092	7.24%	14,327	15,765
30 to 34 years	26,981	6.50%	12,764	14,217
35 to 39 years	25,047	6.03%	12,054	12,993
40 to 44 years	24,620	5.93%	11,803	12,817
45 to 49 years	24,982	6.01%	11,774	13,208
50 to 54 years	28,713	6.91%	13,652	15,061
55 to 59 years	28,912	6.96%	13,709	15,203
60 to 64 years	25,419	6.12%	12,104	13,315
65 to 69 years	21,504	5.18%	9,920	11,584
70 to 74 years	15,289	3.68%	6,846	8,443
75 to 79 years	11,019	2.65%	4,648	6,371
80 to 84 years	7,268	1.75%	2,918	4,350
85 years and over	6,959	1.68%	2,186	4,773
Total	415,395	100.00%	198,416	216,979

Table 1b: County, State, and National Population by Age (2015) - Alabama
 Source: U.S. Census Bureau

	Alabama	Percent of Total	Male	Female
Under 5 Years	292,973	6.03%	149,108	143,865
5 to 9 years	306,288	6.30%	155,983	150,305
10 to 14 years	309,713	6.37%	157,849	151,864
15 to 19 years	319,561	6.58%	162,214	157,347
20 to 24 years	343,621	7.07%	172,676	170,945
25 to 29 years	325,204	6.69%	160,487	164,717
30 to 34 years	307,522	6.33%	150,783	156,739
35 to 39 years	297,279	6.12%	144,701	152,578
40 to 44 years	305,217	6.28%	148,562	156,655
45 to 49 years	309,049	6.36%	150,742	158,307
50 to 54 years	340,393	7.01%	164,782	175,611
55 to 59 years	337,506	6.95%	161,967	175,539
60 to 64 years	300,491	6.18%	141,907	158,584
65 to 69 years	260,960	5.37%	121,970	138,990
70 to 74 years	189,313	3.90%	86,062	103,251
75 to 79 years	136,012	2.80%	58,693	77,319
80 to 84 years	92,438	1.90%	37,120	55,318
85 years and over	85,439	1.76%	27,578	57,861
Total	4,858,979	100.00%	2,353,184	2,505,795

Table 1c: County, State, and National Population by Age (2015) – United States
Source: U.S. Census Bureau

	United States	Percent of Total	Male	Female
Under 5 Years	19,907,281	6.19%	10,177,601	9,729,680
5 to 9 years	20,487,176	6.37%	10,459,132	10,028,044
10 to 14 years	20,622,330	6.42%	10,520,388	10,101,942
15 to 19 years	21,108,903	6.57%	10,797,867	10,311,036
20 to 24 years	22,739,313	7.07%	11,667,854	11,071,459
25 to 29 years	22,461,554	6.99%	11,409,399	11,052,155
30 to 34 years	21,675,648	6.74%	10,889,739	10,785,909
35 to 39 years	20,374,585	6.34%	10,173,424	10,201,161
40 to 44 years	20,215,198	6.29%	10,030,153	10,185,045
45 to 49 years	20,853,844	6.49%	10,334,929	10,518,915
50 to 54 years	22,334,317	6.95%	10,963,847	11,370,470
55 to 59 years	21,807,942	6.78%	10,597,567	11,210,375
60 to 64 years	19,069,877	5.93%	9,117,180	9,952,697
65 to 69 years	16,067,468	5.00%	7,596,190	8,471,278
70 to 74 years	11,483,049	3.57%	5,296,158	6,186,891
75 to 79 years	8,123,833	2.53%	3,610,906	4,512,927
80 to 84 years	5,799,341	1.80%	2,412,665	3,386,676
85 years and over	6,287,161	1.96%	2,174,298	4,112,86
Total	321,418,820	100.00%	158,229,297	159,076,660

Table 2: Population Classified by Race and Ethnicity (2014)
Source: U.S. Census Bureau

Race/Ethnicity	Mobile County	State of Alabama	United States
Total Population	414,045	4,817,678	314,107,084
White	249,439	3,327,891	231,849,713
Black	144,637	1,269,808	39,564,785
Hispanic	11,520	192,413	55,279,452
Asian	7,953	58,322	15,710,659
American Indian or Alaskan	2,801	25,181	2,565,520
Hawaiian or Pacific Islander	60	1,430	535,761
Other	2,472	58,618	14,754,895
Two or More Races	13,366	152,856	18,251,502

Table 3a: Population Classified by Race and Ethnicity (2010-2014) - Mobile County
Source: U.S. Census Bureau

Mobile County					
Race/Ethnicity	2010	2011	2012	2013	2014
Total Population	408,620	410,520	412,297	413,188	414,045
White	250,336	250,378	250,617	250,269	249,439
Black	140,847	141,914	143,332	143,681	144,637
Hispanic	10,046	10,450	10,544	10,789	11,520
Asian	7,393	7,519	7,742	7,850	7,953
American Indian or Alaskan	3,033	3,043	3,443	3,187	2,801
Hawaiian or Pacific Islander	99	26	43	54	60
Other	2,071	2,341	2,016	1,950	2,472
Two or More Races	9,682	10,598	10,208	12,394	13,366

Table 3b: Population Classified by Race and Ethnicity (2010-2014) - Alabama
Source: U.S. Census Bureau

Alabama					
Race/Ethnicity	2010	2011	2012	2013	2014
Total Population	4,712,651	4,747,424	4,777,326	4,799,277	4,817,678
White	3,293,917	3,307,557	3,321,318	3,326,188	3,327,891
Black	1,232,325	1,244,112	1,256,097	1,262,152	1,269,808
Hispanic	182,795	186,204	185,441	189,934	192,413
Asian	51,219	52,668	54,923	56,831	58,322
American Indian or Alaskan	25,814	26,399	26,166	25,278	25,181
Hawaiian or Pacific Islander	1,769	1,256	1,298	1,387	1,430
Other	46,237	49,759	50,685	55,296	58,618
Two or More Races	122,740	131,346	133,678	144,290	152,856

Table 3c: Population Classified by Race and Ethnicity (2010-2014) – United States
Source: U.S. Census Bureau

United States					
Race/Ethnicity	2010	2011	2012	2013	2014
Total Population	303,965,272	306,603,772	309,138,711	311,536,594	314,107,084
White	224,895,700	227,167,013	229,298,906	230,592,579	231,849,713
Black	37,978,752	38,395,857	38,825,848	39,167,010	39,564,785
Hispanic	50,740,089	51,939,916	52,961,017	53,986,412	55,279,452
Asian	14,185,493	14,497,185	14,859,795	15,231,962	15,710,659
American Indian or Alaskan	2,480,465	2,502,653	2,529,100	2,540,309	2,565,520
Hawaiian or Pacific Islander	491,673	500,592	514,402	526,347	535,761
Other	16,603,808	15,723,818	14,814,369	14,746,054	14,754,895
Two or More Races	14,658,762	15,633,308	16,592,582	17,464,666	18,251,502

Table 4: Population by Poverty Level

Source: U.S. Census Bureau

		Population Total	Below 100% FPL	100 to 149% FPL	150% and Over FPL	% at 100 FPL	% at 149 FPL	% at 150 and Over FPL
Mobile	2010	412,992	80,999	43,926	282,297	19.61%	10.64%	68.35%
	2011	413,062	77,466	46,418	275,227	18.75%	11.24%	66.78%
	2012	413,750	84,564	54,788	259,989	20.44%	13.24%	62.84%
	2013	414,121	83,185	49,716	274,731	20.09%	12.01%	66.34%
	2014	414,926	77,748	50,384	271,923	18.74%	12.14%	65.54%
Alabama	2010	4,779,736	871,120	525,242	3,215,672	18.23%	10.99%	67.28%
	2011	4,803,689	874,511	512,379	3,243,298	18.20%	10.67%	67.52%
	2012	4,822,023	874,738	523,395	3,251,925	18.14%	10.85%	67.44%
	2013	4,830,533	866,771	536,144	3,261,529	17.94%	11.10%	67.52%
	2014	4,846,411	890,580	514,690	3,265,418	18.38%	10.62%	67.38%
United States	2010	308,745,538	45,277,014	28,700,020	223,889,439	14.66%	9.30%	72.52%
	2011	311,591,917	47,515,612	29,395,446	223,222,277	15.25%	9.43%	71.64%
	2012	314,102,623	47,807,213	29,506,301	225,113,650	15.22%	9.39%	71.67%
	2013	316,427,395	47,882,335	29,178,826	227,492,884	15.13%	9.22%	71.89%
	2014	318,907,401	47,288,340	29,161,025	230,743,526	14.83%	9.14%	72.35%

Table 5: Population over 25 years by Educational Attainment
Source: U.S. Census Bureau

		Less than High School Graduate	High school Graduate (includes equivalency)	Some College or Associate's Degree	Bachelor's Degree	Graduate or Professional Degree
Mobile	2010	45,486	86,097	80,898	37,582	18,935
	2011	43,728	88,424	34,524	82,624	20,009
	2012	41,436	90,819	80,663	37,800	20,476
	2013	38,848	87,701	85,825	41,810	18,986
	2014	38,674	93,045	86,044	38,378	19,516
Alabama	2010	562,147	984,471	913,193	438,346	252,512
	2011	549,349	979,006	939,532	445,222	264,975
	2012	516,482	1,003,391	942,164	467,847	276,214
	2013	499,356	999,753	962,882	474,863	277,654
	2014	497,977	1,028,439	963,173	475,963	284,977
United States	2010	29,898,483	57,903,353	56,197,824	35,148,428	20,578,571
	2011	29,518,935	57,861,283	57,694,281	35,852,277	21,121,347
	2012	29,179,819	57,706,852	59,244,324	36,529,875	21,675,147
	2013	28,887,721	58,084,465	60,032,528	37,286,246	22,296,892
	2014	28,587,748	58,440,600	60,821,634	38,184,668	23,021,479

Table 6: Medicaid Births
Source: Alabama Public Health

		Total Births	Medicaid Births	Percent Medicaid
Mobile	2010	5,613	3,299	58.77%
	2011	5,617	3,299	58.73%
	2012	5,990	3,152	52.62%
	2013	5,574	3,262	58.52%
	2014	5,690	3,390	59.58%
Alabama	2010	59,275	31,498	53.14%
	2011	59,322	31,498	53.10%
	2012	56,498	29,743	52.64%
	2013	56,709	29,810	52.57%
	2014	59,532	31,234	52.47%

Table 7: Births by Race
Source: Alabama Public Health

		Total Births	Births White	% Births White	Births Black and Other	% Births Black and Other
Mobile	2010	5,613	3,068	54.66%	2,545	45.34%
	2011	5,617	3,072	54.69%	2,545	45.31%
	2012	5,990	1,903	31.77%	2,530	42.24%
	2013	5,574	3,089	55.42%	2,467	44.26%
	2014	5,690	3,047	53.55%	2,643	46.45%
Alabama	2010	59,275	17,467	29.47%	14,031	23.67%
	2011	59,322	39,770	67.04%	19,552	32.96%
	2012	56,498	37,387	66.17%	19,111	33.83%
	2013	56,709	37,660	66.41%	19,049	33.59%
	2014	59,532	39,488	66.33%	20,044	33.67%

Table 8: Teen and Unwed Births
Source: Alabama Public Health

		Total Births	Births to Teens Total	Birth to Teens White	Birth to Teens Black and Other	Births to Teens Percentage	Unwed Birth Total	Unwed Birth Percentage
Mobile	2010	5,613	829	368	461	14.77%	2,874	51.20%
	2011	5,617	711	290	421	12.66%	2,841	50.58%
	2012	5,990	665	260	405	11.10%	2,899	48.40%
	2013	5,574	572	258	402	10.26%	2,927	52.51%
	2014	5,690	499	220	279	8.77%	3,096	54.41%
Alabama	2010	59,275	7,446	4,196	3,250	12.56%	25,127	42.39%
	2011	59,322	6,697	3,799	2,898	11.29%	24,946	42.05%
	2012	56,498	6,236	3,546	2,690	11.04%	24,854	43.99%
	2013	56,709	5,420	3,194	2,226	9.56%	24,566	43.32%
	2014	59,532	5,085	3,075	2,009	8.54%	25,728	43.22%

Table 9: Low Weight Births
Source: Alabama Public Health

		Total Births	Low Weight Births Total	Low Weight Births Percent
Mobile	2010	5,613	693	12.35%
	2011	5,617	643	11.45%
	2012	5,990	657	10.97%
	2013	5,574	673	12.07%
	2014	5,690	643	11.30%
Alabama	2010	59,275	6,183	10.43%
	2011	59,322	5,908	9.96%
	2012	56,498	5,866	10.38%
	2013	56,709	5,824	10.27%
	2014	59,532	6,024	10.12%

Table 10: Infant and Neonatal Death
Source: Alabama Public Health

		Infant Deaths Number	Infant Deaths Rate	Neonatal Deaths Number	Neonatal Deaths Rate	Post Neonatal Deaths Number	Post Neonatal Deaths Rate
Mobile	2010	43	7.5	26	2.5	17	3
	2011	50	8.9	29	5.2	21	3.7
	2012	60	10.9	36	6.6	24	4.4
	2013	54	9.7	35	6.3	19	3.4
	2014	58	10.2	37	6.5	21	3.7
Alabama	2010	522	8.7	325	5.4	197	3.3
	2011	481	8.1	306	5.2	175	3
	2012	519	8.9	337	5.8	182	3.1
	2013	500	8.6	322	5.5	178	3.1
	2014	517	8.7	307	5.6	210	3.5

Table 11: Infant Death by Race
Source: Alabama Public Health

		Infant Deaths Number	Infant Deaths Rate	Number White	Rate White	Number Black and Other	Rate Black and Other
Mobile	2010	43	7.5	14	4.4	29	11.5
	2011	50	8.9	22	7.2	28	11
	2012	60	10.9	22	7.5	38	15
	2013	54	9.7	22	7.1	32	12.9
	2014	58	10.2	20	6.6	38	14.4
Alabama	2010	522	8.7	265	6.6	257	13
	2011	481	8.1	242	6.1	239	12.2
	2012	519	8.9	253	6.5	266	13.5
	2013	500	8.6	266	6.9	234	12
	2014	517	8.7	238	6	279	13.9

Table 12: Fetal Deaths and Induced Pregnancy Terminations

Source: Alabama Public Health

		Fetal Deaths Number	Induced Pregnancy Terminations Number	Induced Pregnancy Terminations Rate
Mobile	2010	1,221	818	9.7
	2011	1,207	818	9.8
	2012	1,171	739	8.8
	2013	1,180	646	7.7
	2014	1,203	649	7.7
Alabama	2010	12,901	9,029	9.4
	2011	12,730	8,522	8.9
	2012	12,480	7,970	8.3
	2013	12,373	7,423	7.7
	2014	12,591	6,848	7.1

Table 13: Deaths by Gender and Race
Source: Alabama Public Health

		Number	Rate	White Male	White Male Rate	White Female	White Female Rate	Black Male	Black Male Rate	Black Female
Mobile	2010	4,052	9.8	1,386	11.4	1,363	10.7	667	8.7	636
	2011	4,121	10	1,399	11.4	1,402	11	696	9.3	624
	2012	4,264	10.3	1,463	11.7	1,447	11.3	699	9.2	682
	2013	4,251	10.3	1,444	11.8	1,424	11.3	725	9.5	658
	2014	4,187	10.1	1,451	11.9	1,315	10.3	716	9.3	705
Alabama	2010	47,897	10	18,371	11.4	18,353	11	5,602	7.8	5,571
	2011	48,318	10.1	18,662	11.3	18,416	10.8	5,742	8.5	5,498
	2012	49,212	10.2	18,973	11.4	18,933	11	5,743	8.5	5,563
	2013	50,140	10.4	19,682	11.8	18,761	10.9	6,053	8.9	5,644
	2014	50,127	10.3	19,566	11.8	18,942	11	5,825	8.4	5,794

Table 14: Deaths
Source: Alabama Public Health

	Mobile 2010	2011	2012	2013	2014	Alabama 2010	2011	2012	2013	2014
Heart Disease	979	986	1,023	1,076	1,012	15,681	11,882	12,002	12,453	12,438
Rate	237.1	239	241.1	259.9	243.8	320.1	247.4	248.9	257.6	256.5
Malignant Neoplasm	934	864	927	921	886	10,156	10,153	10,264	10,331	10,285
Rate	226.7	209.4	223.9	222.4	213.4	212.5	211.4	212.9	213.7	212.1
Cerebrovascular Disease	216	228	228	219	209	2,601	2,538	2,620	2,589	2,650
Rate	52.3	55.3	55.1	52.9	50.3	54.4	52.8	54.3	53.6	54.6
Chronic Lower Respiratory	194	222	210	226	244	2,845	2,892	3,006	3,040	3,046
Rate	47	53.8	50.7	54.6	58.8	59.5	60.2	62.3	62.9	62.8
Accidents	210	187	196	200	198	2,369	2,596	2,255	2,302	2,421
Rate	50.8	45.3	47.4	48.3	47.7	49.6	54.1	46.8	47.6	49.9
Alzheimer's	128	129	102	99	138	1,518	1,470	1,386	1,399	1,881
Rate	31	31.3	24.6	23.9	33.2	31.8	30.6	28.7	28.9	38.8
Diabetes Mellitus	114	120	111	118	143	1,314	1,255	1,295	1,346	1,277
Rate	27.6	29.1	26.8	28.5	34.4	27.5	26.1	26.9	27.8	26.3
Influenza and Pneumonia	67	82	63	88	90	937	939	933	1,035	1,024
Rate	16.2	19.9	15.2	21.3	21.7	19.6	19.6	19.3	21.4	21.1
Nephritis, Nephrotic Syndrome, and Nephrosis	80	72	68	81	73	1,186	1,047	1,034	1,056	1,010
Rate	19.4	17.5	16.4	19.6	17.6	24.8	21.8	21.4	21.8	20.8
Suicide	58	70	75	57	60	676	640	721	719	711
Rate	14	17	15.7	13.8	14.5	14.1	13.3	15	14.9	14.7
Septicemia	62	68	80	69	82	872	904	899	963	1,031
Rate	15	16.5	19.3	16.7	19.8	18.2	18.8	18.6	19.9	21.3
Homicide	49	61	58	53	54	391	379	403	420	375
Rate	11.9	14.8	14	12.8	13	8.2	7.9	8.4	8.7	7.7
Chronic Liver Disease and Cirrhosis	49	40	62	58	48	504	549	618	577	680
Rate	11.9	9.7	15	4	11.6	10.5	11.4	12.8	11.9	14
Parkinson's	31	34	36	25	27	341	372	384	422	449
Rate	7.5	8.2	8.7	6	6.5	7.1	7.7	8	8.7	9.3
HIV	25	18	35	19	26	150	125	146	121	127
Rate	6.1	4.4	8.5	4.6	6.3	3.1	2.6	3	2.5	2.6
Viral Hepatitis	22	15	17	17	18	104	95	100	119	128
Rate	5.3	3.6	4.1	4.1	4.3	2.2	2	2.1	2.5	2.6
Heart Disease	979	986	1,023	1,076	1,012	15,681	11,882	12,002	12,453	12,438
Rate	237.1	239	241.1	259.9	243.8	320.1	247.4	248.9	257.6	256.5

Table 15: Cancers

Source: Alabama Public Health

	Mobile 2010	2011	2012	2013	2014	Alabama 2010	2011	2012	2013	2014
All Cancer	934	864	927	921	886	10,156	10,153	10,264	10,331	10,285
Trachea, Bronchus, Lung, and Pleura	308	274	267	297	256	3,220	3,136	3,062	3,165	3,117
Colorectal	83	80	71	83	92	901	880	919	989	878
Breast	56	57	69	58	56	695	648	701	667	668
Prostate	44	37	43	41	37	542	542	460	470	467
Pancreas	47	43	60	46	52	576	638	665	621	675
Leukemias	34	32	47	26	34	659	400	432	372	361
Non-Hodgkin's Lymphoma	34	32	22	32	26	307	336	333	324	305
Stomach	15	27	20	13	13	186	171	172	190	206
Esophagus	21	24	22	20	24	233	224	248	212	218
Brain and Other Nervous	19	21	27	18	23	274	259	266	298	291
Uterus and Cervix	24	20	15	21	22	181	199	175	216	230
Ovaries	25	14	16	19	15	273	250	225	235	265
Melanoma of Skin	10	11	9	14	16	144	140	159	149	148
All Other	214	192	239	233	220	2,265	2,326	2,459	2,430	2,456

Table 16: Accidental Deaths
Source: Alabama Public Health

		All Accidents	Motor Vehicle	Suffocation	Poisoning	Smoke Fire & Flames	Falls	Drowning	Firearms	Other Accidents
Mobile	2010	210	80	13	39	14	17	11	1	45
	2011	187	84	14	40	1	20	5	0	37
	2012	196	64	13	38	5	24	14	0	44
	2013	200	76	7	55	6	20	11	1	29
	2014	198	85	7	52	9	11	7	1	26
Alabama	2010	2,369	923	137	493	115	207	99	34	455
	2011	2,596	929	129	506	87	181	69	29	795
	2012	2,255	855	124	482	82	196	93	14	493
	2013	2,302	904	123	540	85	237	69	25	412
	2014	2,421	891	122	644	84	221	75	28	356

APPENDIX B – COMMUNITY SURVEY DATA TABLES

Table B.1: Would you say that in general your health is . . . ?

	<i>Mobile County - Overall</i>	<i>Mobile County - General</i>	<i>Mobile County - Focused</i>
Excellent	12.3	16.0	8.6
Very Good	20.8	19.8	21.8
Good	40.8	39.9	41.6
Fair	19.8	17.1	22.6
Poor	6.4	7.2	5.5
<i>Total</i>	100.1%	100.0%	100.1%
<i>N</i>	520	263	257

Table B.2: Thinking about Mobile County overall, how would you rate the health of people who live in Mobile County . . . ?

	<i>Mobile County - Overall</i>	<i>Mobile County - General</i>	<i>Mobile County - Focused</i>
Very Healthy	1.9	2.0	1.8
Healthy	18.0	19.8	16.0
Somewhat Healthy	61.0	59.9	62.2
Unhealthy	16.1	14.6	17.8
Very Unhealthy	3.0	3.6	2.2
<i>Total</i>	100.0%	99.9%	100.0%
<i>N</i>	472	247	225

Table B.3: Overall, how would you rate the quality of healthcare services available in Mobile County . . . ?

	<i>Mobile County - Overall</i>	<i>Mobile County - General</i>	<i>Mobile County - Focused</i>
Excellent	10.8	12.3	9.2
Very Good	25.7	24.6	26.8
Good	35.3	33.5	37.2
Fair	19.2	21.5	16.8
Poor	9.0	8.1	10.0
<i>Total</i>	100.0%	100.0%	100.0%
<i>N</i>	510	260	250

Table B.4: What type of healthcare insurance do you have?

	<i>Mobile County - Overall</i>	<i>Mobile County - General</i>	<i>Mobile County - Focused</i>
Private Insurance – Direct Purchase	17.0	12.0	22.1
Private Insurance – Employer Based	19.4	21.7	17.0
Private Insurance – Employer Based Spouse	4.7	6.2	3.2
Medicare	46.2	46.5	45.9
Medicaid	3.7	3.1	4.4
Tricare / Military Insurance	2.0	2.3	1.6
Other	2.2	2.7	1.6
No Insurance	4.9	5.4	4.4
<i>Total</i>	100.1%	99.9%	100.2%
<i>N</i>	511	258	253

Table B.5: Do you have one person you think of as your personal doctor or health care provider?

	<i>Mobile County - Overall</i>	<i>Mobile County - General</i>	<i>Mobile County - Focused</i>
Yes, Only One	75.5	73.8	77.3
Yes, More than One	16.6	16.7	16.5
No	7.9	9.5	6.3
<i>Total</i>	100.0%	100.0%	100.1%
<i>N</i>	518	263	255

Table B.6: How long has it been since your last visit to a doctor for a wellness exam or routine checkup . . . ?

	<i>Mobile County - Overall</i>	<i>Mobile County - General</i>	<i>Mobile County - Focused</i>
Within the past 12 months	91.9	90.5	93.4
1 to 2 years ago	4.6	5.7	3.5
2 to 5 years ago	2.3	2.7	2.0
5 or more years ago	0.6	0.4	0.8
Have never had one	0.6	0.8	0.4
<i>Total</i>	100.0%	100.1%	100.1%
<i>N</i>	519	262	257

Table B.7: How long has it been since your last dental exam or cleaning . . . ?

	<i>Mobile County - Overall</i>	<i>Mobile County - General</i>	<i>Mobile County - Focused</i>
Within the past 12 months	64.3	67.4	61.0
1 to 2 years ago	15.3	15.3	15.3
2 to 5 years ago	7.3	5.4	9.2
5 or more years ago	10.0	8.8	11.2
Have never had one	3.1	3.1	3.2
<i>Total</i>	100.0%	100.0%	99.9%
<i>N</i>	510	261	249

Table B.8: q8a – q8l For each item please tell me how important you think that item would be to improving the overall health in your community.

	<i>Mobile County</i>	<i>Very Important</i>	<i>Somewhat Important</i>	<i>Neither</i>	<i>Somewhat Unimportant</i>	<i>Very Unimportant</i>	<i>Total</i>	<i>N</i>
Q8a. Access to health services such a health clinic or hospital.	<i>O</i>	92.5	7.0	0.2	0.2	0.2	100.1%	518
	<i>G</i>	90.9	8.4	0.0	0.4	0.4	100.1%	263
	<i>F</i>	94.1	5.5	0.4	0.0	0.0	100.0%	255
Q8b. Active lifestyles including outdoor activities.	<i>O</i>	84.5	13.6	0.6	1.0	0.4	100.1%	515
	<i>G</i>	85.2	13.7	0.4	0.8	0.0	100.1%	263
	<i>F</i>	83.7	13.5	0.8	1.2	0.8	100.0%	252
Q8c. Affordable housing.	<i>O</i>	81.3	15.2	1.2	1.8	0.6	100.1%	491
	<i>G</i>	78.6	16.9	1.2	2.4	0.8	99.9%	248
	<i>F</i>	84.0	13.2	1.2	1.2	0.4	100.0%	243
Q8d. Arts and cultural events.	<i>O</i>	55.6	37.8	2.4	1.8	2.5	100.1%	511
	<i>G</i>	55.3	36.6	3.1	2.0	3.1	100.1%	257
	<i>F</i>	55.9	39.0	1.6	1.6	2.0	100.1%	254
Q8e. A clean environment including water, air, etc.	<i>O</i>	98.1	1.7	0.0	0.2	0.0	100.0%	519
	<i>G</i>	98.1	1.5	0.0	0.4	0.0	100.0%	263
	<i>F</i>	98.1	2.0	0.0	0.0	0.0	100.1%	256
Q8f. Family doctors and specialists.	<i>O</i>	96.4	3.3	0.2	0.0	0.2	100.1%	520
	<i>G</i>	94.7	4.6	0.4	0.0	0.4	100.1%	263
	<i>F</i>	98.1	2.0	0.0	0.0	0.0	100.1%	257
Q8g. Good employment opportunities.	<i>O</i>	93.1	5.3	0.6	0.4	0.6	100.0%	506
	<i>G</i>	93.0	4.7	0.8	0.8	0.8	100.1%	257
	<i>F</i>	98.1	2.0	0.0	0.0	0.0	100.1%	257
Q8h. Good places to raise children.	<i>O</i>	94.0	5.2	0.6	0.2	0.0	100.0%	516
	<i>G</i>	93.9	5.8	0.4	0.0	0.0	100.1%	261
	<i>F</i>	94.1	4.7	0.8	0.4	0.0	100.0%	255
Q8i. Good race relations.	<i>O</i>	91.9	7.2	0.4	0.4	0.2	100.1%	517
	<i>G</i>	90.8	8.1	0.8	0.0	0.4	100.1%	261
	<i>F</i>	93.0	6.3	0.0	0.8	0.0	100.1%	256
Q8j. Good schools.	<i>O</i>	94.4	4.5	0.8	0.4	0.0	100.1%	514
	<i>G</i>	93.0	5.4	1.2	0.4	0.0	100.0%	258
	<i>F</i>	95.7	3.5	0.4	0.4	0.0	100.0%	256
Q8k. Healthy food options.	<i>O</i>	92.8	6.4	0.8	0.0	0.0	100.0%	517
	<i>G</i>	92.4	6.9	0.8	0.0	0.0	100.1%	262
	<i>F</i>	93.3	5.9	0.8	0.0	0.0	100.0%	255
Q8l. Fewer homeless.	<i>O</i>	87.6	9.0	1.8	1.0	0.6	100.0%	501
	<i>G</i>	85.6	9.6	2.8	1.2	0.8	100.0%	250
	<i>F</i>	89.6	8.4	0.8	0.8	0.4	100.0%	251

Table B.9: q8m – q8w For each item please tell me how important you think that item would be to improving the overall health in your community.

	<i>Mobile County</i>	<i>Very Important</i>	<i>Somewhat Important</i>	<i>Neither</i>	<i>Somewhat Unimportant</i>	<i>Very Unimportant</i>	<i>Total</i>	<i>N</i>
Q8m. Less alcohol and drug abuse.	<i>O</i>	90.2	7.5	0.8	0.8	0.8	100.1%	508
	<i>G</i>	88.3	8.2	1.6	0.8	1.2	100.1%	257
	<i>F</i>	92.0	6.8	0.0	0.8	0.4	100.0%	251
Q8n. Lower crime and safe neighborhoods.	<i>O</i>	96.5	2.1	0.8	0.4	0.2	100.0%	518
	<i>G</i>	95.8	2.3	1.2	0.4	0.4	100.1%	262
	<i>F</i>	97.3	2.0	0.4	0.4	0.0	100.1%	256
Q8o. Less obesity.	<i>O</i>	91.5	7.2	0.8	0.2	0.4	100.1%	516
	<i>G</i>	90.4	8.1	1.2	0.0	0.4	100.1%	261
	<i>F</i>	92.6	6.3	0.4	0.4	0.4	100.1%	255
Q8p. Less sexually transmitted diseases.	<i>O</i>	95.9	3.0	1.0	0.0	0.2	100.1%	506
	<i>G</i>	94.9	2.8	2.0	0.0	0.4	100.1%	255
	<i>F</i>	96.8	3.2	0.0	0.0	0.0	100.0%	251
Q8q. Less tobacco use.*	<i>O</i>	90.8	7.0	1.0	0.6	0.6	100.0%	512
	<i>G</i>	87.7	8.9	1.9	1.2	0.4	100.1%	260
	<i>F</i>	94.1	5.2	0.0	0.0	0.8	100.1%	252
Q8r. Mental health services.	<i>O</i>	93.4	5.6	0.4	0.6	0.0	100.0%	515
	<i>G</i>	92.0	6.1	0.8	1.2	0.0	100.1%	261
	<i>F</i>	94.9	5.1	0.0	0.0	0.0	100.0%	254
Q8s. More quality education.*	<i>O</i>	94.8	4.4	0.2	0.4	0.2	100.0%	519
	<i>G</i>	91.6	7.3	0.4	0.4	0.4	100.1%	262
	<i>F</i>	98.1	1.6	0.0	0.4	0.0	100.1%	257
Q8t. More quality health care options.	<i>O</i>	92.6	6.6	0.4	0.4	0.0	100.0%	512
	<i>G</i>	91.8	6.6	0.8	0.8	0.0	100.0%	257
	<i>F</i>	93.3	6.7	0.0	0.0	0.0	100.0%	255
Q8u. Good transportation options.	<i>O</i>	85.4	12.5	1.6	0.2	0.4	100.1%	512
	<i>G</i>	82.2	14.8	2.3	0.4	0.4	100.1%	258
	<i>F</i>	88.6	10.2	0.8	0.0	0.4	100.0%	254
Q8v. Religious and/or spiritual values.	<i>O</i>	89.3	7.2	1.9	0.8	0.8	100.0%	515
	<i>G</i>	88.1	7.7	2.3	0.8	1.2	100.1%	261
	<i>F</i>	90.6	6.7	1.6	0.8	0.4	100.1%	254
Q8w. Social support services such as food pantries and charity services.	<i>O</i>	87.7	11.6	0.6	0.2	0.0	100.1%	519
	<i>G</i>	85.9	12.6	1.1	0.4	0.0	100.0%	263
	<i>F</i>	89.5	10.6	0.0	0.0	0.0	100.1%	256

* Statistically significant difference between the General Sample Area and the Focused Sample area, $p < .05$

Table B.10: q9a – q9l For each health issue please tell me how important of a problem you feel that issue is for Mobile County.

	<i>Mobile County</i>	<i>Very Important</i>	<i>Somewhat Important</i>	<i>Neither</i>	<i>Somewhat Unimportant</i>	<i>Very Unimportant</i>	<i>Total</i>	<i>N</i>
Q9a. Accidental injuries at places like work, home or school.	<i>O</i>	65.6	26.9	4.2	2.4	1.0	100.1%	506
	<i>G</i>	60.0	30.2	5.0	3.5	1.2	99.9%	258
	<i>F</i>	71.4	23.4	3.2	1.2	0.8	100.0%	248
Q9b. Aging problems like dementia and loss of mobility.	<i>O</i>	88.3	9.5	1.2	0.4	0.6	100.0%	514
	<i>G</i>	85.9	10.7	2.3	0.4	0.8	100.1%	262
	<i>F</i>	90.9	8.3	0.0	0.4	0.4	100.0%	252
Q9c. Cancers.	<i>O</i>	94.1	4.9	1.0	0.0	0.0	100.0%	512
	<i>G</i>	92.7	5.4	1.9	0.0	0.0	100.0%	259
	<i>F</i>	95.7	4.4	0.0	0.0	0.0	100.1%	253
Q9d. Child abuse and neglect.	<i>O</i>	96.5	3.5	0.0	0.0	0.0	100.0%	513
	<i>G</i>	97.3	2.7	0.0	0.0	0.0	100.0%	259
	<i>F</i>	95.7	4.3	0.0	0.0	0.0	100.0%	254
Q9e. Dental problems.*	<i>O</i>	80.0	17.8	1.6	0.4	0.2	100.0%	510
	<i>G</i>	74.8	22.1	2.3	0.4	0.4	100.0%	258
	<i>F</i>	85.3	13.5	0.8	0.4	0.0	100.0%	252
Q9f. Diabetes.	<i>O</i>	90.1	8.3	1.2	0.4	0.0	100.0%	516
	<i>G</i>	87.3	10.8	1.5	0.4	0.0	100.0%	260
	<i>F</i>	93.0	5.9	0.8	0.4	0.0	100.1%	256
Q9g. Domestic violence.	<i>O</i>	93.4	5.5	1.0	0.2	0.0	100.1%	514
	<i>G</i>	94.2	4.3	1.5	0.0	0.0	100.0%	259
	<i>F</i>	92.6	6.7	0.4	0.4	0.0	100.1%	255
Q9h. Drug use and abuse.	<i>O</i>	94.5	4.1	0.6	0.4	0.4	100.0%	511
	<i>G</i>	92.3	5.8	0.8	0.4	0.8	100.1%	258
	<i>F</i>	96.8	2.4	0.4	0.4	0.0	100.0%	253
Q9i. Fire-arm related injuries.	<i>O</i>	81.6	14.3	2.3	0.4	1.4	100.0%	512
	<i>G</i>	77.2	17.0	3.5	0.8	1.5	100.0%	259
	<i>F</i>	86.2	11.5	1.2	0.0	1.2	100.1%	253
Q9j. Heart disease and stroke.	<i>O</i>	93.0	5.8	1.0	0.0	0.2	100.0%	515
	<i>G</i>	91.2	7.3	1.5	0.0	0.0	100.0%	261
	<i>F</i>	94.9	4.3	0.4	0.0	0.4	100.0%	254
Q9k. HIV/AIDS.	<i>O</i>	88.0	9.8	1.4	0.6	0.2	100.0%	510
	<i>G</i>	84.9	12.0	1.9	0.8	0.4	100.0%	259
	<i>F</i>	91.2	7.6	0.8	0.4	0.0	100.0%	251
Q9l. Homelessness.	<i>O</i>	86.9	9.8	2.2	1.0	0.2	100.1%	512
	<i>G</i>	85.1	11.4	2.4	0.8	0.4	100.1%	255
	<i>F</i>	88.7	8.2	2.0	1.2	0.0	100.1%	257

* Statistically significant difference between the General Sample Area and the Focused Sample area, $p < .05$

Table B.11: q9m – q9x For each health issue please tell me how important of a problem you feel that issue is for Mobile County.

	<i>Mobile County</i>	<i>Very Important</i>	<i>Somewhat Important</i>	<i>Neither</i>	<i>Somewhat Unimportant</i>	<i>Very Unimportant</i>	<i>Total</i>	<i>N</i>
Q9m. Homicides.	<i>O</i>	91.4	6.1	1.0	1.0	0.6	100.1%	510
	<i>G</i>	90.7	5.8	1.6	1.2	0.8	100.1%	258
	<i>F</i>	92.1	6.4	0.4	0.8	0.4	100.1%	252
Q9n. Infant death.	<i>O</i>	89.2	9.4	1.0	0.4	0.0	100.0%	502
	<i>G</i>	87.4	11.4	0.4	0.8	0.0	100.0%	254
	<i>F</i>	91.1	7.3	1.6	0.0	0.0	100.0%	248
Q9o. Infectious diseases like hepatitis and tuberculosis.	<i>O</i>	86.7	10.4	2.0	0.4	0.6	100.1%	512
	<i>G</i>	85.3	12.0	1.9	0.0	0.8	100.0%	259
	<i>F</i>	88.1	8.7	2.0	0.8	0.4	100.0%	253
Q9p. Mental health problems.	<i>O</i>	91.1	7.2	1.6	0.2	0.0	100.1%	515
	<i>G</i>	88.5	9.6	1.5	0.4	0.0	100.0%	260
	<i>F</i>	93.7	4.7	1.6	0.0	0.0	100.0%	255
Q9q. Motor vehicle crash injuries.	<i>O</i>	81.6	16.6	1.2	0.0	0.6	100.0%	517
	<i>G</i>	79.8	17.9	1.5	0.0	0.8	100.0%	262
	<i>F</i>	83.5	15.3	0.8	0.0	0.4	100.0%	255
Q9r. Obesity or excess weight.	<i>O</i>	89.4	9.1	1.2	0.4	0.0	100.1%	517
	<i>G</i>	87.0	10.7	1.9	0.4	0.0	100.0%	261
	<i>F</i>	91.8	7.4	0.4	0.4	0.0	100.0%	256
Q9s. Rape and sexual assault.	<i>O</i>	92.9	5.9	0.4	0.4	0.4	100.0%	510
	<i>G</i>	91.2	7.3	0.4	0.4	0.8	100.1%	260
	<i>F</i>	94.8	4.4	0.4	0.4	0.0	100.0%	250
Q9t. Respiratory problems and lung disease.	<i>O</i>	89.4	9.8	0.8	0.0	0.0	100.0%	508
	<i>G</i>	88.0	11.2	0.8	0.0	0.0	100.0%	258
	<i>F</i>	90.8	8.4	0.8	0.0	0.0	100.0%	250
Q9u. Sexually transmitted diseases.	<i>O</i>	87.2	10.4	1.4	0.6	0.4	100.0%	509
	<i>G</i>	85.1	11.4	1.6	1.2	0.8	100.1%	255
	<i>F</i>	89.4	9.5	1.3	0.0	0.0	100.2%	254
Q9v. Suicide.	<i>O</i>	85.9	11.6	1.6	0.6	0.4	100.1%	511
	<i>G</i>	83.0	13.6	1.9	0.8	0.8	100.1%	258
	<i>F</i>	88.9	9.5	1.2	0.4	0.0	100.0%	253
Q9w. Teenage pregnancy.	<i>O</i>	88.7	9.6	1.2	0.6	0.0	100.1%	512
	<i>G</i>	86.1	11.2	1.9	0.8	0.0	100.0%	258
	<i>F</i>	91.3	7.9	0.4	0.4	0.0	100.0%	254
Q9x. Tobacco Use.	<i>O</i>	82.8	14.7	1.2	1.0	0.4	100.1%	510
	<i>G</i>	79.9	15.8	1.9	1.9	0.4	99.9%	259
	<i>F</i>	85.7	13.6	0.4	0.0	0.4	100.1%	251

Table B.12: q10a – q10l For each health condition, please tell me if a doctor or other health care professional has ever told you that you have that condition.

	<i>Mobile County</i>	<i>Yes</i>	<i>No</i>	<i>Total</i>	<i>N</i>
Q10a. Asthma.	O	14.6	85.4	100.0%	513
	G	15.1	84.9	100.0%	259
	F	14.2	85.8	100.0%	254
Q10b. Chronic obstructive pulmonary disease or COPD.	O	7.4	92.6	100.0%	513
	G	7.7	92.3	100.0%	259
	F	7.1	92.9	100.0%	254
Q10c. Dementia or Alzheimer's.*	O	1.6	98.4	100.0%	511
	G	0.4	99.6	100.0%	258
	F	2.8	97.3	100.1%	253
Q10d. Depression.	O	18.1	81.9	100.0%	514
	G	16.9	83.1	100.0%	260
	F	19.3	80.7	100.0%	205
Q10e. Diabetes.	O	26.7	73.3	100.0%	513
	G	26.2	73.9	100.1%	260
	F	27.3	72.7	100.0%	253
Q10f. Heart Disease.	O	18.6	81.5	100.1%	512
	G	15.8	84.2	100.0%	260
	F	21.4	78.6	100.0%	252
Q10g. High Cholesterol.	O	43.0	57.0	100.0%	512
	G	39.6	60.4	100.0%	260
	F	46.4	53.6	100.0%	252
Q10h. High blood pressure.	O	57.3	42.7	100.0%	513
	G	53.5	46.5	100.0%	260
	F	61.3	38.7	100.0%	253
Q10i. HIV or Aids.	O	0.6	99.4	100.0%	513
	G	0.8	99.2	100.0%	260
	F	0.4	99.6	100.0%	253
Q10j. Obesity.	O	17.2	82.8	100.0%	513
	G	17.7	82.3	100.0%	260
	F	16.7	83.3	100.0%	252
Q10k. Tuberculosis.	O	1.2	98.8	100.0%	512
	G	1.5	98.5	100.0%	260
	F	0.8	99.2	100.0%	252
Q10l. Alcohol or drug addiction.	O	1.8	98.3	100.1%	513
	G	2.3	97.7	100.0%	260
	F	1.2	98.8	100.0%	253

* Statistically significant difference between the General Sample Area and the Focused Sample area, $p < .05$

Table B.13: Q11. Thinking about your experience with healthcare services in Mobile County, please tell me if there are any healthcare services which you feel are difficult to get in Mobile County? Select All That Apply¹

	<i>Mobile County - Overall</i>	<i>Mobile County - General</i>	<i>Mobile County - Focused</i>
Alternative therapies (acupuncture, herbals)	0.4	0.4	0.4
Dental care / dentures	4.4	3.0	5.8
Emergency medical care**	4.2	1.9	6.6
Hospital care	4.0	2.7	5.5
Laboratory services	1.0	0.4	1.6
Mental health services	7.3	8.0	6.6
Physical therapy / rehabilitation	1.0	0.8	1.2
Preventative healthcare (routine or wellness checkups)	1.9	1.9	2.0
Prescriptions / pharmacy services	5.6	4.6	6.6
Primary medical care (primary doctor or clinic)	2.9	4.2	1.6
Services for the elderly	2.1	2.3	2.0
Specialty medical care (specialist doctors)	6.2	4.6	7.8
Alcohol or drug abuse treatment	1.2	1.1	1.2
Vision care / eye exams / glasses	1.5	1.5	1.6
Women's health**	4.2	1.5	7.0
X-rays or mammograms	1.7	0.8	2.7
Other	10.0	11.8	8.2
None	70.6	70.0	71.2
	<i>N</i>		
	520	263	257

¹ May add to more than 100% since respondents could select all that apply.

** Statistically significant difference between the General Sample Area and the Focused Sample area, $p < .01$

Table B.14: Q12. In the past 12 months, have you delayed getting needed medical care for any reason?

	<i>Mobile County - Overall</i>	<i>Mobile County - General</i>	<i>Mobile County - Focused</i>
Yes	13.9	14.1	13.6
No	86.1	85.9	86.4
<i>Total</i>	100.0%	100.0%	100.0%
<i>N</i>	519	262	257

Table B.15: Q13. (Of those saying YES to Q12) Why did you delay in getting needed medical care? Select All That Apply¹

	<i>Mobile County - Overall</i>	<i>Mobile County - General</i>	<i>Mobile County - Focused</i>
Could not afford medical care	31.9	29.7	34.3
Insurance problems / lack of insurance	20.8	18.9	22.9
Lack of transportation	6.9	5.4	8.6
Language barriers / could not communicate	1.4	2.7	0.0
Provider did not take my insurance	0.0	0.0	0.0
Provider was not taking new patients	4.2	2.7	5.7
Could not get an appointment soon enough	8.3	2.7	14.3
Could not get a weekend or evening appointment	4.2	5.4	2.9
Other	37.5	40.5	34.3
<i>N</i>	72	37	35

¹ May add to more than 100% since respondents could select all that apply.

Table B.16: Q14. When you or someone in your family is sick, where do you typically go for healthcare?*

	<i>Mobile County - Overall</i>	<i>Mobile County - General</i>	<i>Mobile County - Focused</i>
Emergency room (hospital)	16.4	14.8	17.9
Family doctor	63.5	58.2	68.9
Any doctor	3.5	4.6	2.3
Urgent care clinic	9.6	13.3	5.8
Health department	1.0	1.1	0.8
Community health center	1.7	2.7	0.8
Free clinic	0.6	0.8	0.4
VA / Military facility	1.7	2.3	1.2
Other	2.1	2.3	2.0
I usually go without receiving healthcare	0.0	0.0	0.0
<i>Total</i>	100.1%	100.1%	100.1%
<i>N</i>	520	263	257

* Statistically significant difference between the General Sample Area and the Focused Sample area, $p < .05$

Table B.17: Q15. Thinking about yourself personally, how confident are you that you can make and maintain lifestyle changes like eating right, exercising, or not smoking . . . ?

	<i>Mobile County - Overall</i>	<i>Mobile County - General</i>	<i>Mobile County - Focused</i>
Extremely confident	34.2	38.0	30.2
Very confident	42.5	38.4	46.7
Somewhat confident	16.0	16.4	15.7
Not very confident	4.8	4.9	4.7
Not at all confident	2.5	2.3	2.8
<i>Total</i>	100.0%	100.0%	100.1%
<i>N</i>	518	263	255

Table B.18: Q16. Do you currently use any tobacco products such as cigarettes, cigars, chewing tobacco, snuff, vaping or e-cigarettes? Select All That Apply¹

	<i>Mobile County - Overall</i>	<i>Mobile County - General</i>	<i>Mobile County - Focused</i>
Yes, cigarettes or cigars	10.4	10.3	10.5
Yes, chewing tobacco, snuff	1.4	2.3	0.4
Yes, vaping or e-cigarettes	0.8	0.8	0.8
No, quit in the last 12 months	0.8	1.1	0.4
No, quit more than a year ago*	8.5	11.0	5.8
No, never used tobacco products	79.2	76.1	82.5
<i>N</i>	520	263	257

¹ May add to more than 100% since respondents could select all that apply.

* Statistically significant difference between the General Sample Area and the Focused Sample area, $p < .05$

Table B.19: Q17. Age - Calculated from year respondent was born. **

	<i>Mobile County - Overall</i>	<i>Mobile County - General</i>	<i>Mobile County - Focused</i>
18 to 30	2.1	3.2	0.8
31 to 45	6.2	8.4	3.8
46 to 65	39.2	42.2	36.1
Over 65	52.6	46.2	59.2
<i>Total</i>	100.1%	100.0%	99.9%
<i>N</i>	487	249	238

** Statistically significant difference between the General Sample Area and the Focused Sample area, $p < .01$

Table B.20: Q18. What is your race? **

	<i>Mobile County - Overall</i>	<i>Mobile County - General</i>	<i>Mobile County - Focused</i>
White / Caucasian	56.5	65.0	47.9
Black / African-American	38.9	30.0	47.9
Hispanic or Latino	0.6	0.8	0.4
Asian	0.2	0.4	0.0
American Indian / Alaskan Native	0.2	0.4	0.0
Pacific Islander	0.2	0.0	0.4
Multi-racial	0.6	0.8	0.4
Other	2.9	2.7	3.1
<i>Total</i>	100.1%	100.1%	100.1%
<i>N</i>	520	263	257

** Statistically significant difference between the General Sample Area and the Focused Sample area, $p < .01$

Table B.21: Q19. What is the highest level of school you have completed or the highest degree you have received?

	<i>Mobile County - Overall</i>	<i>Mobile County - General</i>	<i>Mobile County - Focused</i>
Never attended school or only Kindergarten	0.6	0.8	0.4
Grades 1 through 8	1.2	0.8	1.6
Some High School (grades 9 through 11)	4.0	3.4	4.7
High School Degree or GED	29.8	27.0	32.7
Vocational / Technical School	2.7	3.4	2.0
Some College	27.3	25.5	29.2
Bachelors or 4 Year College Degree	21.9	24.7	19.1
Graduate or Professional Degree (Law Degree)	12.5	14.5	10.5
<i>Total</i>	100.0%	100.1%	100.2%
<i>N</i>	520	263	257

Table B.22: Q20. What is your current employment status?*

	<i>Mobile County - Overall</i>	<i>Mobile County - General</i>	<i>Mobile County - Focused</i>
Disabled / Unable to work	8.7	9.2	8.3
Employed full-time	20.8	27.1	14.2
Employed part-time	3.9	4.2	3.6
Homemaker / Housewife or househusband	3.9	3.1	4.7
Retired	53.4	48.5	58.5
Seasonal worker	0.2	0.4	0.0
Student	0.0	0.0	0.0
Self-employed	2.7	2.7	2.8
Unemployed	6.4	5.0	7.9
<i>Total</i>	100.0%	100.2%	100.0%
<i>N</i>	515	262	253

* Statistically significant difference between the General Sample Area and the Focused Sample area, $p < .05$

Table B.23: Q21. And finally, what was your total family income last year . . . ?

	<i>Mobile County - Overall</i>	<i>Mobile County - General</i>	<i>Mobile County - Focused</i>
Less than \$15,000	21.6	17.5	26.0
\$15,000 - \$25,000	12.6	11.1	14.2
\$25,000 - \$35,000	11.4	11.5	11.3
\$35,000 - \$50,000	13.8	13.8	13.7
\$50,000 - \$75,000	17.1	16.6	17.7
\$75,000 - \$100,000	10.2	12.4	7.8
More than \$100,000	13.3	17.1	9.3
<i>Total</i>	100.0%	100.0%	100.0%
<i>N</i>	421	217	204

Table B.24: Sex

	<i>Mobile County - Overall</i>	<i>Mobile County - General</i>	<i>Mobile County - Focused</i>
Male	26.0	29.7	22.2
Female	74.0	70.3	77.8
<i>Total</i>	100.0%	100.0%	100.0%
<i>N</i>	520	263	257

APPENDIX C – SURVEY DATA OPEN-ENDED RESPONSES

Q11. Thinking about your experience with healthcare services in Mobile County, please tell me if there are any healthcare services which you feel are difficult to get in Mobile County?

- Professional specialists.
- More adequate health care providers.
- Doctors need to collaborate more.
- Limitations getting healthcare services based on income.
- Arthritis.
- ADHD doctor.
- Medicare, disability.
- Domestic Abuse.
- Internal medicine specialty.
- Hospice at mercy medical.
- Specialist.
- People with no insurance get treated poorly.
- Obesity on how to lose weight.
- Home health care.
- No insurance.
- Weight control.
- Dentist, specialty doctor.
- Specialty doctor, some general doctor.
- Neurosurgeon.
- Specialty that takes Medicaid.
- Advanced cancer treatment, and advanced heart treatment.
- Uninsured emergency care.
- Places for homeless.
- Any health care services are here, but the quality of it is bad.
- Services for Alzheimer's, services for single moms, battered women.
- Length of time waiting for specialty medical appointments.
- Affordable housing for the needy.
- Health insurance, being uninsured, getting good care.
- Rheumatologists, not enough specialty doctors.
- Cancer Treatment Centers. Shriner's.
- Home care.
- Dermatologist.
- More urgent clinics available 24/7.
- Services for people who are uninsured.
- Birth control.
- Mental health for children.

- Skin doctor.
- AARP.
- Grief counseling.
- Obesity problem; child abuse; physical fitness over 50 years of age.
- Hard to afford health services.
- Heart doctor.
- Affordable recovery programs.
- Help with dementia.
- Skin doctor.
- They only help you with one thing at a time.
- Low income homes.
- Services for those on government assistant programs.

Why did you delay in getting needed medical care?

- Didn't feel it was urgent.
- No time to wait to get Dr. appointment.
- Money.
- Did not like the idea of surgery.
- She was able to see her doctor.
- Didn't want to go.
- Other family members had issues.
- Tragedy.
- Hurting too bad to go.
- Putting off visit.
- No misunderstood she did not delay.
- Caretaker for her mother, can't find time/help.
- Just busy.
- Caregiver for mother, trying to work.
- Could not see doctor.
- Didn't think she would get the best service.
- Don't have any.
- The quality of the healthcare system. It is just bad.
- Have to drive to far to get to a doctor. Need more clinics for the elderly.
- Did not have doctor.
- Didn't know about the problem.
- Did not get mammogram because felt it was unsafe.
- Too busy at work.
- Hoping that it would get better.
- Making time for the appointment.

APPENDIX D – SURVEY INSTRUMENT

SCREENER

I. Introduction

“My name is _____ and I'm calling from the University of South Alabama. We are conducting a survey about healthcare needs and services in Mobile County.”

II. Respondent Selection

“I'd like to talk to the person in your household who's 18 or older and who makes most of the household decisions regarding healthcare?”

A. IF RESPONDENT – “Then you're the one I want to talk to.” SKIP TO QUESTIONNAIRE

B. IF SOMEONE ELSE – “May I speak to them please?”

IF RESPONDENT IS NOT HOME, ASK – “Could you suggest a convenient time for me to call back when I might be able to reach them?” GIVE SHIFT TIMES IF NECESSARY. GET FIRST NAME OF RESPONDENT IF POSSIBLE.

IF RESPONDENT IS DIFFERENT FROM PERSON WHO ANSWERED PHONE – “My name is _____ and I'm calling from the University Polling Group.

III. Survey Start

“(Once again,) this is a short survey about healthcare needs and services in Mobile County. You may refuse to answer any question, and you may stop the survey at any time. Your answers to these questions are completely anonymous.”

1. (16) "First, would you say that in general your health is . . . excellent, very good, good, fair, or poor?"

- 1 EXCELLENT
- 2 VERY GOOD
- 3 GOOD
- 4 FAIR
- 5 POOR

- 8 DK
- 9 NA

2. (4) "Thinking about Mobile County overall, how would you rate the health of people who live in Mobile County . . . very healthy, healthy, somewhat healthy, unhealthy, or very unhealthy?"

- 1 VERY HEALTHY
- 2 HEALTHY
- 3 SOMEWHAT HEALTHY
- 4 UNHEALTHY
- 5 VERY UNHEALTHY

- 8 DK
- 9 NA

3. (14) "Overall, how would you rate the quality of healthcare services available in Mobile County . . . excellent, very good, good, fair, or poor?"

- 1 EXCELLENT
- 2 VERY GOOD
- 3 GOOD
- 4 FAIR
- 5 POOR

- 8 DK
- 9 NA

4. (6) "What type of healthcare insurance do you have?"

IF RESPONDENT HAS PRIVATE INSURANCE: "Is your private insurance plan one you purchased yourself or is it provided to you through your employer or spouse's employer?"

- 1 PRIVATE INSURANCE – DIRECT PURCHASE
- 2 PRIVATE INSURANCE – EMPLOYER BASED
- 3 PRIVATE INSURANCE – EMPLOYER BASED SPOUSE
- 4 MEDICARE
- 5 MEDICAID
- 6 OTHER
- 7 NO INSURANCE
- 8 TRICARE/MILITARY INSURANCE

- 98 DON'T KNOW
- 99 REF/NA

5. "Do you have one person you think of as your personal doctor or health care provider?"

IF "No" ASK: "Is there more than one, or is there no person who you think of as your personal doctor or health care provider?"

- 1 YES ONLY ONE
- 2 YES MORE THAN ONE
- 3 NO

- 8 DK
- 9 NA

6. (8) "How long has it been since your last visit to a doctor for a wellness exam or routine checkup . . . was that within the past 12 months, 1 to 2 years ago, 2 to 5 years ago, 5 or more years ago, or have you never had a wellness exam or routine checkup?"

- 1 WITHIN THE PAST 12 MONTHS
- 2 1 TO 2 YEARS AGO
- 3 2 TO 5 YEARS AGO
- 4 5 OR MORE YEARS AGO
- 5 NEVER HAD ONE

- 8 DK
- 9 NA

7. (7) "How long has it been since your last dental exam or cleaning . . . was that within the past 12 months, 1 to 2 years ago, 2 to 5 years ago, 5 or more years ago, or have you never had a dental exam or cleaning?"

- 1 WITHIN THE PAST 12 MONTHS
- 2 1 TO 2 YEARS AGO
- 3 2 TO 5 YEARS AGO
- 4 5 OR MORE YEARS AGO
- 5 NEVER HAD ONE

- 8 DK
- 9 NA

8. (1) Next, I'm going to read a list of things that apply to healthy communities. For each item please tell me how important you think that item would be to improving the overall health in your community.

A. "First, access to health services such a health clinic or hospital . . . would say this is very important, somewhat important, neither important nor unimportant, somewhat unimportant, or very unimportant to the overall health in your community?"

- 1 VERY IMPORTANT
- 2 SOMEWHAT IMPORTANT
- 3 NEITHER IMPORTANT NOR UNIMPORTANT
- 4 SOMEWHAT UNIMPORTANT
- 5 VERY UNIMPORTANT

- 8 DK
- 9 NA

B. "What about, active lifestyles including outdoor activities . . . would say this is very important, somewhat important, neither important nor unimportant, somewhat unimportant, or very unimportant to the overall health in your community?"

- 1 VERY IMPORTANT
- 2 SOMEWHAT IMPORTANT
- 3 NEITHER IMPORTANT NOR UNIMPORTANT
- 4 SOMEWHAT UNIMPORTANT
- 5 VERY UNIMPORTANT

- 8 DK
- 9 NA

C. "Affordable housing?"

PROBE IF NEEDED: "Would say this is very important, somewhat important, neither important nor unimportant, somewhat unimportant, or very unimportant to the overall health in your community?"

- 1 VERY IMPORTANT
- 2 SOMEWHAT IMPORTANT
- 3 NEITHER IMPORTANT NOR UNIMPORTANT
- 4 SOMEWHAT UNIMPORTANT
- 5 VERY UNIMPORTANT

- 8 DK
- 9 NA

D. "Arts and cultural events?"

PROBE IF NEEDED: "Would say this is very important, somewhat important, neither important nor unimportant, somewhat unimportant, or very unimportant to the overall health in your community?"

- 1 VERY IMPORTANT
- 2 SOMEWHAT IMPORTANT
- 3 NEITHER IMPORTANT NOR UNIMPORTANT
- 4 SOMEWHAT UNIMPORTANT
- 5 VERY UNIMPORTANT

- 8 DK
- 9 NA

E. "A clean environment including water, air, etc.?"

PROBE IF NEEDED: "Would say this is very important, somewhat important, neither important nor unimportant, somewhat unimportant, or very unimportant to the overall health in your community?"

- 1 VERY IMPORTANT
- 2 SOMEWHAT IMPORTANT
- 3 NEITHER IMPORTANT NOR UNIMPORTANT
- 4 SOMEWHAT UNIMPORTANT
- 5 VERY UNIMPORTANT

- 8 DK
- 9 NA

F. "Family doctors and specialists?"

PROBE IF NEEDED: "Would say this is very important, somewhat important, neither important nor unimportant, somewhat unimportant, or very unimportant to the overall health in your community?"

- 1 VERY IMPORTANT
- 2 SOMEWHAT IMPORTANT
- 3 NEITHER IMPORTANT NOR UNIMPORTANT
- 4 SOMEWHAT UNIMPORTANT
- 5 VERY UNIMPORTANT

- 8 DK
- 9 NA

G. "Good employment opportunities?"

PROBE IF NEEDED: "Would say this is very important, somewhat important, neither important nor unimportant, somewhat unimportant, or very unimportant to the overall health in your community?"

- 1 VERY IMPORTANT
- 2 SOMEWHAT IMPORTANT
- 3 NEITHER IMPORTANT NOR UNIMPORTANT
- 4 SOMEWHAT UNIMPORTANT
- 5 VERY UNIMPORTANT

- 8 DK
- 9 NA

H. "Good places to raise children?"

PROBE IF NEEDED: "Would say this is very important, somewhat important, neither important nor unimportant, somewhat unimportant, or very unimportant to the overall health in your community?"

- 1 VERY IMPORTANT
- 2 SOMEWHAT IMPORTANT
- 3 NEITHER IMPORTANT NOR UNIMPORTANT
- 4 SOMEWHAT UNIMPORTANT
- 5 VERY UNIMPORTANT

- 8 DK
- 9 NA

I. "Good race relations?"

PROBE IF NEEDED: "Would say this is very important, somewhat important, neither important nor unimportant, somewhat unimportant, or very unimportant to the overall health in your community?"

- 1 VERY IMPORTANT
- 2 SOMEWHAT IMPORTANT
- 3 NEITHER IMPORTANT NOR UNIMPORTANT
- 4 SOMEWHAT UNIMPORTANT
- 5 VERY UNIMPORTANT

- 8 DK
- 9 NA

J. "Good schools?"

PROBE IF NEEDED: "Would say this is very important, somewhat important, neither important nor unimportant, somewhat unimportant, or very unimportant to the overall health in your community?"

- 1 VERY IMPORTANT
- 2 SOMEWHAT IMPORTANT
- 3 NEITHER IMPORTANT NOR UNIMPORTANT
- 4 SOMEWHAT UNIMPORTANT
- 5 VERY UNIMPORTANT

- 8 DK
- 9 NA

K. "Healthy food options?"

PROBE IF NEEDED: "Would say this is very important, somewhat important, neither important nor unimportant, somewhat unimportant, or very unimportant to the overall health in your community?"

- 1 VERY IMPORTANT
- 2 SOMEWHAT IMPORTANT
- 3 NEITHER IMPORTANT NOR UNIMPORTANT
- 4 SOMEWHAT UNIMPORTANT
- 5 VERY UNIMPORTANT

- 8 DK
- 9 NA

L. "Fewer homeless?"

PROBE IF NEEDED: "Would say this is very important, somewhat important, neither important nor unimportant, somewhat unimportant, or very unimportant to the overall health in your community?"

- 1 VERY IMPORTANT
- 2 SOMEWHAT IMPORTANT
- 3 NEITHER IMPORTANT NOR UNIMPORTANT
- 4 SOMEWHAT UNIMPORTANT
- 5 VERY UNIMPORTANT

- 8 DK
- 9 NA

M. "Less alcohol and drug abuse?"

PROBE IF NEEDED: "Would say this is very important, somewhat important, neither important nor unimportant, somewhat unimportant, or very unimportant to the overall health in your community?"

- 1 VERY IMPORTANT
- 2 SOMEWHAT IMPORTANT
- 3 NEITHER IMPORTANT NOR UNIMPORTANT
- 4 SOMEWHAT UNIMPORTANT
- 5 VERY UNIMPORTANT

- 8 DK
- 9 NA

N. "Lower crime and safe neighborhoods?"

PROBE IF NEEDED: "Would say this is very important, somewhat important, neither important nor unimportant, somewhat unimportant, or very unimportant to the overall health in your community?"

- 1 VERY IMPORTANT
- 2 SOMEWHAT IMPORTANT
- 3 NEITHER IMPORTANT NOR UNIMPORTANT
- 4 SOMEWHAT UNIMPORTANT
- 5 VERY UNIMPORTANT

- 8 DK
- 9 NA

O. "Less obesity?"

PROBE IF NEEDED: "Would say this is very important, somewhat important, neither important nor unimportant, somewhat unimportant, or very unimportant to the overall health in your community?"

- 1 VERY IMPORTANT
- 2 SOMEWHAT IMPORTANT
- 3 NEITHER IMPORTANT NOR UNIMPORTANT
- 4 SOMEWHAT UNIMPORTANT
- 5 VERY UNIMPORTANT

- 8 DK
- 9 NA

P. "Less sexually transmitted diseases?"

PROBE IF NEEDED: "Would say this is very important, somewhat important, neither important nor unimportant, somewhat unimportant, or very unimportant to the overall health in your community?"

- 1 VERY IMPORTANT
- 2 SOMEWHAT IMPORTANT
- 3 NEITHER IMPORTANT NOR UNIMPORTANT
- 4 SOMEWHAT UNIMPORTANT
- 5 VERY UNIMPORTANT

- 8 DK
- 9 NA

Q. "Less tobacco use?"

PROBE IF NEEDED: "Would say this is very important, somewhat important, neither important nor unimportant, somewhat unimportant, or very unimportant to the overall health in your community?"

- 1 VERY IMPORTANT
- 2 SOMEWHAT IMPORTANT
- 3 NEITHER IMPORTANT NOR UNIMPORTANT
- 4 SOMEWHAT UNIMPORTANT
- 5 VERY UNIMPORTANT

- 8 DK
- 9 NA

R. "Mental health services?"

PROBE IF NEEDED: "Would say this is very important, somewhat important, neither important nor unimportant, somewhat unimportant, or very unimportant to the overall health in your community?"

- 1 VERY IMPORTANT
- 2 SOMEWHAT IMPORTANT
- 3 NEITHER IMPORTANT NOR UNIMPORTANT
- 4 SOMEWHAT UNIMPORTANT
- 5 VERY UNIMPORTANT

- 8 DK
- 9 NA

S. "More quality education?"

PROBE IF NEEDED: "Would say this is very important, somewhat important, neither important nor unimportant, somewhat unimportant, or very unimportant to the overall health in your community?"

- 1 VERY IMPORTANT
- 2 SOMEWHAT IMPORTANT
- 3 NEITHER IMPORTANT NOR UNIMPORTANT
- 4 SOMEWHAT UNIMPORTANT
- 5 VERY UNIMPORTANT

- 8 DK
- 9 NA

T. "More quality health care options?"

PROBE IF NEEDED: "Would say this is very important, somewhat important, neither important nor unimportant, somewhat unimportant, or very unimportant to the overall health in your community?"

- 1 VERY IMPORTANT
- 2 SOMEWHAT IMPORTANT
- 3 NEITHER IMPORTANT NOR UNIMPORTANT
- 4 SOMEWHAT UNIMPORTANT
- 5 VERY UNIMPORTANT

- 8 DK
- 9 NA

U. "Good transportation options?"

PROBE IF NEEDED: "Would say this is very important, somewhat important, neither important nor unimportant, somewhat unimportant, or very unimportant to the overall health in your community?"

- 1 VERY IMPORTANT
- 2 SOMEWHAT IMPORTANT
- 3 NEITHER IMPORTANT NOR UNIMPORTANT
- 4 SOMEWHAT UNIMPORTANT
- 5 VERY UNIMPORTANT

- 8 DK
- 9 NA

V. "Religious and/or spiritual values?"

PROBE IF NEEDED: "Would say this is very important, somewhat important, neither important nor unimportant, somewhat unimportant, or very unimportant to the overall health in your community?"

- 1 VERY IMPORTANT
- 2 SOMEWHAT IMPORTANT
- 3 NEITHER IMPORTANT NOR UNIMPORTANT
- 4 SOMEWHAT UNIMPORTANT
- 5 VERY UNIMPORTANT

- 8 DK
- 9 NA

W. "Social support services such as food pantries and charity services?"

PROBE IF NEEDED: "Would say this is very important, somewhat important, neither important nor unimportant, somewhat unimportant, or very unimportant to the overall health in your community?"

- 1 VERY IMPORTANT
- 2 SOMEWHAT IMPORTANT
- 3 NEITHER IMPORTANT NOR UNIMPORTANT
- 4 SOMEWHAT UNIMPORTANT
- 5 VERY UNIMPORTANT

- 8 DK
- 9 NA

9. (2) Next, I'm going to read a list of health issues, for each one please tell me how important of a problem you feel that issue is for Mobile County.

A. "First, what about accidental injuries at places like work, home or school . . . would say this is very important, somewhat important, neither important nor unimportant, somewhat unimportant, or very unimportant to the overall health in your community?"

- 1 VERY IMPORTANT
- 2 SOMEWHAT IMPORTANT
- 3 NEITHER IMPORTANT NOR UNIMPORTANT
- 4 SOMEWHAT UNIMPORTANT
- 5 VERY UNIMPORTANT

- 8 DK
- 9 NA

B. "What about, aging problems like dementia and loss of mobility . . . would say this is very important, somewhat important, neither important nor unimportant, somewhat unimportant, or very unimportant to the overall health in your community?"

- 1 VERY IMPORTANT
- 2 SOMEWHAT IMPORTANT
- 3 NEITHER IMPORTANT NOR UNIMPORTANT
- 4 SOMEWHAT UNIMPORTANT
- 5 VERY UNIMPORTANT

- 8 DK
- 9 NA

C. "Cancers?"

PROBE IF NEEDED: "Would say this issue is a very important, somewhat important, neither important nor unimportant, somewhat unimportant, or very unimportant problem for Mobile County?"

- 1 VERY IMPORTANT
- 2 SOMEWHAT IMPORTANT
- 3 NEITHER IMPORTANT NOR UNIMPORTANT
- 4 SOMEWHAT UNIMPORTANT
- 5 VERY UNIMPORTANT

- 8 DK
- 9 NA

D. "Child abuse and neglect?"

PROBE IF NEEDED: "Would say this issue is a very important, somewhat important, neither important nor unimportant, somewhat unimportant, or very unimportant problem for Mobile County?"

- 1 VERY IMPORTANT
- 2 SOMEWHAT IMPORTANT
- 3 NEITHER IMPORTANT NOR UNIMPORTANT
- 4 SOMEWHAT UNIMPORTANT
- 5 VERY UNIMPORTANT

- 8 DK
- 9 NA

E. "Dental problems?"

PROBE IF NEEDED: "Would say this issue is a very important, somewhat important, neither important nor unimportant, somewhat unimportant, or very unimportant problem for Mobile County?"

- 1 VERY IMPORTANT
- 2 SOMEWHAT IMPORTANT
- 3 NEITHER IMPORTANT NOR UNIMPORTANT
- 4 SOMEWHAT UNIMPORTANT
- 5 VERY UNIMPORTANT

- 8 DK
- 9 NA

F. "Diabetes?"

PROBE IF NEEDED: "Would say this issue is a very important, somewhat important, neither important nor unimportant, somewhat unimportant, or very unimportant problem for Mobile County?"

- 1 VERY IMPORTANT
- 2 SOMEWHAT IMPORTANT
- 3 NEITHER IMPORTANT NOR UNIMPORTANT
- 4 SOMEWHAT UNIMPORTANT
- 5 VERY UNIMPORTANT

- 8 DK
- 9 NA

G. "Domestic violence?"

PROBE IF NEEDED: "Would say this issue is a very important, somewhat important, neither important nor unimportant, somewhat unimportant, or very unimportant problem for Mobile County?"

- 1 VERY IMPORTANT
- 2 SOMEWHAT IMPORTANT
- 3 NEITHER IMPORTANT NOR UNIMPORTANT
- 4 SOMEWHAT UNIMPORTANT
- 5 VERY UNIMPORTANT

- 8 DK
- 9 NA

H. "Drug use and abuse?"

PROBE IF NEEDED: "Would say this issue is a very important, somewhat important, neither important nor unimportant, somewhat unimportant, or very unimportant problem for Mobile County?"

- 1 VERY IMPORTANT
- 2 SOMEWHAT IMPORTANT
- 3 NEITHER IMPORTANT NOR UNIMPORTANT
- 4 SOMEWHAT UNIMPORTANT
- 5 VERY UNIMPORTANT

- 8 DK
- 9 NA

I. "Fire-arm related injuries?"

PROBE IF NEEDED: "Would say this issue is a very important, somewhat important, neither important nor unimportant, somewhat unimportant, or very unimportant problem for Mobile County?"

- 1 VERY IMPORTANT
- 2 SOMEWHAT IMPORTANT
- 3 NEITHER IMPORTANT NOR UNIMPORTANT
- 4 SOMEWHAT UNIMPORTANT
- 5 VERY UNIMPORTANT

- 8 DK
- 9 NA

J. "Heart disease and stroke?"

PROBE IF NEEDED: "Would say this issue is a very important, somewhat important, neither important nor unimportant, somewhat unimportant, or very unimportant problem for Mobile County?"

- 1 VERY IMPORTANT
- 2 SOMEWHAT IMPORTANT
- 3 NEITHER IMPORTANT NOR UNIMPORTANT
- 4 SOMEWHAT UNIMPORTANT
- 5 VERY UNIMPORTANT

- 8 DK
- 9 NA

K. "HIV/AIDS?"

PROBE IF NEEDED: "Would say this issue is a very important, somewhat important, neither important nor unimportant, somewhat unimportant, or very unimportant problem for Mobile County?"

- 1 VERY IMPORTANT
- 2 SOMEWHAT IMPORTANT
- 3 NEITHER IMPORTANT NOR UNIMPORTANT
- 4 SOMEWHAT UNIMPORTANT
- 5 VERY UNIMPORTANT

- 8 DK
- 9 NA

L. "Homelessness?"

PROBE IF NEEDED: "Would say this issue is a very important, somewhat important, neither important nor unimportant, somewhat unimportant, or very unimportant problem for Mobile County?"

- 1 VERY IMPORTANT
- 2 SOMEWHAT IMPORTANT
- 3 NEITHER IMPORTANT NOR UNIMPORTANT
- 4 SOMEWHAT UNIMPORTANT
- 5 VERY UNIMPORTANT

- 8 DK
- 9 NA

M. "Homicides?"

PROBE IF NEEDED: "Would say this issue is a very important, somewhat important, neither important nor unimportant, somewhat unimportant, or very unimportant problem for Mobile County?"

- 1 VERY IMPORTANT
- 2 SOMEWHAT IMPORTANT
- 3 NEITHER IMPORTANT NOR UNIMPORTANT
- 4 SOMEWHAT UNIMPORTANT
- 5 VERY UNIMPORTANT

- 8 DK
- 9 NA

N. "Infant death?"

PROBE IF NEEDED: "Would say this issue is a very important, somewhat important, neither important nor unimportant, somewhat unimportant, or very unimportant problem for Mobile County?"

- 1 VERY IMPORTANT
- 2 SOMEWHAT IMPORTANT
- 3 NEITHER IMPORTANT NOR UNIMPORTANT
- 4 SOMEWHAT UNIMPORTANT
- 5 VERY UNIMPORTANT

- 8 DK
- 9 NA

O. "Infectious diseases like hepatitis and tuberculosis?"

PROBE IF NEEDED: "Would say this issue is a very important, somewhat important, neither important nor unimportant, somewhat unimportant, or very unimportant problem for Mobile County?"

- 1 VERY IMPORTANT
- 2 SOMEWHAT IMPORTANT
- 3 NEITHER IMPORTANT NOR UNIMPORTANT
- 4 SOMEWHAT UNIMPORTANT
- 5 VERY UNIMPORTANT

- 8 DK
- 9 NA

P. "Mental health problems?"

PROBE IF NEEDED: "Would say this issue is a very important, somewhat important, neither important nor unimportant, somewhat unimportant, or very unimportant problem for Mobile County?"

- 1 VERY IMPORTANT
- 2 SOMEWHAT IMPORTANT
- 3 NEITHER IMPORTANT NOR UNIMPORTANT
- 4 SOMEWHAT UNIMPORTANT
- 5 VERY UNIMPORTANT

- 8 DK
- 9 NA

Q. "Motor vehicle crash injuries?"

PROBE IF NEEDED: "Would say this issue is a very important, somewhat important, neither important nor unimportant, somewhat unimportant, or very unimportant problem for Mobile County?"

- 1 VERY IMPORTANT
- 2 SOMEWHAT IMPORTANT
- 3 NEITHER IMPORTANT NOR UNIMPORTANT
- 4 SOMEWHAT UNIMPORTANT
- 5 VERY UNIMPORTANT

- 8 DK
- 9 NA

R. "Obesity or excess weight?"

PROBE IF NEEDED: "Would say this issue is a very important, somewhat important, neither important nor unimportant, somewhat unimportant, or very unimportant problem for Mobile County?"

- 1 VERY IMPORTANT
- 2 SOMEWHAT IMPORTANT
- 3 NEITHER IMPORTANT NOR UNIMPORTANT
- 4 SOMEWHAT UNIMPORTANT
- 5 VERY UNIMPORTANT

- 8 DK
- 9 NA

S. "Rape and sexual assault?"

PROBE IF NEEDED: "Would say this issue is a very important, somewhat important, neither important nor unimportant, somewhat unimportant, or very unimportant problem for Mobile County?"

- 1 VERY IMPORTANT
- 2 SOMEWHAT IMPORTANT
- 3 NEITHER IMPORTANT NOR UNIMPORTANT
- 4 SOMEWHAT UNIMPORTANT
- 5 VERY UNIMPORTANT

- 8 DK
- 9 NA

T. "Respiratory problems and lung disease?"

PROBE IF NEEDED: "Would say this issue is a very important, somewhat important, neither important nor unimportant, somewhat unimportant, or very unimportant problem for Mobile County?"

- 1 VERY IMPORTANT
- 2 SOMEWHAT IMPORTANT
- 3 NEITHER IMPORTANT NOR UNIMPORTANT
- 4 SOMEWHAT UNIMPORTANT
- 5 VERY UNIMPORTANT

- 8 DK
- 9 NA

U. "Sexually transmitted diseases?"

PROBE IF NEEDED: "Would say this issue is a very important, somewhat important, neither important nor unimportant, somewhat unimportant, or very unimportant problem for Mobile County?"

- 1 VERY IMPORTANT
- 2 SOMEWHAT IMPORTANT
- 3 NEITHER IMPORTANT NOR UNIMPORTANT
- 4 SOMEWHAT UNIMPORTANT
- 5 VERY UNIMPORTANT

- 8 DK
- 9 NA

V. "Suicide?"

PROBE IF NEEDED: "Would say this issue is a very important, somewhat important, neither important nor unimportant, somewhat unimportant, or very unimportant problem for Mobile County?"

- 1 VERY IMPORTANT
- 2 SOMEWHAT IMPORTANT
- 3 NEITHER IMPORTANT NOR UNIMPORTANT
- 4 SOMEWHAT UNIMPORTANT
- 5 VERY UNIMPORTANT

- 8 DK
- 9 NA

W. "Teenage pregnancy?"

PROBE IF NEEDED: "Would say this issue is a very important, somewhat important, neither important nor unimportant, somewhat unimportant, or very unimportant problem for Mobile County?"

- 1 VERY IMPORTANT
- 2 SOMEWHAT IMPORTANT
- 3 NEITHER IMPORTANT NOR UNIMPORTANT
- 4 SOMEWHAT UNIMPORTANT
- 5 VERY UNIMPORTANT

- 8 DK
- 9 NA

X. "Tobacco Use?"

PROBE IF NEEDED: "Would say this issue is a very important, somewhat important, neither important nor unimportant, somewhat unimportant, or very unimportant problem for Mobile County?"

- 1 VERY IMPORTANT
- 2 SOMEWHAT IMPORTANT
- 3 NEITHER IMPORTANT NOR UNIMPORTANT
- 4 SOMEWHAT UNIMPORTANT
- 5 VERY UNIMPORTANT

- 8 DK
- 9 NA

10. (5) "Now I am going to read a list of common health conditions . . . for each one, please tell me if a doctor or other health care professional has ever told you that you have that condition."

A. "The first condition is asthma, has a doctor or other health professional ever told you that you have asthma?"

- 1 YES
- 2 NO

- 8 DK
- 9 NA

B. "Has a doctor or other health professional ever told you that you have chronic obstructive pulmonary disease or COPD?"

- 1 YES
- 2 NO

- 8 DK
- 9 NA

C. "What about dementia or Alzheimer's (ALS-HI-MERS) disease?"

PROBE IF NEEDED: "Has a doctor or other health professional ever told you that you have this health condition?"

- 1 YES
- 2 NO

- 8 DK
- 9 NA

D. "Depression?"

PROBE IF NEEDED: "Has a doctor or other health professional ever told you that you have this health condition?"

- 1 YES
- 2 NO

- 8 DK
- 9 NA

E. "Diabetes?"

PROBE IF NEEDED: "Has a doctor or other health professional ever told you that you have this health condition?"

- 1 YES
- 2 NO

- 8 DK
- 9 NA

F. "Heart Disease?"

PROBE IF NEEDED: "Has a doctor or other health professional ever told you that you have this health condition?"

- 1 YES
- 2 NO

- 8 DK
- 9 NA

G. "High Cholesterol?"

PROBE IF NEEDED: "Has a doctor or other health professional ever told you that you have this health condition?"

1 YES

2 NO

8 DK

9 NA

H "High blood pressure?"

PROBE IF NEEDED: "Has a doctor or other health professional ever told you that you have this health condition?"

1 YES

2 NO

8 DK

9 NA

I. "HIV or Aids?"

PROBE IF NEEDED: "Has a doctor or other health professional ever told you that you have this health condition?"

1 YES

2 NO

8 DK

9 NA

J. "Obesity?"

PROBE IF NEEDED: "Has a doctor or other health professional ever told you that you have this health condition?"

1 YES

2 NO

8 DK

9 NA

K. "Tuberculosis?"

PROBE IF NEEDED: "Has a doctor or other health professional ever told you that you have this health condition?"

1 YES

2 NO

8 DK

9 NA

L. "Alcohol or drug addiction?"

PROBE IF NEEDED: "Has a doctor or other health professional ever told you that you have this health condition?"

1 YES

2 NO

8 DK

9 NA

11. (10) "Thinking about your experience with healthcare services in Mobile County, please tell me if there are any healthcare services which you feel are difficult to get in Mobile County?"

PROBE: "Are there any other healthcare services which you feel are difficult to get in Mobile County?"

SELECT ALL THAT APPLY

1 ALTERNATIVE THERAPIES (ACUPUNCTURE, HERBALS)

2 DENTAL CARE / DENTURES

3 EMERGENCY MEDICAL CARE

4 HOSPITAL CARE

5 LABORATORY SERVICES

6 MENTAL HEALTH SERVICES

7 PHYSICAL THERAPY / REHABILITATION

8 PREVENTATIVE HEALTHCARE (ROUTINE OR WELLNESS CHECKUPS)

9 PRESCRIPTIONS / PHARMACY SERVICES

10 PRIMARY MEDICAL CARE (PRIMARY CARE DOCTOR OR CLINIC)

11 SERVICES FOR THE ELDERLY

12 SPECIALTY MEDICAL CARE (SPECIALIST DOCTORS)

13 ALCOHOL OR DRUG ABUSE TREATMENT

14 VISION CARE / EYE EXAMS / GLASSES

15 WOMEN'S HEALTH

16 X-RAYS OR MAMMOGRAMS

17 OTHER

18 NO / NO MORE

12. (11) "In the past 12 months, have you delayed getting needed medical care for any reason?"

1 YES

2 NO

8 DK

9 NA

IF YES SKIPTO Q13; ELSE SKIPTO Q14

13. (11) "Why did you delay in getting needed medical care?"

PROBE: "Are there any reasons you delayed getting needed medical care in the past 12 months?"

SELECT ALL THAT APPLY

- 1 COULD NOT AFFORD MEDICAL CARE
- 2 INSURANCE PROBLEMS / LACK OF INSURANCE
- 3 LACK OF TRANSPORTATION
- 4 LANGUAGE BARRIERS / COULD NOT COMMUNICATE
- 5 PROVIDER DID NOT TAKE MY INSURANCE
- 6 PROVIDER WAS NOT TAKING NEW PATIENTS
- 7 COULD NOT GET AN APPOINTMENT SOON ENOUGH
- 8 COULD NOT GET A WEEKEND OR EVENING APPOINTMENT
- 9 OTHER
- 10 NO MORE REASONS

14. (12) "When you or someone in your family is sick, where do you typically go for healthcare?"

- 1 EMERGENCY ROOM (HOSPITAL)
- 2 FAMILY DOCTOR
- 3 ANY DOCTOR
- 4 URGENT CARE CLINIC
- 5 HEALTH DEPARTMENT
- 6 COMMUNITY HEALTH CENTER
- 7 FREE CLINIC
- 8 VA / MILITARY FACILITY
- 9 OTHER
- 10 I USUALLY GO WITHOUT RECEIVING HEALTHCARE

98 DK

99 NA

15. (17) "Thinking about yourself personally, how confident are you that you can make and maintain lifestyle changes like eating right, exercising, or not smoking . . . extremely confident, very confident, somewhat confident, not very confident, or not at all confident?"

- 1 EXTREMELY CONFIDENT
- 2 VERY CONFIDENT
- 3 SOMEWHAT CONFIDENT
- 4 NOT VERY CONFIDENT
- 5 NOT AT ALL CONFIDENT

8 DK

9 NA

16. (15) "Do you currently use any tobacco products such as cigarettes, cigars, chewing tobacco, snuff, vaping or e-cigarettes?"

IF YES, PROBE: "Anything else?"

IF NO, PROBE: "Have you ever used any of these tobacco products?" IF YES: "Did you stop using them in the last 12 months, or has it been more than a year since you used any of these tobacco products?"

SELECT ALL THAT APPLY

- 1 YES, CIGARETTES OR CIGARS
- 2 YES, CHEWING TOBACCO, SNUFF
- 3 YES, VAPING OR E-CIGARETTES
- 4 NO, QUIT IN THE LAST 12 MONTHS
- 5 NO, QUIT MORE THAN A YEAR AGO
- 6 NO, NEVER USED ANY TOBACCO PRODUCTS / NO MORE PRODUCTS

17. (22) "Finally for statistical purposes, I need to ask a few questions about yourself. In what year were you born?"

RECORD YEAR BORN

18. (21) "What is your race?"

- 1 WHITE / CAUCASION
- 2 BLACK / AFRICAN-AMERICAN
- 3 HISPANIC OR LATNIO
- 4 ASIAN
- 5 AMERICAN INDIAN / ALASKAN NATIVE
- 6 PACIFIC ISLANDER
- 7 MULTI-RACIAL
- 8 OTHER

98 DK

99 NA

19. (23) "What is the highest level of school you have completed or the highest degree you have received?"

- 1 GRADES 1 THROUGH 8
- 2 SOME HIGH SCHOOL (GRADES 9 THROUGH 11)
- 3 HIGH SCHOOL OR GED
- 4 VOCATIONAL / TECHNICAL SCHOOL
- 5 SOME COLLEGE
- 6 ASSOCIATES DEGREE OR 2 YEAR COLLEGE DEGREE
- 7 BACHELORS OR 4 YEAR COLLEGE DEGREE
- 8 GRADUATE OR PROFESSIONAL DEGREE (LAW DEGREE)

98 DK

99 NA

20. (24) "What is your current employment status?"

IF WORKING OR EMPLOYED: "Is that full-time or part-time?"

- 1 DISABLED / UNABLE TO WORK
- 2 EMPLOYED FULL-TIME
- 3 EMPLOYED PART-TIME
- 4 HOMEMAKER / HOUSEWIFE OR HOUSEHUSBAN
- 5 RETIRED
- 6 SEASONAL WORKER
- 7 STUDENT
- 8 SELF-EMPLOYED
- 9 UNEMPLOYED

98 DK

99 NA

21. (25) "And finally, what was your total family income last year . . . was it less than \$15,000, \$15,001 to \$25,000, \$25,001 to \$35,000, \$35,001 to \$50,000, \$50,001 to \$75,000, \$75,001 to \$100,000 or more than \$100,000?"

- 1 LESS THAN \$15,000
- 2 \$15,000 - \$25,000
- 3 \$25,000 - \$35,000
- 4 \$35,000 - \$50,000
- 5 \$50,000 - \$75,000
- 6 \$75,000 - \$100,000
- 7 MORE THAN \$100,000

8 DK

9 NA

"Thank you very much for your time and taking the survey today!"

**UNIVERSITY OF SOUTH ALABAMA
BOARD OF TRUSTEES**



AUDIT

**UNIVERSITY OF SOUTH ALABAMA
BOARD OF TRUSTEES**

AUDIT COMMITTEE

**June 2, 2016
2:12 p.m.**

A meeting of the Audit Committee of the University of South Alabama Board of Trustees was duly convened by Mr. John Peek, Chair, on Thursday, June 2, 2016, at 2:12 p.m. in the Board Room of the Frederick P. Whiddon Administration Building.

Members Present: Ron Jenkins, Bryant Mixon and John Peek.

Members Absent: Scott Charlton and Sandy Stimpson.

Other Trustees: Chandra Brown Stewart, Steve Furr, Bettye Maye, Jimmy Shumock, Ken Simon, Steve Stokes, Mike Windom and Jim Yance.

Administration and Others: Robert Berry, Joe Busta, Lynne Chronister, Joel Erdmann, Monica Ezell, Mike Finan, Happy Fulford, Mike Haskins, David Johnson, Mike Mitchell, John Smith, Polly Stokley, Sam Strada, Jean Tucker, Tony Waldrop and Scott Weldon.

Press: Alyssa Newton (*Vanguard* and WPMI).

The meeting came to order and the attendance roll was called. Mr. Peek called for consideration of the minutes of the meeting held on March 3, 2016. On motion by Captain Jenkins, seconded by Sheriff Mixon, the minutes were adopted unanimously.

Mr. Peek introduced Mr. Robert Berry, USA's new Executive Director of Internal Audit and Chief Financial Compliance Officer, and shared information on Mr. Berry's professional background. He thanked Ms. Stokley for filling in as Interim Director and noted that he had participated in the interview process. He reported an immediate impact made by Mr. Berry since starting in his new role. Mr. Berry addressed the group with enthusiasm for the opportunity to join South Alabama.

There being no further business, the meeting was adjourned at 2:15 p.m.

Respectfully submitted:

John M. Peek, Chair

Committee Charge: Audit Committee

Overall Roles and Responsibilities:

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.

Responsibilities:

Specific responsibilities of the Committee include:

- Discuss with management the University's major policies with respect to risk assessment and risk management
- Review significant accounting and reporting issues at the University, including complex or unusual transactions, and highly judgmental areas
- Understand the scope of internal and external auditors' review of internal controls over financial reporting
- Review the University's annual financial statements and other documents with external auditors to determine if the information provided is complete and appropriate
- Approve the engagement of external auditors retained by the University
- Approve the annual internal audit department plan
- Discuss the overall audit results with the Executive Director of Internal Audit
- Review the effectiveness of the internal audit function on an ongoing basis
- Review the findings of any audits, examinations or reviews by regulatory agencies
- Obtain regular updates from management and University legal counsel regarding compliance matters
- Provide an open avenue of communication between Internal Audit, the external auditors, and the Board of Trustees

Meetings:

The Committee shall meet upon the call of the President, the Chair *pro tempore*, or the Chair of the Committee. Meetings typically occur on the day prior to the regularly-scheduled quarterly meetings of the Board of Trustees, but may be called to take place at any time.

Membership:

Committee members and the Chair and the Vice Chair of the Committee shall be appointed by the Chair *pro tempore* for terms concurrent with the term of the Chair *pro tempore*. The Chair *pro tempore* shall consider appointing members with backgrounds in, and knowledge of, finance, accounting, education, nonprofit administration, auditing, information technology, general business and executive leadership.

Reports:

The following reports are commonly submitted by the University Administration for consideration by the Committee:

- Annual audited financial statements
- Annual audit reports of the University's federally sponsored activity (A-133 report)
- Annual report to the Board from the University's external auditors related to internal control (management letter)
- Annual reports of agreed-upon procedures with respect to the University's intercollegiate athletic activities
- Annual reports from the State of Alabama Examiners of Public Accounts with respect to the University's compliance with state laws and regulations



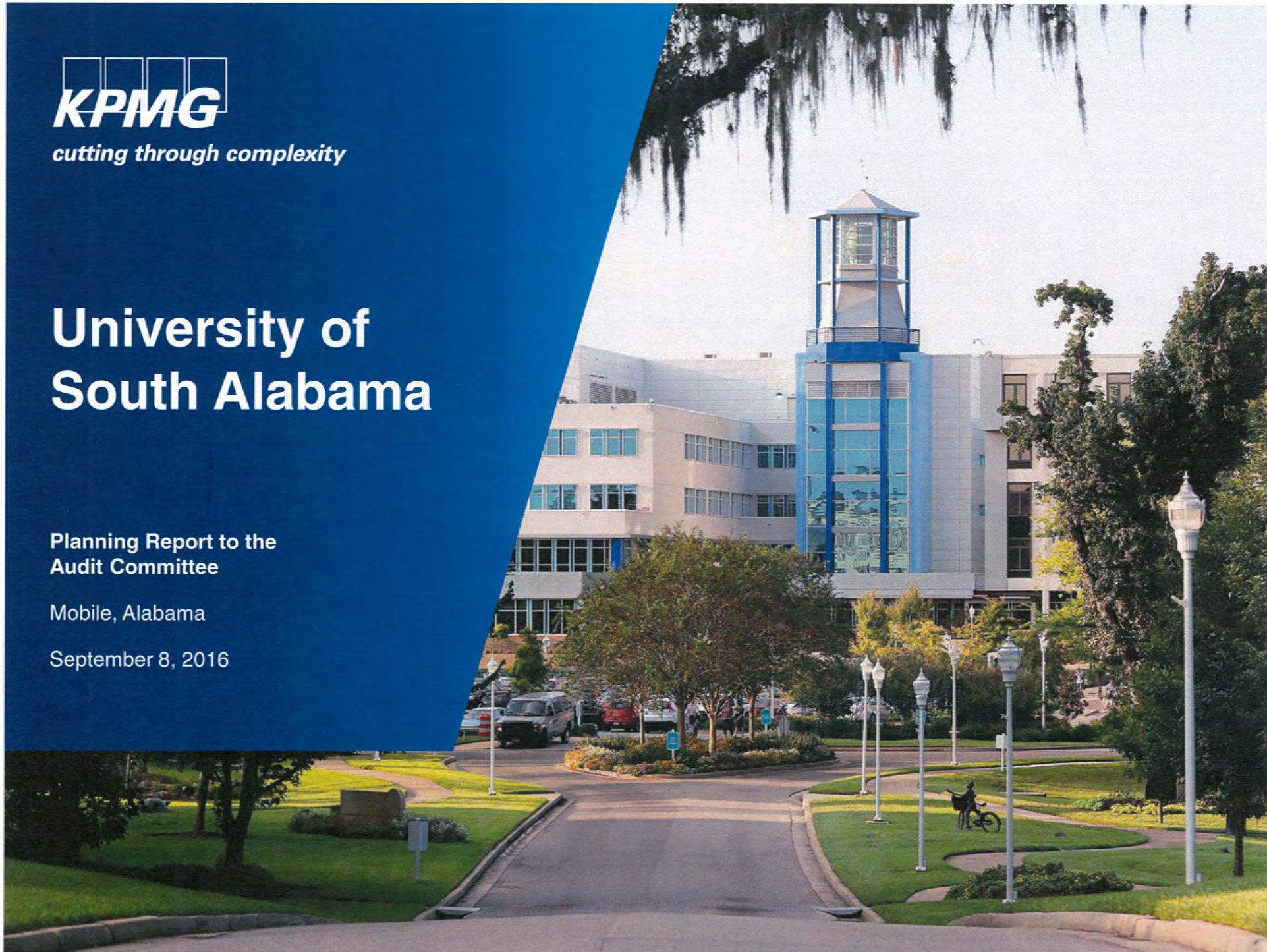
cutting through complexity

University of South Alabama

**Planning Report to the
Audit Committee**

Mobile, Alabama

September 8, 2016



Presentation prepared by

Name	Location	Contact
Eileen McGinn Partner	<i>401 Commerce Street Suite 1000 Nashville, TN 37219</i>	615-248-5619 emcginn@kpmg.com
Ashley Willson Partner	<i>188 E Capitol Street Suite 1100 Jackson, MS 39201</i>	601-714-7446 awillson@kpmg.com

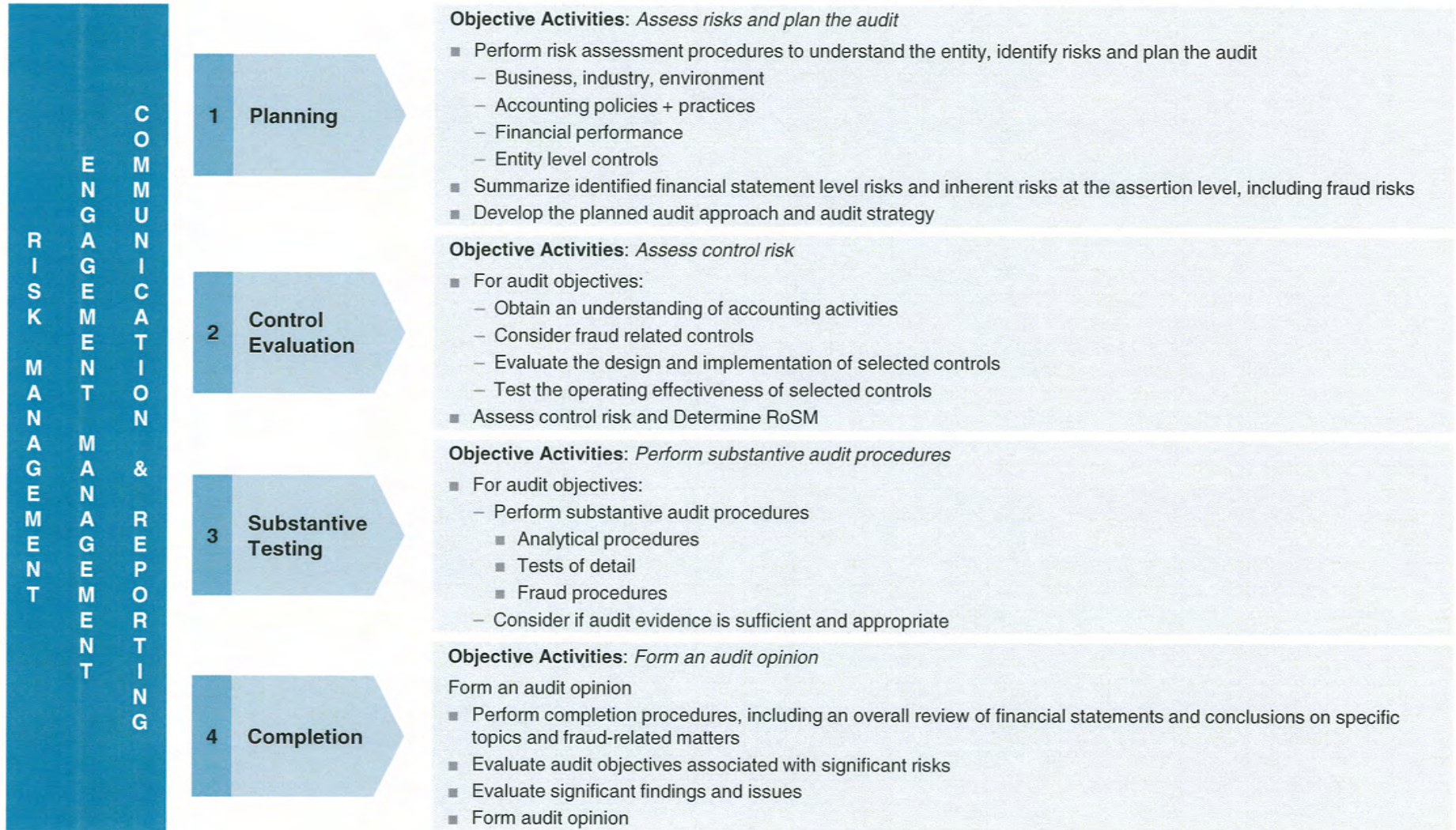


Core Client Service Team

Eileen McGinn	Engagement Partner – University
Ashley Willson	Engagement Partner – Healthcare
Keith Shurbutt	Concurring Review Partner – University and Healthcare
Hamp Willis	Engagement Manager – University
Melinda Gratwick	Engagement Manager – University
Amanda Price	Engagement Manager – Healthcare
Brad Phillips	Director– Technology Systems & Controls
Dee Rich	Partner – Exempt Organization Tax Matters



Our audit process



Engagement timeline

	Beginning	Ending
Before/At Year-End		
— Review of Key Business Risks	— August	— September
— Process Analysis and Interim Procedures	— August	— September
— IT Controls Review	— July	— August
— SAS 99 Interviews	— August	— September
After Year-End		
— Final substantive procedures and analytical review	— October 17	— November 15
— Financial statements and management letter drafts to management		— November 11
— Financial statements and management letter delivery		— November 15
— Presentation		— December 1



Significant Audit Areas

- Investments
- A-133 audit
- SAS No. 99
- Due to/from third-party payors
- Accounts receivable reserves
- Professional and general liability costs and reserves
- Swaptions
- Regional Care Organization
- GASB 68 – Accounting and Financial Reporting For Pensions
- GASB 72 – Fair Value Measurement and Application
- Revenue System Implementation



Current engagement status

— Interim work

- Standard client continuance risk assessment completed
- University engagement letter executed
- Internal control testing and other planning substantially completed
- Information technology testing substantially completed

— Our relationship with the University

- No disagreements with management
- Full access to all books and records
- Confirmation of independence
- No nonaudit services through this date



Discussion/questions





kpmg.com/socialmedia

© 2016 KPMG LLP, a Delaware limited liability partnership and the U.S. member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. All rights reserved. NDPPS 561098

The KPMG name and logo are registered trademarks or trademarks of KPMG International.

UNIVERSITY OF SOUTH ALABAMA FOUNDATION

Consolidated Financial Statements as of and for the
Years Ended June 30, 2016 and 2015, and
Independent Auditors' Report

UNIVERSITY OF SOUTH ALABAMA
FOUNDATION

TABLE OF CONTENTS

	Page
INDEPENDENT AUDITORS' REPORT	1-2
CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED JUNE 30, 2016 AND 2015:	
Statements of Financial Position	3
Statements of Activities and Changes in Net Assets	4-5
Statements of Cash Flows	6
Notes to Consolidated Financial Statements	7-17

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying consolidated financial statements of the University of South Alabama Foundation (the "Foundation"), which comprise the consolidated statements of financial position as of June 30, 2016 and 2015, and the related consolidated statements of activities and changes in net assets and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Foundation's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Foundation as of June 30, 2016 and 2015, and the results of its activities, changes in its net assets, and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Deloitte + Touche LLP

August 11, 2016

UNIVERSITY OF SOUTH ALABAMA
FOUNDATION

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS OF JUNE 30, 2016 AND 2015
(Dollars in thousands)

	2016	2015
ASSETS		
CASH AND CASH EQUIVALENTS	\$ 368	\$ 1,234
INVESTMENTS AT FAIR VALUE:		
Equity securities	120,900	132,514
Timber and mineral properties	157,470	157,064
Real estate	69,070	66,320
Other	5,803	5,803
OTHER ASSETS	<u>532</u>	<u>580</u>
TOTAL	<u>\$ 354,143</u>	<u>\$ 363,515</u>
 LIABILITIES AND NET ASSETS		
LIABILITIES:		
Accounts payable	\$ 90	\$ 322
Other liabilities	<u>649</u>	<u>701</u>
Total liabilities	<u>739</u>	<u>1,023</u>
NET ASSETS:		
Unrestricted	99,115	96,885
Temporarily restricted	84,699	96,033
Permanently restricted	<u>169,590</u>	<u>169,574</u>
Total net assets	<u>353,404</u>	<u>362,492</u>
TOTAL	<u>\$ 354,143</u>	<u>\$ 363,515</u>

See notes to consolidated financial statements.

UNIVERSITY OF SOUTH ALABAMA
FOUNDATION

CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2016
(Dollars in thousands)

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
REVENUES, GAINS, LOSSES, AND OTHER SUPPORT:				
Net realized and unrealized gains (losses) on investments	\$ 6,622	\$ (3,806)	\$ -	\$ 2,816
Rents, royalties, and timber sales	3,243	130	13	3,386
Interest and dividends	1,172	956	3	2,131
Gifts		8		8
Required match of donor contributions	(8)	8		-
Interfund interest	(218)	218		-
Net assets released from program restrictions (Note 8)	<u>8,848</u>	<u>(8,848)</u>	<u> </u>	<u> </u>
Total revenues, gains, losses, and other support	<u>19,659</u>	<u>(11,334)</u>	<u>16</u>	<u>8,341</u>
EXPENDITURES:				
Program services:				
Faculty support	2,330			2,330
Scholarships	1,385			1,385
Other academic programs	<u>6,846</u>	<u> </u>	<u> </u>	<u>6,846</u>
Total program services	10,561	-	-	10,561
Management and general	2,040			2,040
Other investment expense	1,388			1,388
Depletion expense	3,354			3,354
Depreciation expense	<u>86</u>	<u> </u>	<u> </u>	<u>86</u>
Total expenditures	<u>17,429</u>	<u> </u>	<u> </u>	<u>17,429</u>
INCREASE (DECREASE) IN NET ASSETS	2,230	(11,334)	16	(9,088)
NET ASSETS—Beginning of year	<u>96,885</u>	<u>96,033</u>	<u>169,574</u>	<u>362,492</u>
NET ASSETS—End of year	<u>\$99,115</u>	<u>\$ 84,699</u>	<u>\$ 169,590</u>	<u>\$353,404</u>

See notes to consolidated financial statements.

UNIVERSITY OF SOUTH ALABAMA
FOUNDATION

CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2015
(Dollars in thousands)

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
REVENUES, GAINS, LOSSES, AND OTHER SUPPORT:				
Net realized and unrealized gains on investments	\$ 40,749	\$ 5,871	\$ -	\$ 46,620
Rents, royalties, and timber sales	4,006	168	14	4,188
Interest and dividends	192	1,948	6	2,146
Gifts		3	14	17
Required match of donor contributions	(18)	4	14	-
Interfund interest	(191)	191		-
Net assets released from program restrictions (Note 8)	<u>3,061</u>	<u>(3,061)</u>	<u> </u>	<u> </u>
Total revenues, gains, losses, and other support	<u>47,799</u>	<u>5,124</u>	<u>48</u>	<u>52,971</u>
EXPENDITURES:				
Program services:				
Faculty support	2,440			2,440
Scholarships	1,101			1,101
Other academic programs	<u>1,190</u>	<u> </u>	<u> </u>	<u>1,190</u>
Total program services	<u>4,731</u>	<u>-</u>	<u>-</u>	<u>4,731</u>
Management and general	1,869			1,869
Other investment expense	1,976			1,976
Depletion expense	4,898			4,898
Depreciation expense	95			95
Interest expense	<u>46</u>	<u> </u>	<u> </u>	<u>46</u>
Total expenditures	<u>13,615</u>	<u>-</u>	<u>-</u>	<u>13,615</u>
INCREASE IN NET ASSETS	<u>34,184</u>	<u>5,124</u>	<u>48</u>	<u>39,356</u>
NET ASSETS—Beginning of year	<u>62,701</u>	<u>90,909</u>	<u>169,526</u>	<u>323,136</u>
NET ASSETS—End of year	<u>\$96,885</u>	<u>\$96,033</u>	<u>\$169,574</u>	<u>\$362,492</u>

See notes to consolidated financial statements.

UNIVERSITY OF SOUTH ALABAMA
FOUNDATION

**CONSOLIDATED STATEMENTS OF CASH FLOWS
 FOR THE YEARS ENDED JUNE 30, 2016 AND 2015
 (Dollars in thousands)**

	2016	2015
OPERATING ACTIVITIES:		
(Decrease) increase in net assets	\$ (9,088)	\$ 39,356
Adjustments to reconcile (decrease) increase in net assets to net cash used in operating activities:		
Net realized and unrealized gains on investments	(2,816)	(46,620)
Depletion	3,354	4,898
Depreciation	86	116
Interest expense		46
Changes in operating assets and liabilities:		
Other assets	2	39
Accounts payable	(232)	159
Other liabilities	(52)	(35)
	<u>(8,746)</u>	<u>(2,041)</u>
Net cash used in operating activities		
INVESTING ACTIVITIES:		
Purchase of equity securities	(799)	(853)
Sale of equity securities	9,000	7,532
Proceeds from sale of real estate		81
Reforestation of timber property	(199)	(155)
Acquisition of building	(115)	
Purchase of furniture, fixtures, and equipment	(7)	
	<u>7,880</u>	<u>6,605</u>
Net cash provided by investing activities		
FINANCING ACTIVITIES—Payment on notes payable		
		<u>(4,000)</u>
Net cash used in financing activities	<u>-</u>	<u>(4,000)</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(866)	564
CASH AND CASH EQUIVALENTS—Beginning of year	<u>1,234</u>	<u>670</u>
CASH AND CASH EQUIVALENTS—End of year	<u>\$ 368</u>	<u>\$ 1,234</u>

See notes to consolidated financial statements.

UNIVERSITY OF SOUTH ALABAMA FOUNDATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED JUNE 30, 2016 AND 2015 (Dollars in thousands)

1. ORGANIZATION

The University of South Alabama Foundation (the "Foundation") was incorporated in March 1968 for the purpose of promoting education, scientific research, and charitable purposes, and to assist in developing and advancing the University of South Alabama (the "University") in furthering, improving, and expanding its properties, services, facilities, and activities. Revenues are derived principally from investment income.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation—The accompanying consolidated financial statements include the accounts of the Foundation's wholly owned subsidiaries Knollwood Development, Inc.; Shubuta Timber Services, Inc.; and Brookley Bay Front Properties, LLC (hereinafter BBFP), an Alabama Limited Liability Company. All significant intercompany transactions have been eliminated in consolidation.

Net Assets—In order to ensure observance of limitations and restrictions placed on the use of the resources available to the Foundation, the accounts of the Foundation are maintained on the accrual basis in accordance with the principles of "fund accounting." Thus, resources for various purposes are classified into funds that are in accordance with activities or objectives specified. The Foundation presents its net assets and its revenues, expenses, gains, and losses, based on the existence or absence of donor-imposed restrictions using three classifications: permanently restricted, temporarily restricted, and unrestricted. These three classifications are defined as follows:

- Permanently restricted net assets contain donor-imposed restrictions that stipulate that resources be maintained permanently, but permit the Foundation to use or expend part or all of the income derived from the donated assets for specified or unspecified purposes.
- Temporarily restricted net assets contain donor-imposed restrictions that permit the Foundation to use or expend the donated assets as specified, and are satisfied either by the passage of time or by actions of the Foundation.
- Unrestricted net assets are not restricted by donors or the donor-imposed restrictions have expired.

The Foundation considers all of its assets to be endowment assets for the support of the University. It, therefore, classifies all of its assets as "endowment funds" for purpose of required disclosures for such funds. In the absence of directions imposed by donors to utilize such funds for specific programs or purposes at the University, the Foundation classifies the net assets of such funds as "unrestricted."

Support and Expenses—Contributions received and unconditional promises to give are measured at their fair values and are reported as increases in net assets at the date of receipt. The Foundation reports gifts of cash and other assets as temporarily restricted support if they are received with donor stipulations that limit the use of the donated assets or if they are designated as support for future periods. When a donor restriction expires; i.e., when a stipulated time restriction ends or purpose restriction is

accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the consolidated statements of activities and changes in net assets as net assets released from program restrictions.

The Foundation sometimes receives restricted contributions that are conditional on the Foundation matching the contribution. Upon approval of the Board of Directors, such matches are reported as a reclassification of unrestricted net assets to restricted net assets.

Cash Equivalents—The Foundation considers temporary cash investments with an original maturity date of three months or less when purchased to be cash equivalents. The carrying amounts reported in the accompanying consolidated statements of financial position for cash and cash equivalents approximate their fair value.

Investments in Securities—Investments in marketable equity securities with readily determinable fair market values are maintained and administered in a common pool and are recorded at fair value based on quoted market prices of each security in the accompanying consolidated statements of financial position. Separate accounts are maintained for each fund, as applicable.

Investments in Commonfund—The Commonfund for Nonprofit Organizations (“Commonfund”) is a membership corporation that operates endowment funds for the exclusive benefit of institutions eligible for membership in the Commonfund. The Foundation holds investments in the Multi-Strategy Equity Fund and the International Equity Fund of the Commonfund. The objective of the Multi-Strategy Equity Fund is to offer an investment in a single fund to provide all of the strategy and manager diversification that an endowment would normally require for equity allocation. The fund is designed to add value over long periods of time and to reduce volatility. The investment objective of the International Equity Fund is to seek to diversify a US equity portfolio with equity investments in companies domiciled abroad.

The Foundation’s units in the Multi-Strategy Equity Fund and the International Equity Fund are valued at their unit values as determined by Commonfund. Commonfund generally determines the unit values of each of its funds by reference to the fair values of the underlying investments, the majority of which consists of exchange-traded equity securities. Commonfund redemptions are paid on the last day of the month, with the request or notification required by the 20th day of the month. Further information about Commonfund’s valuation procedures is as follows:

In the Multi-Strategy Equity Fund and the International Equity Fund, as managed by the Commonfund, equity securities listed on securities exchanges are valued at the last sale price, except for those securities reported through the National Association of Securities Dealers Automated Quotation (NASDAQ) system, for which the NASDAQ official closing price is used. In the absence of either, the current bid price is used. Unlisted securities are valued at the current bid prices obtained from reputable brokers. Certain investments held by the funds may be traded by a market maker who may also be utilized to provide pricing information used to value such investments. Investments in units of other funds within Commonfund (known as crossfund investments) are carried at the unit value of the crossfund investment.

In these funds, investments in limited partnerships and other investment funds are valued at fair value, which is generally the latest net asset value made available by the fund manager or administrator prior to the valuation date. Other securities that are not readily marketable are also valued at fair value as deemed appropriate by management of Commonfund in consultation with the respective investment manager, with consideration given to the financial condition and operating results of the issuer, meaningful third-party transactions in the private market, and other factors deemed relevant. The amounts realized upon disposition of these investments may differ from the value reflected in the consolidated financial statements and the differences could be material.

Timber—Timber and timberlands, including logging roads, are stated at fair value, based on an independent appraisal, derived from the application of the cost approach, the sales comparison approach, and the income capitalization approach, less the accumulated depletion for timber when harvested. The Foundation capitalizes timber and timberland purchases and reforestation costs and other costs associated with the planting and growing of timber, such as site preparation, seedling purchases, planting, herbicide application, and thinning of tree stands to improve growth. Timber costs, such as real estate taxes, forest management personnel salaries and fringe benefits, and other costs related to the timberlands, are expensed as incurred.

Timber sale revenues for clear-cut or lump-sum sales are recognized when legal ownership of the timber transfers to the purchaser. Timber deeds set forth the legal rights and responsibilities of the buyer, and at closing, the full amount of the sale is due and payable and recognized at that time. Revenues from thinning of tree stands to improve growth are recognized as revenue as the buyer harvests the timber that is to be thinned. Timberland depletion is calculated on a unit cost basis and recognized when the related revenue is recognized.

Mineral Properties—Mineral properties are stated at estimated fair market value as determined by independent appraisals. Depletion of mineral properties is recognized over the remaining producing lives of the properties based on total estimated production and current-period production.

Real Estate—Real estate held for investment is stated at its estimated fair value based on independent appraisals.

Common Investment Pool—On June 5, 2006, the Board of Directors of the Foundation approved the establishment of a new investment pool, which consists of (1) all marketable equity securities held by the Foundation and (2) the Foundation's interest in land and timber, consisting of approximately 55,600 acres of timberland, known as the Equitable Tract, which the Foundation acquired in 1997 with financing that was provided, in part, from the Disproportionate Share Hospital Funds (the "DSH Funds") to the Foundation's Equitable Timber Fund.

Investment Income—Investment income or loss (including gains and losses on investments, interest, dividends, rents, royalties, and timber sales) is included in the accompanying consolidated statements of activities and changes in net assets as increases or decreases in unrestricted net assets, unless the income or loss is restricted by donor or law, in which case, it is classified as temporarily or permanently restricted, as appropriate. Interfund interest is recorded at prevailing market rates on loans between funds to maintain the integrity of each fund's net assets.

Income Tax Status—The Internal Revenue Service has determined that the Foundation is a tax-exempt organization under Internal Revenue Code Section 501(c)(3).

Estimates—The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. The Foundation's investments include marketable equity securities valued by reference to quoted market prices, investments in Commonfund portfolios valued at unit values based on the fair values of underlying investments and timberland, mineral properties, and other real estate valued by appraisals. Such assets are subject to fluctuation in value due to normal market volatility and to estimation risk in the case of assets for which quoted market values are not available. The values ultimately realized by the Foundation for all such assets may be different from the values reported and these fluctuations may impact the Foundation's consolidated financial statements.

Recent Accounting Pronouncements—In May 2015, the Financial Accounting Standards Board issued Accounting Standards Update (ASU) No. 2015-07, *Disclosure for Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent), Fair Value Measurement (Topic 820)*. The new guidance is effective for reporting periods beginning after December 15, 2016, and early adoption is permitted. The ASU is to be applied retrospectively in all periods presented in an entity's financial statements. The Foundation did not early adopt this guidance as of year-end. The adoption will not have a material effect on the Foundation's consolidated financial statements. The Foundation management is currently assessing the impact on the disclosures in the consolidated financial statements.

In May 2014, the FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*. The new guidance is effective for reporting periods beginning after December 15, 2018. The ASU is to be applied retrospectively in all periods presented in an entity's financial statements. The Foundation management is currently assessing the impact on the Foundation's consolidated financial statements.

3. FAIR VALUE OF FINANCIAL INSTRUMENTS AND OTHER INVESTMENTS

The following methods and assumptions were used by the Foundation in estimating the fair value of its investments:

- **Cash and Cash Equivalents:** The carrying amount reported in the accompanying consolidated statements of financial position for cash and cash equivalents approximates their fair value.
- **Equity Securities:** Includes investments in marketable equity securities and investments in Commonfund.

Marketable Equity Securities: Fair values are based on quoted market prices of each security that is actively traded in a public market. The Foundation's investment in such marketable equity securities was \$72,481 and \$72,836 at June 30, 2016 and 2015, respectively.

Investments in Commonfund: Fair values are based on unit values, as determined by Commonfund. As more fully described in Note 2, Commonfund determines unit values for each of its portfolios based on the fair values of the underlying assets. The Foundation's investment in Commonfund portfolios was \$48,419 and \$59,678 at June 30, 2016 and 2015, respectively.

- **Timber, Mineral Properties, and Real Estate:** Fair values of timberland, mineral properties, and real estate are determined by independent third-party appraisers using standard appraisal practices particular to the investment being appraised.
- **Other:** Other consists primarily of the Foundation's interest in the Stallworth Land Company (the "Company"), a timberland management company (see Note 4).

4. INVESTMENTS

Investment income includes not only realized gains (losses), but also unrealized gains (losses) in securities, timberland investments, and real estate.

Investment income for the years ended June 30, 2016 and 2015, consisted of the following:

	2016	2015
Unrealized gains	\$ 844	\$42,901
Realized gains	<u>1,972</u>	<u>3,719</u>
Net realized and unrealized gains on investments	<u>2,816</u>	<u>46,620</u>
Timber sales	2,685	3,360
Rents	627	713
Royalties	<u>74</u>	<u>115</u>
Rents, royalties, and timber sales	<u>3,386</u>	<u>4,188</u>
Interest and dividends	<u>2,131</u>	<u>2,146</u>
Total investment income	<u>\$8,333</u>	<u>\$52,954</u>

Investments consisted of participation in the Foundation's pooled investment funds. Investment-related expenses of \$324 and \$322 are included in the Foundation's management and general expenses in the accompanying consolidated statements of activities and changes in net assets for the years ended June 30, 2016 and 2015, respectively.

On June 5, 2006, the Board of the Foundation approved the establishment of a New Investment Pool, which consisted of (1) all marketable equity securities held by the Foundation and (2) the Foundation's interest in the land and timber consisting of approximately 55,600 acres of timberland known as the Equitable tract, which the Foundation acquired in 1997 with financing that was provided, in part, from the DSH Funds to the Foundation's Equitable Timber Fund. Effective June 30, 2006, upon establishment of the Pool, the interest in the Pool allocated to the DSH Funds was equal in value to the sum of (1) the value of the interest that was allocated to the DSH Funds in the Foundation's existing securities pool at June 30, 2006, and (2) the amount of the aggregate receivable in principal and interest owed by the Equitable Timber Fund to the DSH Funds at June 30, 2006. All pooled investment activity subsequent to June 30, 2006, is allocated between DSH Funds and other USAF funds based on each fund's initial share of the Pool, adjusted for subsequent contributions and distributions.

On September 28, 2010, the Foundation entered into an agreement with the University providing for the purchase from the University by the Foundation, acting through its wholly owned subsidiary BBFP, the Brookley Complex, for a purchase price of \$20,000. The Foundation funded the purchase with proceeds realized by it upon the sale of equity investments from the CommonFund Multi-Equity Strategy Fund, within the New Investment Pool.

On June 4, 2015, the Board of the Foundation determined that the current value of the investment in the Brookley Complex, \$23,000, would continue to be recorded as an asset of the Foundation held as a part of the New Investment Pool. Further, the Board determined that proceeds from a future sale would be used to restore to the holdings of the Foundation in the Commonfund Multi-Strategy Equity Fund the aggregate value of the investments in such fund that were sold by the Foundation to provide the funds paid to the University to acquire the Brookley Complex, and the aggregate cumulative investment return produced by the investment in the Commonfund Multi-Strategy Equity Fund over the period from the date of the sale transactions until the date on which the proceeds are returned to the fund, all as reflected in the resolution adopted on June 4, 2015.

As noted herein, at June 30, 2016, the fair market value appraisal of the Brookley Complex was \$60,820. The Brookley Complex consists of 327 acres of land, with approximately 1.25 miles of waterfront on Mobile Bay, adjacent to the Mobile Airport Authority/Brookley Aeroplex, which is the location for the Airbus U.S. Manufacturing Facility for the Airbus 320 family of single-aisle aircraft. The appraised value is included in the land and land improvements—held for investment.

Real estate as of June 30, 2016 and 2015, consisted of the following property held:

	2016	2015
Land and land improvements—held for investment	\$ 67,935	\$ 65,269
Building and building improvements—held for investment	<u>1,135</u>	<u>1,051</u>
Total	<u>\$ 69,070</u>	<u>\$ 66,320</u>

Other—Investments at June 30, 2016 and 2015, include an equity interest in a timberland management company (the “Management Company”). The Management Company’s primary asset consists of timberland. The Foundation’s proportionate share of the fair value of the Management Company is based upon the valuation of the trustee responsible for the management of the Company and the timber valuation. The equity interest resulted from a bequest known as the Stallworth Gift, which was received through bequest and devise under the Will of N. Jack Stallworth.

The fair value hierarchy classifies the inputs to valuation techniques used to measure fair value as either observable or unobservable inputs. Observable inputs are derived from quoted market prices for investments traded on an active exchange or in dealer markets where there is sufficient activity and liquidity to allow price discovery by substantially all market participants. The Foundation’s observable inputs consist of investments in exchange-traded equity securities with a readily determinable market price. Other observable inputs are fair value measurements derived either directly or indirectly from quoted market prices. Investments that are not traded on an active exchange and do not have a quoted market price are classified as unobservable. The Foundation’s unobservable inputs consist of investments in timber and real estate with fair values based on independent third-party appraisals performed by qualified appraisers specializing in timber and real estate investments.

The Foundation’s investment assets as of June 30, 2016 and 2015, are summarized as follows:

Description	<u>Fair Value Measurements at June 30, 2016</u>			Total
	Observable Inputs Based on Quoted Prices	Other Observable Inputs	Unobservable Inputs	
Marketable equity securities	\$ 72,481	\$ 48,419	\$ -	\$ 120,900
Timber and mineral properties			157,470	157,470
Real estate			69,070	69,070
Other investments			<u>5,803</u>	<u>5,803</u>
	<u>\$ 72,481</u>	<u>\$ 48,419</u>	<u>\$ 232,343</u>	<u>\$ 353,243</u>

Fair Value Measurements at June 30, 2015

Description	Observable Inputs Based on Quoted Prices	Other Observable Inputs	Unobservable Inputs	Total
Marketable equity securities	\$ 72,836	\$ 59,678	\$ -	\$ 132,514
Timber and mineral properties			157,064	157,064
Real estate			66,320	66,320
Other investments			5,803	5,803
	<u>\$ 72,836</u>	<u>\$ 59,678</u>	<u>\$ 229,187</u>	<u>\$ 361,701</u>

For the year ended June 30, 2016, activity in investments valued at fair value based on unobservable inputs is as follows:

	Timber and Mineral Properties	Real Estate	Other Investments	Total
Beginning balance	\$ 157,064	\$ 66,320	\$ 5,803	\$ 229,187
Net gains unrealized	3,521	2,668		6,189
Additions		115		115
Reforestation	239			239
Depreciation/depletion	<u>(3,354)</u>	<u>(33)</u>		<u>(3,387)</u>
Ending balance	<u>\$ 157,470</u>	<u>\$ 69,070</u>	<u>\$ 5,803</u>	<u>\$ 232,343</u>

For the year ended June 30, 2015, activity in investments valued at fair value based on unobservable inputs is as follows:

	Timber and Mineral Properties	Real Estate	Other Investments	Total
Beginning balance	\$ 156,320	\$ 31,007	\$ 6,054	\$ 193,381
Net gains (losses) realized/unrealized	4,667	35,346	(251)	39,762
Dispositions	(81)			(81)
Reforestation	1,056			1,056
Depreciation/depletion	<u>(4,898)</u>	<u>(33)</u>		<u>(4,931)</u>
Ending balance	<u>\$ 157,064</u>	<u>\$ 66,320</u>	<u>\$ 5,803</u>	<u>\$ 229,187</u>

Endowment—The Foundation’s endowment funds consist of individual funds established for a variety of purposes. Endowment funds include both donor-restricted endowment funds and board-designated endowment funds. Net assets associated with endowments are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of the Law—The Foundation conducts the operations of the Foundation in accordance with the Alabama Uniform Prudent Management of Institutional Funds Act (UPMIFA), effective January 1, 2009, and continuing thereafter, unless otherwise determined by the Foundation. The Board

of Directors and management of the Foundation interpret UPMIFA as obligating the Foundation to preserve, as donor-restricted assets, each original gift received by the Foundation as donor-restricted endowment funds. The Foundation, accordingly, classifies each such original gift, and any subsequent gifts, as permanently restricted. The remaining portion of any donor-restricted endowment that is not classified as permanently restricted is classified as temporarily restricted net assets, until such time as any of such remaining portion is appropriated for expenditure. In managing each endowment fund held by it, the Foundation considers, if relevant, the duration and preservation of the fund, the purposes of the Foundation and the fund, general economic conditions, any restrictions imposed by the donor, the possible effect of inflation or deflation, the expected total return from income and appreciation of investments, the other resources of the Foundation, and the investment policy of the Foundation.

Endowment net asset composition as of June 30, 2016, by type of fund is as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-Restricted Endowment Funds	\$ 78,589	\$ 84,699	\$ 169,590	\$ 332,878
Board-Designated Endowment Funds	<u>20,526</u>	<u> </u>	<u> </u>	<u>20,526</u>
Total	<u>\$ 99,115</u>	<u>\$ 84,699</u>	<u>\$ 169,590</u>	<u>\$ 353,404</u>

Endowment net asset composition as of June 30, 2015, by type of fund is as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-Restricted Endowment Funds	\$ 75,134	\$ 96,033	\$ 169,574	\$ 340,741
Board-Designated Endowment Funds	<u>21,751</u>	<u> </u>	<u> </u>	<u>21,751</u>
Total	<u>\$ 96,885</u>	<u>\$ 96,033</u>	<u>\$ 169,574</u>	<u>\$ 362,492</u>

Changes in endowment net assets during the year ended June 30, 2016, are as follows:

	Unrestricted	Board Designated	Temporarily Restricted	Permanently Restricted	Total
Beginning balance	<u>\$ 75,134</u>	<u>\$ 21,751</u>	<u>\$ 96,033</u>	<u>\$ 169,574</u>	<u>\$ 362,492</u>
Investment return:					
Investment income	4,388	27	1,086	16	5,517
Net unrealized and realized gains (losses)	6,734	(112)	(3,806)		2,816
Interfund interest	<u>(224)</u>	<u>6</u>	<u>218</u>		<u>-</u>
Total investment return	10,898	(79)	(2,502)	16	8,333
Gifts			8		8
Required match	(8)		8		-
Net assets released from restrictions	9,994	(1,146)	(8,848)		-
Expenditures	<u>(17,429)</u>				<u>(17,429)</u>
Net change	<u>3,455</u>	<u>(1,225)</u>	<u>(11,334)</u>	<u>16</u>	<u>(9,088)</u>
Ending balance	<u>\$ 78,589</u>	<u>\$ 20,526</u>	<u>\$ 84,699</u>	<u>\$ 169,590</u>	<u>\$ 353,404</u>

Changes in endowment net assets during the year ended June 30, 2015, are as follows:

	Unrestricted	Board Designated	Temporarily Restricted	Permanently Restricted	Total
Beginning balance	<u>\$ 40,089</u>	<u>\$ 22,612</u>	<u>\$ 90,909</u>	<u>\$ 169,526</u>	<u>\$ 323,136</u>
Investment return:					
Investment income	4,140	58	2,116	20	6,334
Net unrealized and realized gains	40,554	195	5,871		46,620
Interfund interest	<u>(196)</u>	<u>5</u>	<u>191</u>		<u>-</u>
Total investment return	44,498	258	8,178	20	52,954
Gifts			3	14	17
Required match	(18)		4	14	-
Net assets released from restrictions	4,180	(1,119)	(3,061)		-
Expenditures	<u>(13,615)</u>				<u>(13,615)</u>
Net change	<u>35,045</u>	<u>(861)</u>	<u>5,124</u>	<u>48</u>	<u>39,356</u>
Ending balance	<u>\$ 75,134</u>	<u>\$ 21,751</u>	<u>\$ 96,033</u>	<u>\$ 169,574</u>	<u>\$ 362,492</u>

5. BROOKLEY COMPLEX

In an effort to assist the University in furtherance of its tax-exempt purpose and in order to accelerate its support of the Pediatric Expansion of USA Children's and Women's Hospital, the Board of Directors authorized, in a resolution adopted May 27, 2010, the Foundation to negotiate an agreement to purchase the Brookley Center campus owned by the University. The May 27, 2010, resolution revoked the May 22, 2008, resolution as it pertained to the support of the Pediatric Expansion of USA Children's and Women's Hospital. On November 10, 2010, BBFP, an Alabama limited liability company, having as its sole member the Foundation, purchased the Brookley Complex from the University for Twenty Million Dollars (\$20,000) payable in five annual installments of Four Million Dollars (\$4,000). BBFP paid the University Four Million Dollars (\$4,000) at closing and entered into a non-interest-bearing installment note for Sixteen Million Dollars (\$16,000). The installment note was fully paid on November 10, 2014.

The intention and expectation of the Board of the Foundation, as reflected in the resolutions adopted on May 27, 2010, and September 9, 2010, was that upon BBFP's payment to the University of the purchase price, the Foundation would begin funding, consistent with the resolutions, a target distribution of not less than three percent (3%) of the average net assets of the DSH Funds. In making such distributions, the Foundation, acting in response to requests, proposals or recommendations submitted to it by the University, would seek to distribute to the University, for the benefit of the University's hospitals and clinics, and the other programs of the University that benefit such hospitals and clinics, funding for programs, activities or such other expenditures as shall be designated by the Foundation, in its sole discretion, subject to certain financial and other conditions as defined in the resolutions. During the fiscal year ended June 30, 2016, in accordance with the intent of the Board of the Foundation, as expressed in the resolutions, the Board of the Foundation approved a total distribution of DSH Funds of \$5,651, that included \$2 Million to the USA Mitchell Cancer Institute, \$2 Million for the Medical Simulation Program, \$1,047 for the Clinical Support Fund, and \$604 for the Hospital Equipment Fund. The distributions to the USA Mitchell Cancer Institute and the Medical Simulation Program fulfilled and completed prior Foundation commitments.

During the period of five years from the date of closing the transaction, and any extensions thereof, the University retains ownership of all buildings and improvements on the Brookley Complex property and an exclusive easement over all of the land. Upon the payment of the note, ownership of such buildings and improvements transfers to BBFP at the conclusion of the five-year period unless the parties agree to extend use by the University. The BBFP and the University agreed to extend the use period for an additional one-year period to November 10, 2016.

6. TEMPORARILY RESTRICTED NET ASSETS

At June 30, 2016 and 2015, temporarily restricted net assets were available for the following purposes:

	2016	2015
Instruction	\$ 27,066	\$ 28,765
Hospital, clinics, and related programs	36,323	43,589
College of medicine—other than instruction	12,563	12,942
Student aid	6,269	6,598
Other	<u>2,478</u>	<u>4,139</u>
Total	<u>\$ 84,699</u>	<u>\$ 96,033</u>

7. PERMANENTLY RESTRICTED NET ASSETS

At June 30, 2016 and 2015, only the income from the following permanently restricted net assets was permitted to be used for the purposes indicated:

	2016	2015
Hospital, clinics, and related programs	\$ 131,586	\$ 131,586
Instruction	19,719	19,716
Student aid	9,233	9,233
College of medicine—other than instruction	2,137	2,136
Other	<u>6,915</u>	<u>6,903</u>
Total	<u>\$ 169,590</u>	<u>\$ 169,574</u>

8. NET ASSETS RELEASED FROM PROGRAM RESTRICTIONS

Expenses were incurred that met temporary purpose-related restrictions on the use of certain net assets, resulting in a reclassification of net assets from temporarily restricted to unrestricted during the years ended June 30, 2016 and 2015, as follows:

	2016	2015
Instruction	\$ 7,497	\$ 1,967
Student aid	1,296	1,030
Other	<u>55</u>	<u>64</u>
Total	<u>\$ 8,848</u>	<u>\$ 3,061</u>

9. OTHER RELATED-PARTY TRANSACTIONS

At June 30, 2016 and 2015, net assets held by the Foundation, irrevocably for the benefit, as determined by the Foundation, of the University's hospitals, clinics, and related programs (DSH Funds) were \$167,910 and \$175,175, respectively.

10. RETIREMENT PLANS

The Foundation sponsors a contributory defined-contribution retirement plan for certain employees. The Foundation's contributions to the retirement plan were approximately \$148 and \$145 for the years ended June 30, 2016 and 2015, respectively.

11. SUBSEQUENT EVENTS

The Foundation evaluated subsequent events through August 11, 2016, which represents the date the consolidated financial statements were available to be issued, and made the determination that no events occurred subsequent to June 30, 2016, that would require disclosure in or would be required to be recognized in the consolidated financial statements.

* * * * *

UNIVERSITY OF SOUTH ALABAMA FOUNDATION

Disproportionate Share Hospital Funds
Combined Financial Statements as of and
for the Years Ended June 30, 2016 and 2015, and
Independent Auditors' Report

UNIVERSITY OF SOUTH ALABAMA
FOUNDATION

DISPROPORTIONATE SHARE HOSPITAL FUNDS
TABLE OF CONTENTS

	Page
INDEPENDENT AUDITORS' REPORT	1-2
COMBINED FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED JUNE 30, 2016 AND 2015:	
Statements of Financial Position	3
Statements of Activities and Changes in Net Assets	4-5
Statements of Cash Flows	6
Notes to Combined Financial Statements	7-14

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying combined financial statements of the Disproportionate Share Hospital Funds (the "DSH Funds") of the University of South Alabama Foundation, which comprise the combined statements of financial position as of June 30, 2016 and 2015, and the related combined statements of activities and changes in net assets and cash flows for the years then ended, and the related notes to the combined financial statements.

Management's Responsibility for the Combined Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these combined financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the combined financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the combined financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the DSH Funds' preparation and fair presentation of the combined financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the DSH Funds' internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the combined financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of the DSH Funds as of June 30, 2016 and 2015, and the results of its activities, changes in its net assets, and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Deloitte + Touche LLP

August 11, 2016

UNIVERSITY OF SOUTH ALABAMA
FOUNDATION

DISPROPORTIONATE SHARE HOSPITAL FUNDS
 COMBINED STATEMENTS OF FINANCIAL POSITION
 AS OF JUNE 30, 2016 AND 2015
 (Dollars in thousands)

	2016	2015
ASSETS		
INVESTMENTS:		
New Investment Pool — interest in	\$ 163,790	\$ 170,832
Real estate	3,700	3,700
RECEIVABLE FROM AFFILIATES	<u>420</u>	<u>643</u>
TOTAL	<u>\$ 167,910</u>	<u>\$ 175,175</u>
NET ASSETS		
NET ASSETS:		
Unrestricted	\$ -	\$ -
Temporarily restricted	36,324	43,589
Permanently restricted	<u>131,586</u>	<u>131,586</u>
Total net assets	<u>167,910</u>	<u>175,175</u>
TOTAL	<u>\$ 167,910</u>	<u>\$ 175,175</u>

See notes to combined financial statements.

UNIVERSITY OF SOUTH ALABAMA
FOUNDATION

**DISPROPORTIONATE SHARE HOSPITAL FUNDS
 COMBINED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
 FOR THE YEAR ENDED JUNE 30, 2016
 (Dollars in thousands)**

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
REVENUES, GAINS, (LOSSES), AND OTHER SUPPORT:				
Net realized and unrealized gains (losses) on investments	\$ 12	\$ (2,310)	\$ -	\$ (2,298)
Interest and dividends		558		558
Interfund interest		138		138
Net assets released from program restrictions	<u>5,651</u>	<u>(5,651)</u>	<u> </u>	<u>-</u>
Total revenues, gains, (losses), and other support	<u>5,663</u>	<u>(7,265)</u>	<u>-</u>	<u>(1,602)</u>
EXPENDITURES:				
Program Services — other academic programs	5,651			5,651
Other investment expense	<u>12</u>	<u> </u>	<u> </u>	<u>12</u>
Total expenditures	<u>5,663</u>	<u>-</u>	<u>-</u>	<u>5,663</u>
DECREASE IN NET ASSETS		(7,265)		(7,265)
NET ASSETS AT BEGINNING OF YEAR	<u> </u>	<u>43,589</u>	<u>131,586</u>	<u>175,175</u>
NET ASSETS AT END OF YEAR	<u>\$ -</u>	<u>\$ 36,324</u>	<u>\$ 131,586</u>	<u>\$ 167,910</u>

See notes to combined financial statements.

UNIVERSITY OF SOUTH ALABAMA
FOUNDATION

**DISPROPORTIONATE SHARE HOSPITAL FUNDS
 COMBINED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
 FOR THE YEAR ENDED JUNE 30, 2015
 (Dollars in thousands)**

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
REVENUES, GAINS, AND OTHER SUPPORT:				
Net realized and unrealized gains on investments	\$ 12	\$ 3,903	\$ -	\$ 3,915
Interest and dividends		1,158		1,158
Interfund interest		122		122
Total revenues, gains, and other support	<u>12</u>	<u>5,183</u>	<u>-</u>	<u>5,195</u>
EXPENDITURES:				
Other investment expense	<u>12</u>			<u>12</u>
Total expenditures	<u>12</u>	<u>-</u>	<u>-</u>	<u>12</u>
INCREASE IN NET ASSETS	-	5,183	-	5,183
NET ASSETS AT BEGINNING OF YEAR		<u>38,406</u>	<u>131,586</u>	<u>169,992</u>
NET ASSETS AT END OF YEAR	<u>\$ -</u>	<u>\$43,589</u>	<u>\$ 131,586</u>	<u>\$ 175,175</u>

See notes to combined financial statements.

UNIVERSITY OF SOUTH ALABAMA
FOUNDATION

**DISPROPORTIONATE SHARE HOSPITAL FUNDS
 COMBINED STATEMENTS OF CASH FLOWS
 FOR THE YEARS ENDED JUNE 30, 2016 AND 2015
 (Dollars in thousands)**

	2016	2015
OPERATING ACTIVITIES:		
(Decrease) increase in net assets	\$ (7,265)	\$ 5,183
Adjustments to reconcile (decrease) increase in net assets to net cash (used in) provided by operating activities:		
Net unrealized (gains) losses on investments	2,118	(3,980)
Loss on sale of investments	180	65
Changes in operating assets and liabilities:		
Receivable from affiliate	<u>223</u>	<u>196</u>
Net cash (used in) provided by operating activities	<u>(4,744)</u>	<u>1,464</u>
INVESTING ACTIVITIES:		
Purchases of securities	(959)	(1,979)
Sale of securities	<u>5,703</u>	<u>515</u>
Net cash provided by (used in) investing activities	<u>4,744</u>	<u>(1,464)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	-	-
CASH AND CASH EQUIVALENTS—Beginning of year	_____	_____
CASH AND CASH EQUIVALENTS—End of year	<u>\$ -</u>	<u>\$ -</u>

See notes to combined financial statements.

UNIVERSITY OF SOUTH ALABAMA
FOUNDATION

**DISPROPORTIONATE SHARE HOSPITAL FUNDS
NOTES TO COMBINED FINANCIAL STATEMENTS
AS OF AND FOR THE YEARS ENDED JUNE 30, 2016 AND 2015
(Dollars in thousands)**

1. ORGANIZATION

The University of South Alabama Foundation (the "Foundation" or "USAF") was incorporated in March 1968 for the purpose of promoting education, scientific research, and charitable purposes, and to assist in developing and advancing the University of South Alabama (the "University") in furthering, improving, and expanding its properties, services, facilities, and activities. Revenues are derived principally from investment income and contributions.

The Disproportionate Share Hospital Funds (the "DSH Funds") were matching funds disbursed by the Health Care Financing Administration of the U.S. Department of Health and Human Services to the states through their Medicaid agencies for the purpose of compensating hospitals, such as those operated by the University, that provided medical care and treatment to a disproportionate share of indigent patients in their respective areas.

Access to the DSH Funds for Alabama was made possible by the University of South Alabama Foundation Board, beginning in October 1989, when the Board of the Foundation approved the entry into the matching program. Over a one-year period, the Foundation made a monthly revolving contribution of \$2 million, which yielded approximately \$24 million in federal grant monies. The Board of Trustees of the University adopted a resolution in March 1990, authorizing the transfer of the DSH Funds to the Foundation to be held by it to preserve and ensure the continued viability of the University of South Alabama Hospitals ("University Hospitals") and their overall mission.

Litigation relating to the transfer of the DSH Funds was settled in November 1993, when an agreement was reached among the Department of Examiners of Public Accounts of the State of Alabama, the Board of Trustees of the University, and the Board of Directors of the Foundation, which required that all Medicaid DSH Funds received through September 30, 1994, be transferred to the Foundation and held irrevocably for the benefit, as determined by the Foundation, of the University Hospitals and clinics and the other programs of the University that benefit such hospitals and clinics. Further, the agreement recognized the Foundation as the lawfulholder and owner of the DSH Funds and that the investment and management of the DSH Funds were solely within the authority of the Foundation's Board.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation — The accompanying combined financial statements include the DSH Funds and Knollwood Development, Inc., a wholly owned subsidiary of the Foundation and an affiliate originally funded by DSH Funds. All significant interfund transactions have been eliminated in combination.

Net Assets — In order to ensure observance of limitations and restrictions placed on the use of the resources available to the DSH Funds, the accounts of the DSH Funds are maintained on the accrual basis in accordance with the principles of "fund accounting." Thus, resources for various purposes are classified into funds that are in accordance with activities or objectives specified. The Foundation presents its net assets and its revenues, expenses, gains, and losses based on the existence or absence of

donor-imposed restrictions, using three classifications: permanently restricted; temporarily restricted; and unrestricted. These three classifications are defined as follows:

- Permanently restricted net assets contain donor-imposed restrictions that stipulate that resources be maintained permanently, but permit the use or expenditure of part or all of the income derived from the donated assets for specified or unspecified purposes.
- Temporarily restricted net assets contain donor-imposed restrictions that permit the use or expenditure of the donated assets as specified and are satisfied either by the passage of time or by actions of the Foundation.
- Unrestricted net assets are not restricted by donors or the donor-imposed restrictions have expired.

Support — Contributions received and unconditional promises to give are measured at their fair values and are reported as increases in net assets at the date of receipt. Gifts of cash and other assets are reported as temporarily restricted support if they are received with donor stipulations that limit the use of the donated assets or if they are designated as support for future periods. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the combined statements of activities and changes in net assets as net assets released from restrictions.

Investments in Securities — Investments in equity securities are maintained and administered in a common pool by the Foundation. Amounts presented in these combined financial statements represent the DSH Funds' proportionate share of the Foundation's investments.

Investments in Commonfund — The Commonfund for Nonprofit Organizations ("Commonfund") is a membership corporation that operates investment funds for the exclusive benefit of institutions eligible for membership in the Commonfund. The Foundation holds investments in the Multi-Strategy Equity Fund and the International Equity Fund of the Commonfund. The objective of the Multi-Strategy Equity Fund is to offer an investment in a single fund to provide all of the strategy and manager diversification that an endowment would normally require for equity allocation. The fund is designed to add value over long periods of time and to reduce volatility. The investment objective of the International Equity Fund is to seek to diversify a U.S. equity portfolio with equity investments in companies domiciled abroad.

The Foundation's units in the Multi-Strategy Equity Fund and the International Equity Fund are valued at their unit values as determined by Commonfund. Commonfund generally determines the unit values of each of its funds by reference to the fair values of the underlying investments, the majority of which consists of exchange-traded equity securities. Commonfund redemptions are paid on the last day of the month with the request or notification required by the 20th day of the month. Further information about Commonfund's valuation procedures follows.

In the Multi-Strategy Equity Fund and the International Equity Fund, as managed by Commonfund, equity securities listed on securities exchanges are valued at the last sale price, except for those securities reported through the National Association of Securities Dealers Automated Quotation System (NASDAQ), for which the NASDAQ Official Closing Price is used. In the absence of either, the current bid price is used. Unlisted securities are valued at the current bid prices obtained from reputable brokers. Certain investments held by the funds may be traded by a market maker who may also be utilized to provide pricing information used to value such investments. Investments in units of other funds within Commonfund (known as "crossfund investments") are carried at the unit value of the crossfund investment.

In these funds, investments in limited partnerships and other investment funds are valued at fair value, which is generally the latest net asset value made available by the fund manager or administrator prior to the valuation date. Other securities that are not readily marketable are also valued at fair value as deemed appropriate by management of Commonfund in consultation with the respective investment manager, with consideration given to the financial condition and operating results of the issuer, meaningful third-party transactions in the private market, and other factors deemed relevant. The amounts realized upon disposition of these investments may differ from the value reflected in the financial statements and the differences could be material.

Investment Income — Investment income or loss (including realized and unrealized gains and losses on investments, interest, dividends, rents, royalties, and timber sales) is included in the accompanying combined statements of activities and changes in net assets as increases or decreases in unrestricted net assets, unless the income or loss is restricted by donor or law, in which case it is classified as temporarily or permanently restricted, as appropriate. Interfund interest is recorded at prevailing market rates on loans between funds to maintain the integrity of each fund's net assets.

Income Allocation — The DSH Funds participate in the New Investment Pool (the "Pool") as described in Note 4. Funds that participate in the Pool, including DSH Funds, receive a monthly allocation of income and loss experienced by the Pool. Allocations made by the Pool to its participants are based on the relative participation levels of investment in the Pool by each participating fund.

Income Tax Status — The Internal Revenue Service has determined that the Foundation is a tax-exempt organization under Internal Revenue Code Section 501(c)(3).

Estimates — The preparation of combined financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the combined financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates. The DSH Funds participate in the Foundation's New Investment Pool (see Note 4). The New Investment Pool consists of the Foundation's investment in marketable securities, valued by reference to quoted market prices; investments in Commonfund portfolios valued at unit values based on the fair values of the underlying investments; and timberland, mineral properties, and other real estate valued by appraisals. Such assets are subject to fluctuation in value due to normal market volatility and to estimation risk in the case of assets for which market values are not available. The values ultimately realized by the Foundation for all such assets may be different from the values reported and these fluctuations may impact the DSH Funds' financial statements.

Recent Accounting Pronouncements — In May 2015, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2015-07, *Disclosure for Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent), Fair Value Measurement (Topic 820)*. The new guidance is effective for reporting periods beginning after December 15, 2016, and early adoption is permitted. The ASU is to be applied retrospectively in all periods presented in an entity's financial statements. The Foundation did not early adopt this guidance as of year-end. The adoption will not have a material effect on the DSH Funds' financial statements. The Foundation management is currently assessing the impact on the disclosures in the combined financial statements.

In May 2014, the FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*. The new guidance is effective for reporting periods beginning after December 15, 2018. The ASU is to be applied retrospectively in all periods presented in an entity's financial statements. Management is currently assessing the impact on the combined financial statements.

3. FAIR VALUE OF FINANCIAL INSTRUMENTS AND OTHER INVESTMENTS

The following methods and assumptions were used by the Foundation in estimating the fair value of its investments:

- **Cash and Cash Equivalents:** The carrying amount reported in the accompanying combined statements of financial position for cash and cash equivalents approximates its fair value.
- **Equity Securities:** Includes investments in marketable securities and investments in Commonfund:

Marketable Equity Securities: Fair values are based on quoted market prices of each security with readily determinable fair values.

Investments in Commonfund: Fair values are based on unit values, as determined by Commonfund. As more fully described in Note 2, Commonfund determines unit values for each of its portfolios based on the fair values of the underlying assets.

- **Timberland, Mineral Properties, and Real Estate:** Fair values of timberland, mineral properties, and real estate are determined by independent third-party appraisers using standard appraisal practices particular to the investment being appraised.

4. INVESTMENTS

Investment (loss) income for the years ended June 30, 2016 and 2015, consisted of the following:

	2016	2015
Unrealized (losses) gains	\$ (2,118)	\$ 3,980
Realized losses	(180)	(65)
Interest and dividends	558	1,158
Interfund interest	<u>138</u>	<u>122</u>
	<u>\$ (1,602)</u>	<u>\$ 5,195</u>

Investments consisted of participation in the Foundation's pooled investment funds.

On June 5, 2006, the Board of the Foundation approved the establishment of a New Investment Pool, which consisted of (1) all marketable equity securities held by the Foundation and (2) the Foundation's interest in the land and timber consisting of approximately 55,600 acres of timberland known as the Equitable tract, which the Foundation acquired in 1997 with financing that was provided, in part, from the DSH Funds to the Foundation's Equitable Timber Fund. Effective June 30, 2006, upon establishment of the Pool, the interest in the Pool allocated to the DSH Funds was equal in value to the sum of (1) the value of the interest that was allocated to the DSH Funds in the Foundation's existing securities pool at June 30, 2006, and (2) the amount of the aggregate receivable in principal and interest owed by the Equitable Timber Fund to the DSH Funds at June 30, 2006. All pooled investment activity subsequent to June 30, 2006, is allocated between DSH Funds and other USAF funds based on each fund's initial share of the Pool, adjusted for subsequent contributions and distributions.

On September 28, 2010, the Foundation entered into an agreement with the University providing for the purchase from the University by the Foundation, acting through its wholly owned subsidiary Brookley Bay Front Properties, LLC (hereinafter BBFP), the Brookley Complex, for a purchase price of \$20,000.

The Foundation funded the purchase with proceeds realized by it upon the sale of equity investments from the Commonfund Multi-Equity Strategy Fund, within the New Investment Pool.

On June 4, 2015, the Board of the Foundation determined that the current value of the investment in the Brookley Complex, \$23,000, would continue to be recorded as an asset of the Foundation held as a part of the New Investment Pool. Further, the Board determined that proceeds from a future sale would be used to restore to the holdings of the Foundation in the Commonfund Multi-Strategy Equity Fund the aggregate value of the investments in such fund that were sold by the Foundation to provide the funds paid to the University to acquire the Brookley Complex, and the aggregate cumulative investment return produced by the investment in the Commonfund Multi-Strategy Equity Fund over the period from the date of the sale transactions until the date on which the proceeds are returned to the fund, all as reflected in the resolution adopted on June 4, 2015.

The fair value hierarchy classifies the inputs to valuation techniques used to measure fair value as either observable or unobservable inputs. Observable fair values are derived from quoted market prices for investments traded on an active exchange or in dealer markets where there is sufficient activity and liquidity to allow price discovery by substantially all market participants. The New Investment Pool's observable inputs consist of investments in exchange-traded equity securities with a readily determinable market price. Other observable inputs are fair value measurements derived either directly or indirectly from quoted market prices. The New Investment Pool's other observable inputs are an investment in a managed fund held by a third party. Investments that are not traded on an active exchange and do not have a quoted market price are classified as unobservable. The DSH Funds' unobservable inputs consist of its interest in the New Investment Pool's timberland and real estate with fair values based on extensive independent third-party appraisals performed by qualified appraisers specializing in timber and real estate investments.

The Foundation's Investment Pool assets are summarized as follows:

Description	Fair Value Measurements at June 30, 2016			Total
	Observable Inputs Based on Quoted Prices	Other Observable Inputs	Unobservable Inputs	
New Investment Pool interest in marketable equity securities	\$ 72,481	\$ 48,419	\$ -	\$ 120,900
New Investment Pool interest in timber			109,100	109,100
New Investment Pool interest in real estate			23,000	23,000
Real estate			3,700	3,700
	<u>\$ 72,481</u>	<u>\$ 48,419</u>	<u>\$ 135,800</u>	<u>\$ 256,700</u>

Fair Value Measurements at June 30, 2015

Description	Fair Value Measurements at June 30, 2015			Total
	Observable Inputs Based on Quoted Prices	Other Observable Inputs	Unobservable Inputs	
New Investment Pool interest in marketable equity securities	\$ 72,836	\$ 59,678	\$ -	\$ 132,514
New Investment Pool interest in timber			109,600	109,600
New Investment Pool interest in real estate			23,000	23,000
Real estate			3,700	3,700
	<u>\$ 72,836</u>	<u>\$ 59,678</u>	<u>\$ 136,300</u>	<u>\$ 268,814</u>

For the year ended June 30, 2016, activity in the Foundation's Pooled Investment assets valued at fair value based on unobservable inputs is as follows:

	Investment Pool Interest in Timber	Investment Pool Interest in Real Estate	Real Estate	Total
Beginning balance	\$ 109,600	\$ 23,000	\$ 3,700	\$ 136,300
Total realized and unrealized gains	1,771			1,771
Reforestation	187			187
Depletion	<u>(2,458)</u>			<u>(2,458)</u>
Ending balance	<u>\$ 109,100</u>	<u>\$ 23,000</u>	<u>\$ 3,700</u>	<u>\$ 135,800</u>

For the year ended June 30, 2015, activity in the Foundation's Pooled Investment assets valued at fair value based on unobservable inputs is as follows:

	Investment Pool Interest in Timber	Investment Pool Interest in Real Estate	Real Estate	Total
Beginning balance	\$ 108,000	\$ 23,000	\$ 3,700	\$ 134,700
Total realized and unrealized gains	4,595			4,595
Reforestation	257			257
Dispositions	(81)			(81)
Depletion	<u>(3,171)</u>			<u>(3,171)</u>
Ending balance	<u>\$ 109,600</u>	<u>\$ 23,000</u>	<u>\$ 3,700</u>	<u>\$ 136,300</u>

The DSH Funds hold a proportionate interest in the value of the Foundation's Investment Pool. On June 30, 2016, the value of DSH Funds units in the Pool was \$163,790 and at June 30, 2015, the value of DSH Funds units in the Pool was \$170,832.

5. RELATED-PARTY TRANSACTIONS

At June 30, 2016 and 2015, receivables from affiliated entities totaled \$420 and \$643, respectively. These amounts are due to the DSH Funds from other entities owned by the Foundation. These receivables earn interest at a standard market rate, based on the applicable federal rates (rates used for federal tax purposes). Interest income was \$138 and \$122 for the years ended June 30, 2016 and 2015, respectively. As described in Note 4, effective June 30, 2006, the DSH Funds participate in the Pool of the Foundation and the DSH Funds earn a proportionate share of investment income of the Pool.

In an effort to assist the University in furtherance of its tax-exempt purpose and in order to accelerate its support of the Pediatric Expansion of USA Children's and Women's Hospital, the Board of Directors authorized, in a resolution adopted on May 27, 2010, the Foundation to negotiate an agreement to purchase the Brookley Center campus owned by the University. The May 27, 2010, resolution revoked the May 22, 2008, resolution as it pertained to the support of the Pediatric Expansion of USA Children's and Women's Hospital. On November 10, 2010, BBFP, an Alabama limited liability company, having as its sole member the Foundation, purchased the Brookley Complex from the University of South Alabama for Twenty Million Dollars (\$20,000) payable in five annual installments of Four Million Dollars (\$4,000). BBFP paid the University Four Million Dollars (\$4,000) at closing and entered into a non-interest-bearing installment note for Sixteen Million Dollars (\$16,000). The installment note was fully paid on November 10, 2014.

The intention and expectation of the Board of the Foundation, as reflected in the resolutions adopted on May 27, 2010, and September 9, 2010, was that upon BBFP's payment to the University of the purchase price, the Foundation would begin funding, consistent with the resolutions, a target distribution of not less than three percent (3%) of the average net assets of the DSH Funds. In making such distributions, the Foundation, acting in response to requests, proposals or recommendations submitted to it by the University, would seek to distribute to the University, for the benefit of the University's hospitals and clinics, and the other programs of the University that benefit such hospitals and clinics, funding for programs, activities or such other expenditures as shall be designated by the Foundation, in its sole discretion, subject to certain financial and other conditions as defined in the resolutions. During the fiscal year ended June 30, 2016, in accordance with the intent of the Board of the Foundation, as expressed in the resolutions, the Board of the Foundation approved a total distribution of DSH Funds of \$5,651, that included \$2 Million to the USA Mitchell Cancer Institute, \$2 Million for the Medical Simulation Program, \$1,047 for the Clinical Support Fund, and \$604 for the Hospital Equipment Fund. The distributions to the USA Mitchell Cancer Institute and the Medical Simulation Program fulfilled and completed prior Foundation commitments.

During the period of five years from the date of closing the transaction, and any transactions thereof, the University retains ownership of all buildings and improvements on the Brookley Complex property and an exclusive easement over all of the land. Upon the payment of the note, ownership of such buildings and improvements transfers to BBFP at the conclusion of the five-year period, unless the parties agree to extend use by the University. The BBFP and the University agreed to extend the use period for an additional one-year period, to November 10, 2016.

6. NATURE AND AMOUNT OF TEMPORARILY RESTRICTED NET ASSETS

At June 30, 2016 and 2015, temporarily restricted net assets of \$36,324 and \$43,589, respectively, were available for the support of hospitals, clinics, and related programs of the University.

7. NATURE AND AMOUNT OF PERMANENTLY RESTRICTED NET ASSETS

At June 30, 2016 and 2015, permanently restricted net assets of \$131,586 and \$131,586, respectively, are restricted to investments in perpetuity, the income from which may be used for the support of hospitals, clinics, and related programs of the University.

8. ENDOWMENT

Interpretation of the Law — The University of South Alabama Foundation conducts the operations of the Foundation in accordance with the Alabama Uniform Prudent Management of Institutional Funds Act (UPMIFA), effective January 1, 2009, and continuing thereafter unless otherwise determined by the Foundation. The Board of Directors and management of the Foundation interpret UPMIFA as obligating the Foundation to preserve, as donor-restricted assets, each original gift received by the Foundation as donor-restricted endowment funds.

The Foundation, accordingly, classifies each such original gift, and any subsequent gifts, as permanently restricted. The remaining portion of any donor-restricted endowment that is not classified as permanently restricted is classified as temporarily restricted net assets, until such time as any of such remaining portion is appropriated for expenditure. In managing each endowment fund held by it, the Foundation considers, if relevant, the duration and preservation of the fund, the purposes of the Foundation and the fund, general economic conditions, any restrictions imposed by the donor, the possible effect of inflation or deflation, the expected total return from income and appreciation of investments, the other resources of the Foundation, and the investment policy of the Foundation.

9. SUBSEQUENT EVENTS

The DSH Funds evaluated subsequent events through August 11, 2016, which represents the date the combined financial statements were available to be issued, and made the determination that no events occurred subsequent to June 30, 2016, that would require disclosure in or would be required to be recognized in the combined financial statements.

* * * * *

**UNIVERSITY OF SOUTH ALABAMA
BOARD OF TRUSTEES**



**EVALUATION AND
COMPENSATION**

Committee Charge: Evaluation and Compensation Committee

Overall Roles and Responsibilities:

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.

Responsibilities:

Specific responsibilities of the Committee include:

- Establish appropriate metrics for evaluating the President based on the role and responsibilities identified for the position and identify individuals within and outside the University to be interviewed concerning the President's performance and the effectiveness of the University in meeting its strategic goals
- Conduct an annual performance review of the President based on the established metrics and present findings to the Board
- On an annual basis, recommend for approval by the Board of Trustees an appropriate compensation package for the President

Meetings:

The Committee shall meet upon the call of the President, the Chair *pro tempore*, or the Chair of the Committee. Meetings typically occur on the day prior to the regularly-scheduled quarterly meetings of the Board of Trustees, but may be called to take place at any time.

Membership:

Committee members and the Chair and the Vice Chair of the Committee shall be appointed by the Chair *pro tempore* for terms concurrent with the term of the Chair *pro tempore*. The Chair *pro tempore* shall consider appointing members with backgrounds in, and knowledge of, general business and executive leadership.

**UNIVERSITY OF SOUTH ALABAMA
BOARD OF TRUSTEES**



**DEVELOPMENT,
ENDOWMENT
AND INVESTMENTS**

**UNIVERSITY OF SOUTH ALABAMA
BOARD OF TRUSTEES**

DEVELOPMENT, ENDOWMENT AND INVESTMENTS COMMITTEE

**June 2, 2016
2:15 p.m.**

A meeting of the Development, Endowment and Investments Committee of the University of South Alabama Board of Trustees was duly convened by Mr. Jim Yance, Chair, on Thursday, June 2, 2016, at 2:15 p.m. in the Board Room of the Frederick P. Whiddon Administration Building.

Members Present: Ron Jenkins, Ken Simon, Steve Stokes, Mike Windom and Jim Yance.

Member Absent: Tom Corcoran.

Other Trustees: Chandra Brown Stewart, Steve Furr, Bettye Maye, Bryant Mixon, John Peek and Jimmy Shumock.

Administration and Others: Terry Albano, Joe Busta, Lynne Chronister, Ken Davis, Sheila Davis, Joel Erdmann, Monica Ezell, Mike Finan, Happy Fulford, Mike Haskins, David Johnson, Mike Mitchell, Norman Pitman, John Smith, Sam Strada, Jean Tucker, Tony Waldrop and Scott Weldon.

Press: Alyssa Newton (*Vanguard* and WPMI).

The meeting came to order and the attendance roll was called. Mr. Yance called for consideration of the minutes of the meeting held on March 3, 2016. On motion by Judge Simon, seconded by Captain Jenkins, the minutes were approved unanimously.

Mr. Yance called for presentation of **ITEM 14**, a report on endowment and investment performance. Directing attention to the Board materials, Mr. Albano advised that, for the six months ended March 31, 2016, the University endowment had a return of 2.27 percent versus that of the relative index of 3.76 percent, an underperformance of 1.49 percent. He reported an endowment value of just above \$140 million. He discussed the performance of the individual managers, noting the activity was similar to the previous report given in March. He talked about asset allocation, noting consistency with policy parameters. As to the annualized performance since inception in April 2000, he stated the endowment performed at 4.72 percent versus the relative index of 3.88 percent, or an outperformance of .84 percent.

Mr. Yance addressed **ITEM 15**, a resolution authorizing changes to USA's Endowment Funds Investment Policies and Guidelines to include private equity (for copies of resolutions, policies and other authorized documents, refer to the minutes of the Board of Trustees meeting held on

June 3, 2016). He said the Committee had been very active since the meetings in March, at which time it was determined the University would end its relationship with hedge fund manager Private Advisors. He described that as a good decision and said a number of meetings had taken place in the interim with potential candidates to serve the University as private equity and hedge fund managers. He thanked Messrs. Albano, Pitman, Davis and Weldon, as well as fellow Trustee Judge Simon, for availing their time and efforts to the due diligence process and called for remarks from Mr. Albano. Mr. Albano stated, following an extensive analysis, it was the consensus among University delegates to retain, as private equity managers Commonfund, Gerber/Taylor and J.P. Morgan, and as hedge fund managers, Weatherlow and Forester. Discussion took place on the merits of adding private equity to the University's portfolio. Mr. Pitman stated studies show, over time, private equity investing is a good way to increase capital, noting returns can be achieved with less risk. Mr. Yance gave assurance of a modest first investment. Judge Simon expressed confidence in the proposal as a result of his involvement in the due diligence process. Dr. Stokes asked how much of an investment was being considered. Noting that the National Association of Colleges and Universities reports an average investment of between 10 and 15 percent, Mr. Albano responded that a five-percent investment in private equity is recommended. He projected that, as confidence strengthens, the University could opt to increase exposure. Mr. Peek asked if the recommendation is in line with other schools that have similar endowments. Mr. Yance and Judge Simon agreed that USA lags behind other institutions with comparable situations. Mr. Albano stated the recommended change would increase opportunities, and Chairman Furr concurred. Mr. Yance called for a vote. On motion by Judge Simon, seconded by Dr. Stokes, the Committee voted unanimously to recommend approval by the Board of Trustees.

As to **ITEM 16**, a report on the activities of the Division of Development and Alumni Relations, Mr. Yance called for remarks by Dr. Stokes, Upward & Onward Campaign Co-Chair. Dr. Stokes reminded the Committee that, at the time of the public launch in October 2015, \$73 million of the \$150 million goal was reported raised. He added that, as of May 31, an additional \$17 million has been added for a total campaign amount thus far of \$90 million. He advised of 21,595 registered donors and 28,011 recorded gifts. He said the development staff were diligently involved with attaining the gift goals for the remainder of the fiscal year and remarked that the last of 14 regional campaign receptions was hosted by Barbara and John Peek in Andalusia in April. He stated the next meeting of the campaign leadership team is scheduled on September 30 in conjunction with the October 1 home football game against San Diego State. Mr. Yance expressed appreciation for the leadership of the Stokeses as Campaign Co-Chairs. Dr. Stokes credited the volunteers and the Development staff for the positive momentum. Dr. Busta conveyed enthusiasm for the progress achieved. He discussed the importance of the regional socials in building relationships. He recognized and thanked Ms. Sheila Davis, Upward & Onward Campaign Coordinator.

Dr. Busta gave an update on the University of South Alabama Board of Trustees Scholarship, reminding the Committee that Chairman Furr led the initiative to establish the fund in 2013. He said the initial goal to raise \$125,000 was met, making possible the award of a full scholarship to the top academically ranked student in each entering freshman class beginning with the 2014-2015 academic year. He said \$87,250 of the commitments had been collected thus far, all of which are matched through the Mitchell-Moulton Scholarship Initiative for a total \$250,000 scholarship. He thanked Chairman Furr for taking the lead on this endeavor and said it will be interesting to see what the Board of Trustees Scholarship alumni do professionally and personally in the future. Chairman Furr agreed and thanked the members of the Board for their contributions to the program.

Mr. Yance recognized the success of the baseball team in advancing to the NCAA regional finals. He advised that Dr. Erdmann had been called to serve as chairman of the National Collegiate Athletic Association's (NCAA) selection committee for teams competing in the tournament and was interviewed on ESPN. Dr. Erdmann conveyed appreciation for the opportunity. President Waldrop asked Dr. Erdmann to share information on baseball standout Mr. Kevin Hill. Dr. Erdmann stated that, among his many accolades, Mr. Hill, a native of Oklahoma and a recent graduate, has twice earned distinction as an *All-American* athlete, as well as being the first athlete in Sun Belt Conference history to be named *Pitcher of the Year* two years in a row. He added the women's softball team ended the season in second place and played well in the conference championship. Messrs. Windom and Peek commented on the outstanding academic performance of USA athletes. Dr. Erdmann acknowledged that USA's APR, or academic progress rate, as is ranked by the NCAA among Division I schools, showed steady improvement from year to year, and was the top APR in the league this year.

There being no further business, the meeting was adjourned at 2:47 p.m.

Respectfully submitted:

James A. Yance, Chair

Committee Charge: Development, Endowment and Investments Committee

Overall Roles and Responsibilities:

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 Board of Trustees, as deemed necessary and appropriate.

Responsibilities:

Specific responsibilities of the Committee that are related to the Division of Development and Alumni Relations:

- Assess progress towards goals
- Establish and review fundraising policies
- Provide oversight to the management and operation of programs of the Division of Development and Alumni Relations
- Participate in the development process

Specific responsibilities of the Committee that are related to the University's endowment and other investment programs:

- Review endowment fund assets according to prudent standards as established in the law of the State of Alabama and in policies established and approved by the Board of Trustees
- Establish and periodically review endowment investment policy
- Review the endowment funds risk tolerance and investment horizon
- Receive reports concerning the selection of qualified investment professionals, including Investment manager(s), investment consultant(s), and custodian(s)
- Review reports on the performance of the investment manager(s) to assure adherence to policy guidelines and monitor investment objective progress
- Establish policies and guidelines to ensure proper control procedures; for example, replacement of investment manager(s) due to fundamental changes in investment management process or failure to comply with established guidelines

Meetings:

The Committee shall meet upon the call of the President, the Chair *pro tempore*, or the Chair of the Committee. Meetings typically occur on the day prior to the regularly-scheduled quarterly meetings of the Board of Trustees, but may be called to take place at any time.

Membership:

Committee members and the Chair and the Vice Chair of the Committee shall be appointed by the Chair *pro tempore* for terms concurrent with the term of the Chair *pro tempore*. The Chair *pro tempore* shall consider the appointment of members with backgrounds in, and knowledge of, finance, fundraising, nonprofit administration, investment management, general business and executive leadership.

Reports:

The following reports related to the Division of Development and Alumni Relations are commonly submitted by the University Administration for consideration by the Committee:

- Annual year-end fundraising results and fundraising goals for the succeeding year
- Quarterly campaign progress reports
- Recommendations for donor appreciation and naming resolutions

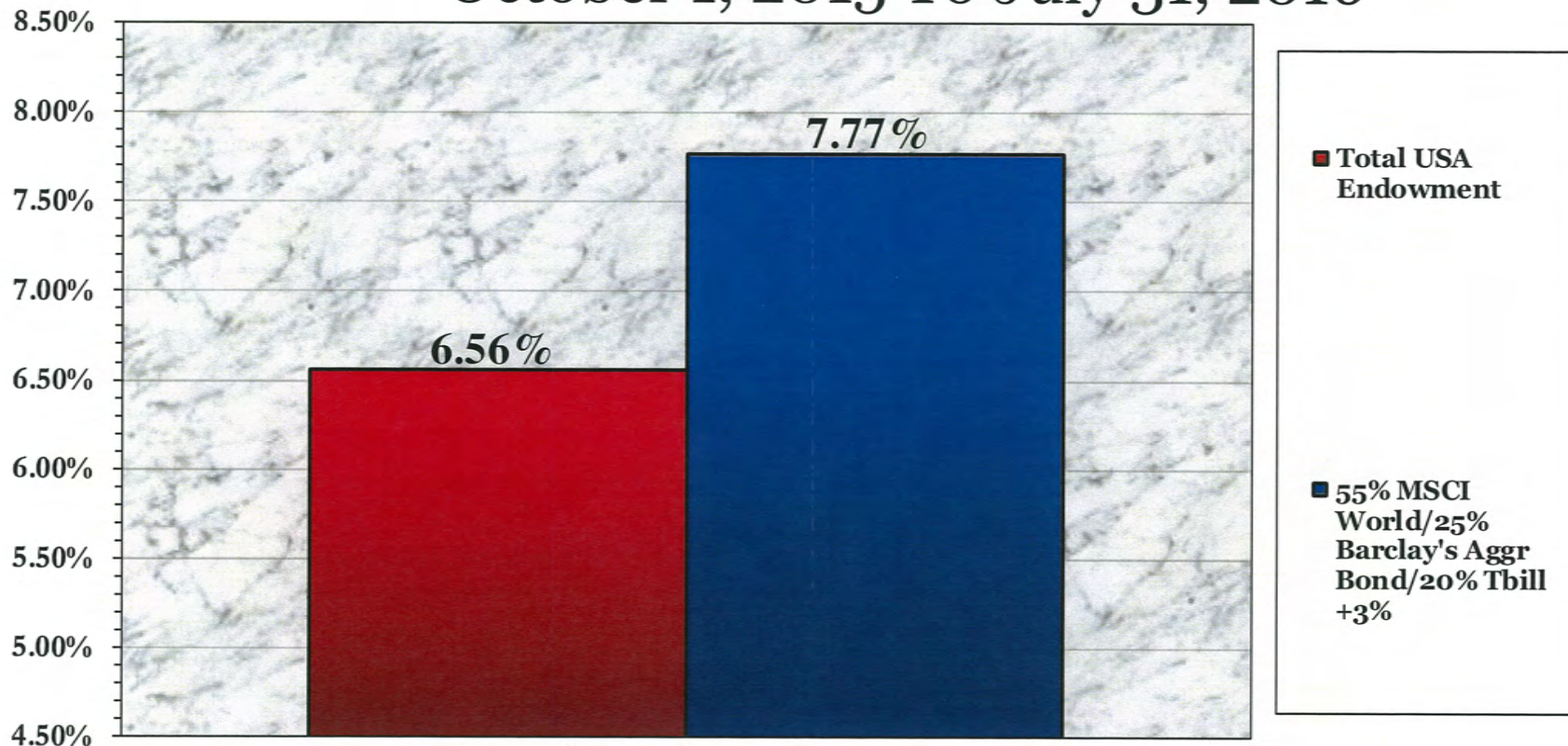
The following reports related to the University's endowment and other investment programs are commonly submitted by the University Administration for consideration by the Committee:

- Quarterly performance reports
- Annual investment manager reports
- Annual evaluation of endowment and non-endowment investments policies (as required by SACS)

University of South Alabama
Endowment Investment Performance
Review/Analysis

Fiscal Year 2016

Total USA Endowment Fiscal Year 2016 October 1, 2015 To July 31, 2016



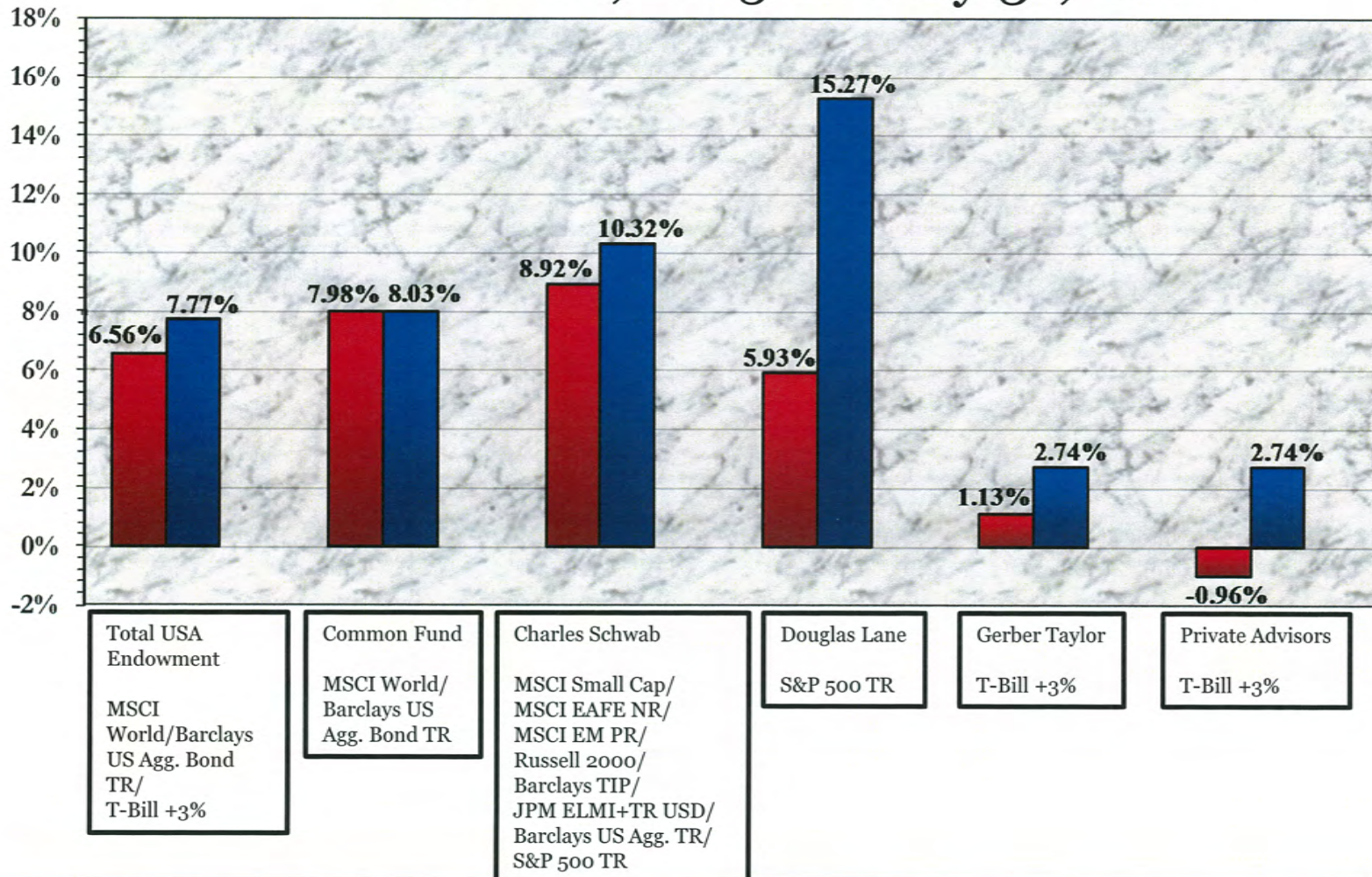
Underperformed (1.21)%

Balance: \$143,189,043

Endowment Fund Managers

Fiscal Year 2016

October 1, 2015 To July 31, 2016

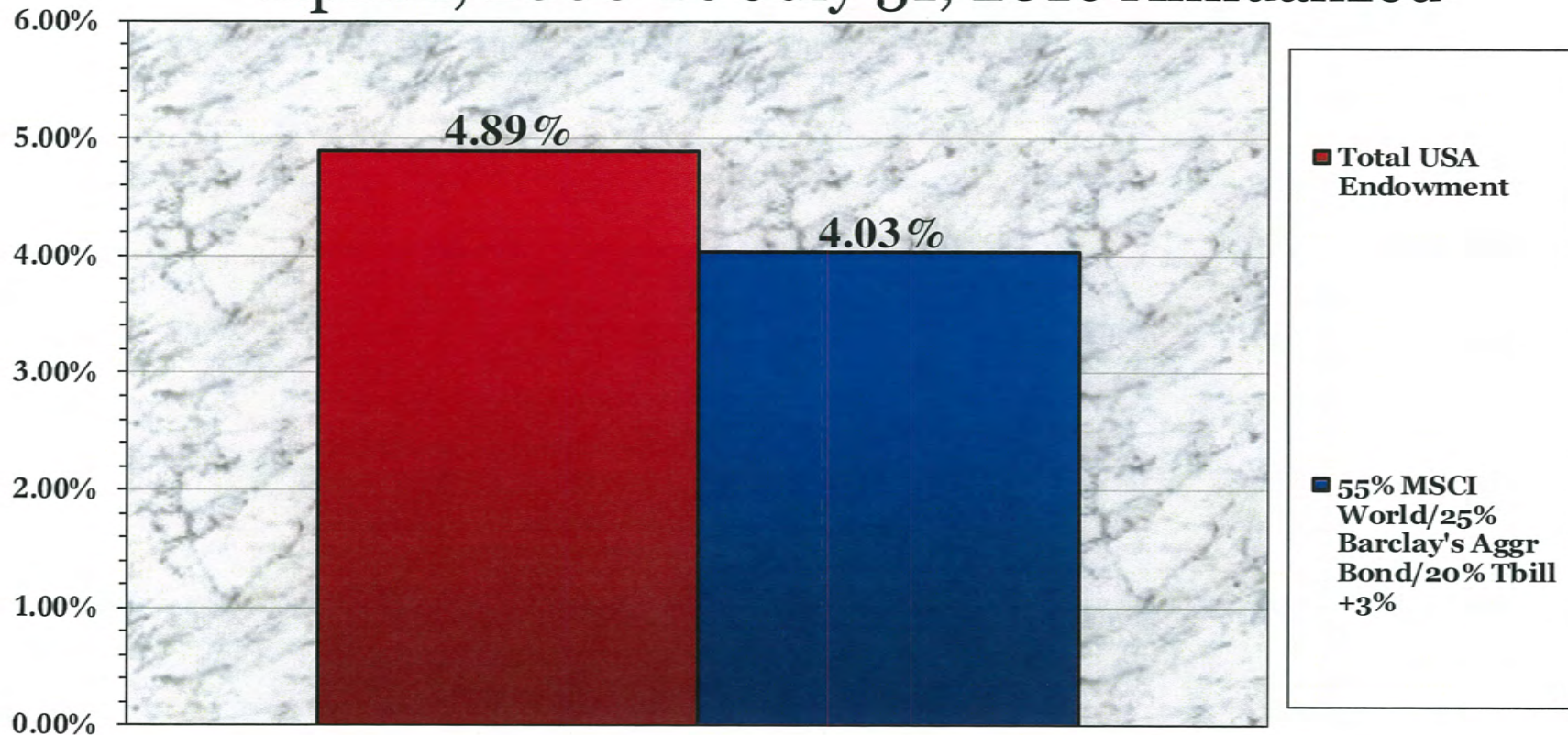


Total USA Endowment Breakdown Fiscal Year 2016

Manager	Money Market	Large Cap Equity	Small Cap Equity	International	Fixed	Hedge	Total	%
Private Advisors	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,874,404	\$ 3,874,404	3%
Schwab	\$ -	\$ 7,904,320	\$ 6,429,134	\$ 16,997,651	\$ 5,412,355	\$ -	\$ 36,743,460	26%
Doug Lane	\$ 325,921	\$ 8,045,578	\$ -	\$ -	\$ -	\$ -	\$ 8,371,499	6%
Common Fund	\$ -	\$ 36,849,594	\$ -	\$ -	\$ 33,900,437	\$ -	\$ 70,750,031	49%
Gerber Taylor	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 23,449,649	\$ 23,449,649	16%
Total	\$ 325,921	\$ 52,799,492	\$ 6,429,134	\$ 16,997,651	\$ 39,312,791	\$ 27,324,053	\$ 143,189,043	100%
%	0%	37%	4%	12%	27%	19%	100%	
Policy %		25-55%	0-8%	5-15%	15-35%	10-30%	100%	

Total USA Endowment Since Inception

April 1, 2000 To July 31, 2016 Annualized



Outperformed 0.86%

Balance: \$143,189,043

RESOLUTION

DIRECTOR OF THE JAGUAR ATHLETIC FUND, INC.

WHEREAS, pursuant to the Amended Bylaws of the Jaguar Athletic Fund, Inc. (“USAJAF”), the Board of Trustees of the University of South Alabama (“University”) shall approve the USAJAF slate of Officers and Directors, and

WHEREAS, the University and the USAJAF have a history of interaction and cooperation that has served the interests of the University, and

WHEREAS, the Board of Directors of the USAJAF, through its Nominating Committee, is authorized to nominate Directors and Officers consistent with the aforesaid for consideration and approval by the Board of Trustees of the University, and

WHEREAS, the Nominating Committee of the Board of Directors and the Board of Directors of USAJAF have nominated Mr. Brian Munger for a three-year term pending the approval of the Board of Trustees of the University,

THEREFORE, BE IT RESOLVED, that the Board of Trustees of the University of South Alabama does hereby approve Mr. Brian Munger as a member of the Board of Directors of the USAJAF with a three-year term beginning September 2016 and ending September 2019.



Department of Athletics

August 9, 2016

TO: Dr. Tony Waldrop
University President

FROM: Dr. Joel Erdmann
Director of Athletics

SUBJECT: University of South Alabama Board of Trustees Meeting
Jaguar Athletic Fund (JAF) Resolution for Consideration

This is to request the attached Resolution be presented to the USA Board of Trustees for consideration at its next meeting on September 9, 2016.

The intent of the Resolution is for the University of South Alabama Board of Trustees to ratify the newly elected JAF Board of Director – Brian Munger.

Attachment

REC'D
Office of the President

AUG 09 2016

University of South Alabama



Graduation • Citizenship • Championships

University of South Alabama • 6001 USA Drive South Suite 35 • Mobile, Alabama 3668802
Office: (251) 460-7121 • Fax: (251) 460-6505



**UNIVERSITY OF SOUTH ALABAMA
BOARD OF TRUSTEES**



**ACADEMIC AND
STUDENT AFFAIRS**

**UNIVERSITY OF SOUTH ALABAMA
BOARD OF TRUSTEES**

ACADEMIC AND STUDENT AFFAIRS COMMITTEE

**June 2, 2016
1:30 p.m.**

A meeting of the Academic and Student Affairs Committee of the University of South Alabama Board of Trustees was duly convened by Ms. Bettye Maye, Chair, on Thursday, June 2, 2016, at 1:32 p.m. in the Board Room of the Frederick P. Whiddon Administration Building.

Members Present: Chandra Brown Stewart, Ron Jenkins, Bettye Maye, Bryant Mixon and Mike Windom.

Member Absent: Scott Charlton.

Other Trustees: Steve Furr, John Peek, Jimmy Shumock, Ken Simon and Jim Yance.

Administration and Others: Joe Busta, Lynne Chronister, Angela Coleman, Josh Crownover, Joel Erdmann, Monica Ezell, Mike Finan, Happy Fulford, Bob Hanks, Mike Haskins, David Johnson, Beverly Kellen, Mike Mitchell, John Smith, Sam Strada, Jean Tucker, Tony Waldrop and Scott Weldon.

Press: Alyssa Newton (*Vanguard* and WPMI).

The meeting came to order and the attendance roll was called. Ms. Maye called for adoption of the revised agenda. On motion by Mr. Windom, seconded by Captain Jenkins, the revised agenda was adopted unanimously.

Ms. Maye called upon Provost Johnson for presentation of **ITEM 7**, a resolution to approve the granting of tenure and/or promotion to faculty as set forth (for copies of resolutions, policies and other authorized documents, refer to the minutes of the Board of Trustees meeting held on June 3, 2016). Provost Johnson briefly addressed the vetting process. On motion by Mr. Windom, seconded by Captain Jenkins, the Committee voted unanimously to recommend approval by the Board of Trustees. Judge Simon asked if younger faculty are earning tenure and promotion. Provost Johnson stated most are successful in meeting the high standards necessary to achieve tenure and promotion. He added the University attempts to provide substantial support, and cited as an example USA's faculty mentoring program implemented in the last couple of years.

Ms. Maye asked Provost Johnson to discuss **ITEM 8**, a resolution expressing the Board's appreciation to Dr. Keith Harrison for his many contributions to the University and extending best wishes upon his retirement. Provost Johnson said Dr. Harrison retired effective May 31 and talked about his roles at the University, including 11 years as Dean of the Graduate School. He stated Dr. Harrison and his wife, Leora, had pledged significant monetary contributions for an endowed chemical engineering

scholarship as well. On motion by Mr. Windom, seconded by Ms. Brown Stewart, the Committee voted unanimously to recommend approval by the Board of Trustees.

Provost Johnson presented **ITEM 10**, a resolution authorizing the rates for tuition and fees, housing and meal plans for the 2016-2017 academic year. He asserted the Administration's belief that the recommended three-percent increase in tuition and fees would generate the minimum revenue required to maintain program quality and meet the needs of students. He said this rate is consistent with what peer institutions in Alabama had adopted or are proposing and, with passage, USA's rates will still be among the lowest offered in the state. He explained the recommendation pertaining to the differential tuition for the College of Nursing, which calls for an additional \$10 (in-state) or \$20 (out-of-state) per credit hour to make possible the hiring of additional full-time nursing faculty for improved student/teacher ratios. Mr. Peek inquired about budget components that have high operational costs that are beyond the University's ability to control, such as utilities. Mr. Weldon stated the key concern for the 2016-2017 fiscal year is a \$3-million increase in debt service, which he said would level out the following year. He added USA does a good job to limit spending when possible. Mr. Peek asked what financial challenges the University can expect over the next few years. Mr. Weldon said the Administration would closely monitor health care costs, as well as employer contributions for retiree health coverage and for employee retirement. President Waldrop noted enrollment increases and decreases can impact the budget, adding that, with growth, more faculty are needed to keep up with demand.

Mr. Peek asked if feedback on the proposal increase was available from the students' perspective. President Waldrop called for remarks by Mr. Josh Crownover, Student Government Association (SGA) President. Mr. Crownover stated the students understand that the cost of attending South Alabama is less expensive than at competing institutions in the state and region, and is relatively low given the quality education received. He said, while the students do not embrace paying higher rates, they recognize the reasons for an increase.

Judge Simon reminded the group that the University has had to deal with significant reductions in state appropriation and Mr. Fulford acknowledged that appropriation cuts followed the 2008 fiscal year. President Waldrop stated the accumulated loss in state funding over the years totals \$326.8 million. He said, with tuition revenue increases totaling \$75.5 million over the same period, USA's overall funding deficit stands at \$251.3 million. He said this demonstrates the extent of cost-cutting that has taken place. Mr. Peek encouraged student participation in the annual *Higher Education Day* activities in Montgomery. Mr. Crownover talked about the SGA's efforts to recruit students to attend the rally. Provost Johnson said, of all the schools represented, USA's contingent is consistently the largest. Mr. Windom shared positive words about the event and expressed confidence that the local legislative delegation is appreciative of South's involvement.

Provost Johnson called on Dr. Smith to address housing and meal plan rates. Dr. Smith reiterated the Administration does everything possible to minimize rate increases. He said the housing and food services are auxiliary operations and revenues collected are allocated back to these programs. He

advised that, over the summer term, just over \$2 million would be spent on improvements throughout the housing system and to dining facilities, with funding made possible from rent proceeds, cash reserves and the operating budget. He stated major renovations would take place at the Beta and Gamma complexes and roofs would be replaced at Delta. He added that, among the food service enhancements that are being employed, a new food venue would be installed at the Mitchell College of Business. He referenced comparative data showing USA's housing and meal plan rates are much lower than at other institutions, noting the Administration must be cognizant of the local market and what other schools offer. He stated the recommendation calls for a 2.5 percent average increase in housing rates and a 2.1 percent average increase in meal plan rates. Mr. Windom asked why Auburn's meal plan rates are significantly less than USA's rates. Dr. Smith stated Auburn uses an *a la carte* approach, which is more costly to students whose account balances decline and must be refilled, while USA offers a bona fide meal plan with several purchase options, some including unlimited meals. On motion by Captain Jenkins, seconded by Mr. Windom, the Committee voted unanimously to recommend Board approval of the tuition, housing and meal plan rates as presented.

As to a report on the activities of the Division of Academic Affairs, **ITEM 11**, Ms. Maye called for comments by Provost Johnson. Provost Johnson recalled the December 2015 approval of an updated Strategic Plan that is organized around the University's five institutional priorities. He advised that groups of faculty and administrators have since worked to develop Scorecard metrics for measuring progress over the next five years as the Strategic Plan tracks forward. He introduced Dr. Angela Coleman, Associate Vice President for Institutional Effectiveness, who gave an overview of the process whereby the Scorecard, a collection of 23 performance indicators paralleling the five priorities, was developed and she explained how interpreting the data would guide the work of the University through 2021. She said updates would be presented to the Committee on an annual basis and added that the University Committee on Planning, Assessment and Finance and the University Assessment Advisory Committee would also have opportunities to review Scorecard results and make recommendations for the University's consideration. She mentioned that an unintended benefit of the process was constructive dialogue on discerning success. Addressing the areas of student success, extramural awards and international student diversity, she explained how the relative indicators could drive discussion on improvement strategies. President Waldrop complimented Dr. Coleman for spearheading this team effort.

Ms. Maye called for a report on the activities of the Division of Student Affairs, **ITEM 12**. With reference to national news headlines, Dr. Mitchell stressed the importance of mental health on college campuses and introduced Dr. Bob Hanks, Director of USA's Department of Counseling and Testing Services (CTS), and Ms. Beverly Kellen, Student Health Center Practice Director, to discuss a new USA partnership. Dr. Hanks thanked Dr. Mitchell for his support of a new psychiatric clinic that opened in the 2015 fall semester. Demonstrating the need for the clinic, he shared that the numbers of USA students who visit the CTS for counseling have increased in recent years and estimated that as many as 25 percent had already been prescribed psychotropic medications prior to or throughout the course of CTS counseling. He stated, in a national survey of approximately 500

college and university counseling center directors, 62 percent report providing psychiatric services. He discussed program benefits, including prompt referral turnaround, improved communications with psychiatric treatment providers and reduced out-of-pocket costs. He added the service may help the University with retention goals. Ms. Kellen conveyed pride in the Student Health Center (SHC), through which the student psychiatric clinic is administered. She stated both the SHC and the new clinic are accredited through the Accreditation Association for Ambulatory Health Care, Inc. (AAAHC), and she gave an overview of clinical operations, noting four senior-level psychiatry residents see patients on Wednesdays from 8:00 a.m. to noon. Among other statistics, she reported 106 students served from August 2015 to May 2016 for a total of 320 patient visits. She said the top diagnoses were anxiety disorder, major depressive disorder, attention deficit hyperactivity disorder, social anxiety disorder and post-traumatic stress syndrome and added, due to the high response, expansion of services is being considered. Questions concerning fees, insurance, training and intervention strategies were addressed.

Ms. Maye called for consideration of the minutes of the meeting held on March 3, 2016. On motion by Mr. Windom, seconded by Captain Jenkins, the minutes were adopted unanimously.

There being no further business, the meeting was adjourned at 2:12 p.m.

Respectfully submitted:

Bettye R. Maye, Chair

Committee Charge: Academic and Student Affairs Committee

Overall Roles and Responsibilities:

The Academic and Student Affairs Committee shall be responsible for receiving and reviewing information relevant to issues involving academic affairs and student affairs at the University.

Responsibilities:

Specific responsibilities of the Committee include:

- Consider approval of faculty who are recommended for tenure and promotion
- Consider approval of faculty who are recommended for the status of Distinguished Professor
- Consider approval of retired faculty and administrators who are recommended for emeritus status
- Consider approval of faculty who are recommended for sabbaticals
- Consider approval of recommended rates of tuition and fees
- Consider approval of recommended housing and meal plan rates
- Consider approval of honorary doctorate degrees as recommended
- Consider approval of recommended individuals for special recognition or commendation for distinguished service or contributions to the university
- Consider approval of a recommended Quality Enhancement Plan, as required by the Southern Association of Colleges and Schools, Commission on Colleges, as part of the Institution's decennial reaffirmation of accreditation

Meetings:

The Committee shall meet upon the call of the President, the Chair *pro tempore*, or the Chair of the Committee. Meetings typically occur on the day prior to the regularly-scheduled quarterly meetings of the Board of Trustees, but may be called to take place at any time.

Membership:

Committee members and the Chair and the Vice Chair of the Committee shall be appointed by the Chair *pro tempore* for terms concurrent with the term of the Chair *pro tempore*. The Chair *pro tempore* shall consider appointing members with backgrounds in, and knowledge of, education, general business and executive leadership.

Reports:

The following reports are commonly submitted by the University Administration for consideration by the Committee:

- Memos from University President, Provost and Dean of College of Medicine, containing recommendations for tenure and promotion (submitted annually prior to June meeting)
- Memo from University President containing recommendations for Distinguished Professor (submitted as needed)

- Memo from University President containing recommendations for emeritus professor (submitted annually)
- Memo from University President containing recommendations for sabbaticals (submitted annually)
- Memo from University President, with attached schedules, recommending tuition and fee recommendations for adjustments to tuition and fees, and housing and meal plan charges (submitted annually)
- Memos from University President and Provost, recommending the awarding of honoring doctorates (submitted as warranted)
- Memo from University President containing recommendations for special recognition or commendation (submitted as warranted)
- Proposal recommending the selection of a Quality Enhancement Plan, prepared by University Committee at the direction the Provost (submitted every ten years)

RESOLUTION
POLICY ON CAMPUS CLOSURE

WHEREAS, hurricanes impact the Gulf Coast region and the University of South Alabama from time to time, with official hurricane season running from June 1 through November 30, and

WHEREAS, the University has put procedures in place to help keep students, staff and faculty safe in the event of a hurricane, and

WHEREAS, if a hurricane is anticipated to be severe enough to require the use of shelters, the University will officially suspend operations and evacuate its campus, at which time all events and classes will be canceled and only pre-designated essential personnel and certain University campus housing residents as discussed below will be allowed to remain on campus, and

WHEREAS, because weather authorities have the ability to project the strength and trajectory of hurricanes well in advance of landfall, the University has the information necessary to assess and act on the need for closing campus well before severe weather activity begins and far enough in advance of landfall for most of its students to travel home, and

WHEREAS, due to the distance some residential students who live on campus are required to travel to get home, those few residential students, estimated at fewer than 200 students (or approximately 10 percent of all residential students), will be allowed to remain on campus during the evacuation, and the University's department of Housing will identify and notify those campus residents regarding sheltering procedures pursuant to University policy, and

WHEREAS, as new residence halls are constructed, ICC/NSSA-compliant shelters will be included until the total shelter capacity is sufficient to meet the University's anticipated need with respect to students who will be allowed to remain on campus during a hurricane, and

WHEREAS, the University has identified certain shelters on its campus that will be utilized to house remaining residential students that meet or exceed the 2014 ICC/NSSA Standard for the Design and Construction of Storm Shelters, and

WHEREAS, until there are sufficient ICC/NSSA standard shelters available, the University will place all residential students remaining on campus in shelter locations designated as Best Available Refuge Areas (BARA) which will be opened depending on the severity of the storm and the number of residents impacted, and will be operated and staffed by the University to serve as shelters for up to 72 hours after the storm passes,

NOW, THEREFORE, BE IT RESOLVED that the University of South Alabama Board of Trustees adopts the policy that, when the University of South Alabama determines that it is necessary to close the campus and suspend classes and other campus activities and operations and that sheltering is required due to the impending hurricane, designated shelters as indicated above will be made available for the duration of the closure to those few campus residents who live too far away to travel home, as well as to the pre-designated essential personnel.

UNIVERSITY OF SOUTH ALABAMA

VICE PRESIDENT FOR STUDENT AFFAIRS
AND DEAN OF STUDENTS



TELEPHONE: (251) 460-6172
STUDENT CENTER, SUITE 245
350 CAMPUS DRIVE
MOBILE, ALABAMA 36688-0002
FAX: (251) 460-6157

August 22, 2016

To: Dr. Tony Waldrop
President

From: Dr. Michael Mitchell
Vice President for Student Affairs and
Dean of Students

Re: Campus Closure for Hurricanes

The attached resolution regarding the closure of campus due to the threat of an impending hurricane formalizes what has been standard practice for the University for many years.

The policy is designed to provide ample notice of closure and suspension classes, so that students who are not from this area would have time to leave in advance of a storm. Those students who live on campus, but live too far from home to return, would be offered shelter here on campus, unless the Governor issued a mandatory county-wide evaluation.

Please let me know if you have any questions.

REC'D
Office of the President

AUG 23 2016

University of South Alabama

**UNIVERSITY OF SOUTH ALABAMA
BOARD OF TRUSTEES**



**BUDGET AND
FINANCE**

**UNIVERSITY OF SOUTH ALABAMA
BOARD OF TRUSTEES**

**COMMITTEE OF THE WHOLE
(ON BEHALF OF THE BUDGET AND FINANCE COMMITTEE)**

**June 2, 2016
2:58 p.m.**

A meeting of the Budget and Finance Committee of the University of South Alabama Board of Trustees was duly convened by Mr. Jimmy Shumock on behalf of Mr. Tom Corcoran, Chair, on Thursday, June 2, 2016, at 2:55 p.m. in the Board Room of the Frederick P. Whiddon Administration Building.

Members Present: Jimmy Shumock, Steve Stokes and Jim Yance.

Members Absent: Tom Corcoran, Arlene Mitchell and Sandy Stimpson.

Other Trustees: Chandra Brown Stewart, Steve Furr, Ron Jenkins, Bettye Maye, Bryant Mixon, John Peek, Ken Simon and Mike Windom.

Administration and Others: Joe Busta, Lynne Chronister, Foster Clark (Balch & Bingham), Joel Erdmann, Monica Ezell, Mike Finan, Happy Fulford, Mike Haskins, David Johnson, Mike Mitchell, John Smith, Polly Stokley, Sam Strada, Becky Tate, Jean Tucker, Tony Waldrop and Scott Weldon.

Press: Alyssa Newton (*Vanguard* and WPMI).

The meeting came to order and the attendance roll was called. Without a quorum of the Committee members present, Chairman Furr suggested that the Committee of the Whole could make recommendations on behalf of the Budget and Finance Committee. Mr. Shumock called for consideration of the minutes of the meeting held on March 3, 2016. On motion by Judge Simon, seconded by Mr. Windom, the minutes were approved unanimously. Mr. Shumock called for adoption of the revised agenda. On motion by Ms. Maye, seconded by Mr. Yance, the revised agenda was adopted unanimously.

Mr. Shumock asked Mr. Weldon to discuss **ITEM 17**, the quarterly financial statements for the six months ended March 31, 2016. Mr. Weldon stated the financial results were as expected. He called attention to a \$3 million increase in net position, a decline from that of \$16 million reported six months into fiscal year 2014-2015. He noted a decrease in investment value accounted for this difference. He referenced a significant change in total net position, down from \$516 million in 2015 to \$198 million, stating the reason for the difference is a new accounting standard implemented in September 2015, which requires the University to record its portion of the unfunded pension liability for the Teachers' Retirement System of Alabama. He

stressed that this reflection in the statements is simply an accounting entry and has no impact on retirement system contributions by the University or its employees. He added that all institutions in Alabama, as well as in the nation, are subject to this requirement.

Mr. Shumock called on Ms. Stokley for an overview on the activities of the Process Improvement Committee (PIC), **ITEM 18**. Ms. Stokley, PIC Chair, stated the University community can now track PIC projects and report process difficulties via the USA Web site under the President's Web page. She shared examples of how improvement suggestions had led to meaningful process advances, such as deployment of electronic travel documentation and reconciliation, as well as electronic timesheet reporting. She discussed the University's new procurement card program provided through PNC Bank and graphics demonstrating *P-card* design were viewed. She said in excess of 125 improvement items have been logged thus far.

Mr. Shumock called on Ms. Chronister for presentation of **ITEM 19**, a resolution to elect Messrs. Joseph Adamo and Don Langham as directors of the USA Research and Technology Corporation (RTC) for four-year terms beginning September 2016 (for copies of resolutions, policies and other authorized documents, refer to the minutes of the Board of Trustees meeting held on June 3, 2016). On motion by Ms. Maye, seconded by Ms. Brown Stewart, the Committee voted unanimously to recommend approval by the Board of Trustees.

Mr. Shumock asked Mr. Weldon to address **ITEM 19.A**, a resolution authorizing the University President to finalize a land lease agreement with the RTC for the lease of a 1.2 acre parcel of property on the corner of Lafayette Street and Springhill Avenue that is adjacent to the USA Springhill Avenue campus. Mr. Weldon advised the land would be leased for \$1 per year and the RTC will construct an 8,000-square-foot building that would be leased to Biomedical Applications of Alabama, a provider of outpatient dialysis services. He reminded the Committee of an identical transaction approved a few years prior for a similar facility on Stanton Road at the USA Medical Center campus, adding this is the third dialysis unit with which the University has a relationship. Addressing a question from Mr. Peek about optimum use of campus space, Mr. Weldon stated the land is an old parking lot that is largely unused. He advised that additional parking had since been constructed adjacent to USA's Family Medicine Center and would be made possible through the purchase of property from the Mobile Area Water and Sewer System on Catherine and Center streets, as well as through the demolition of the old nursing dormitories. Mr. Peek asked about the size of the facility. Ms. Tate said the facility will be a typical one-story dialysis center and advised of the Department of Medicine's three long-term directorship contracts with dialysis centers to provide nephrology services for an income of \$100,000 per year. Mr. Yance asked about patient occupancy. Ms. Tate said the facility would accommodate up to 12 beds and would be the first in the community to serve primarily pediatric patients. She pointed out the advantage of its proximity to USA Children's

& Women's Hospital. On motion by Mr. Yance, seconded by Ms. Maye, the Committee voted unanimously to recommend approval by the Board of Trustees.

Mr. Shumock called on Ms. Tucker for presentation of **Item 20**, a resolution reaffirming the authority of the University President to enter into contracts and sign legal documents on behalf of the University and the Board of Trustees, as well as, delegate signature authority to other University officials for contracts that are preapproved by the University Attorneys. Further, the resolution authorizes, as contracting officers having the same power and authority, the positions of Executive Vice President (Dr. John Smith); Vice President for Finance and Administration (Mr. Scott Weldon); Vice President for Medical Affairs (Dr. John Marymont); Vice President for Health Systems (Mr. Stan Hammack); University Treasurer (Mr. Ken Davis); Chief Operating Officer, Health Systems (Mr. Owen Bailey); Chief Financial Officer, Health Systems (Ms. Traci Jones); and Assistant Vice President for Hospital Financial Affairs (Mr. Bill Bush). Ms. Tucker noted changes in positions within the Health System and identified the positions having contract authority, as well as the names of individuals serving in these roles. She assured that all contracts are reviewed by University attorneys prior to signature. On motion by Ms. Maye, seconded by Dr. Stokes, the Committee voted unanimously to recommend approval by the Board of Trustees.

Mr. Shumock called on Mr. Weldon to address **ITEM 21**, a resolution authorizing the President and Vice President for Finance and Administration to execute a loan agreement and a promissory note as set forth; authorizing the Secretary of the Board to affix the University seal to these documents; and authorizing these individuals to execute other agreements and documents as necessary or desirable that pertain to the loan agreement and promissory note, as well as to additional related transactions. Mr. Weldon reminded Trustees of Board approval in March to issue a request for proposals for a \$30-million line of credit to be used for capital needs for the Health System. He stated, having quoted an extremely favorable rate of approximately 1.06 percent, Compass Bank was the successful lowest bidder. Judge Simon asked about the maturation of the line of credit. Mr. Weldon stated that this is a two-year commitment and added, by the end of the term, it would likely be converted into some form of long-term financing. He said the advantage of structuring the transaction in this way is the University will not be locked into a \$30-million bond or note. He said if the capital need is less, the University would obtain permanent financing for only the amount actually needed. On motion by Judge Simon, seconded by Mr. Yance, the Committee voted unanimously to recommend approval by the Board of Trustees.

Mr. Shumock asked Mr. Weldon to discuss **ITEM 22**, a resolution authorizing the President and Vice President for Finance and Administration to execute a refunding of the University's Series 2008 bonds, in an outstanding principal amount of approximately \$102 million, prior to the next meeting of the Board. Noting a bond call date of December 2018, Mr. Weldon said the

Administration endeavors to monitor market interest rates for refinancing opportunities as bond call dates approach. He stated it has become advantageous in recent weeks for the University to consider an advanced refinancing of the bonds, adding that the University stands to realize a savings of about 10 percent, or \$10 million. He stated the resolution requires the approval of the Chair *pro tempore*, as well as the Chair of the Budget and Finance Committee, and establishes that certain parameters must be in place, such as a net savings of at least three percent. He estimated it would take 60 days to complete the underwriting and trust documentation process, projecting a closing date around August 1. He introduced the University's bond attorney Mr. Foster Clark of the law firm of Balch and Bingham in Birmingham, who wrote the resolution. He advised of their meeting with representatives from the national financial advisory company PFM, Inc., who recommended that the University pursue the refinancing as soon as possible before the savings diminish. He and Mr. Clark agreed that a three-percent savings threshold is standard for such refinancing. Mr. Peek asked if there was reasonable progress on paying off the existing bond. Mr. Weldon stated progress was slow on the original \$112-million bond. Judge Simon inquired about revenue sources for paying off the bond, and Mr. Weldon stated that the bonds are secured by general tuition and a \$10-million pledge of hospital revenues. Mr. Weldon talked about options for amortization reduction and said PFM will help determine the best way to proceed. Mr. Clark explained the concept of "stacking" the University's existing 11 bonds to leverage payoff advantages. Mr. Peek asked for an analysis of all current bond indebtedness. Mr. Weldon offered to share material. Judge Simon asserted confidence in Mr. Clark, calling him one of the top bond lawyers in the United States. On motion by Ms. Maye, seconded by Mr. Yance, the Committee voted unanimously to recommend approval by the Board of Trustees.

There being no further business, the meeting was adjourned at 3:24 p.m.

Respectfully submitted:

James H. Shumock

on behalf of:

E. Thomas Corcoran, Chair

Committee Charge: Budget and Finance Committee

Overall Roles and Responsibilities:

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.

Responsibilities:

Specific responsibilities of the Committee include:

- Recommend financial policies that are consistent with institutional priorities and serve to improve the financial health and integrity of the University
- Review and recommend an annual operating budget for the University
- Review quarterly unaudited financial reports
- Review and recommend all proposed capital debt issues to ensure that such proposed debt is appropriate and within the University's ability to service such debt
- Review the anticipated financial impact of new academic, research and other initiatives within the University
- Review the anticipated financial impact of organizational and structural changes to USA Health to ensure that such changes will not have an adverse impact on the University's financial position
- Review any other financial plans or initiatives that could potentially have adverse impacts on the University

Meetings:

The Committee shall meet upon the call of the President, the Chair *pro tempore*, or the Chair of the Committee. Meetings typically occur on the day prior to the regularly-scheduled quarterly meetings of the Board of Trustees, but may be called to take place at any time.

Membership:

Committee members and the Chair and the Vice Chair of the Committee shall be appointed by the Chair *pro tempore* for terms concurrent with the term of the Chair *pro tempore*. The Chair *pro tempore* shall consider appointing members with backgrounds in, and knowledge of, finance, accounting, auditing, general business and executive leadership.

Reports:

The following reports are commonly submitted by the University Administration for consideration by the Committee:

- Quarterly unaudited financial statements for combined and divisional University operations
- USA Financial Report
- Annual University budgets, with supporting documentation, to be presented prior to the fiscal year being presented
- Other financial reports as deemed appropriate and necessary

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

Basic Financial Statements

Nine Months Ended June 30, 2016 and 2015

Unaudited

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

Quarterly Financial Statements

Nine Months Ended June 30, 2016 and 2015

Contents

Management's Discussion and Analysis	1
Unaudited Quarterly Financial Statements	
Statements of Net Position.....	9
Statements of Revenues, Expenses and Changes in Net Position	10
Statements of Cash Flows	11
Notes to Financial Statements.....	13

University of South Alabama
Management's Discussion and Analysis

Introduction

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

Financial Highlights

At June 30, 2016, the University had total assets and deferred outflows of \$1,140,575,000, total liabilities and deferred inflows of \$933,252,000 and net position of \$207,323,000. University net position increased \$15,234,000 for the nine months ended June 30, 2016 compared to an increase of \$14,104,000 for the nine months ended June 30, 2015. An overview of each statement is presented below along with a financial analysis of the transactions impacting the statement.

Condensed financial statements for the University at and for the nine months ended June 30, 2016 and 2015 follow (in thousands) (Note: The condensed financial statements at and for the nine months ended June 30, 2015 do not reflect the impact of the implementation of GASB Statement No. 68):

Condensed Statements of Net Position

	2016	2015
<i>Assets</i>		
Current	\$ 266,512	\$ 359,083
Capital and other noncurrent assets	850,791	727,654
Deferred outflows	23,272	58
	1,140,575	1,086,795
<i>Liabilities</i>		
Current	177,027	146,388
Noncurrent	720,334	426,753
Deferred inflows	35,891	-
	938,252	573,141
<i>Net Position</i>		
Net Investment in Capital Assets	290,522	222,775
Restricted, nonexpendable	47,282	43,343
Restricted, expendable	56,926	78,604
Unrestricted	(187,407)	168,932
	\$ 207,323	\$ 513,654

University of South Alabama

Management's Discussion and Analysis (continued)

Condensed Statements of Revenues, Expenses and Changes in Net Position

	<u>2016</u>	<u>2015</u>
<i>Operating revenues</i>		
Tuition and fees	\$ 108,425	\$ 99,923
Patient service revenues, net	256,389	191,955
Other	<u>92,260</u>	<u>123,692</u>
	457,074	415,570
<i>Operating expenses</i>		
Salaries and benefits	348,800	330,579
Supplies and other services	145,951	123,603
Other	<u>42,812</u>	<u>40,566</u>
	<u>537,563</u>	<u>494,748</u>
Operating loss	(80,489)	(79,178)
<i>Nonoperating and other revenues</i>		
State appropriations	78,733	77,980
Other, net	<u>23,777</u>	<u>26,483</u>
Net nonoperating revenues, net	<u>102,510</u>	<u>104,463</u>
Other revenues, expenses, gains or losses	<u>(6,787)</u>	<u>(11,181)</u>
Increase in net position	15,234	14,104
<i>Net Position</i>		
Beginning of period	<u>192,089</u>	<u>499,550</u>
End of period	<u>\$ 207,323</u>	<u>\$ 513,654</u>

Analysis of Financial Position and Results of Operations

Statements of Net Position

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

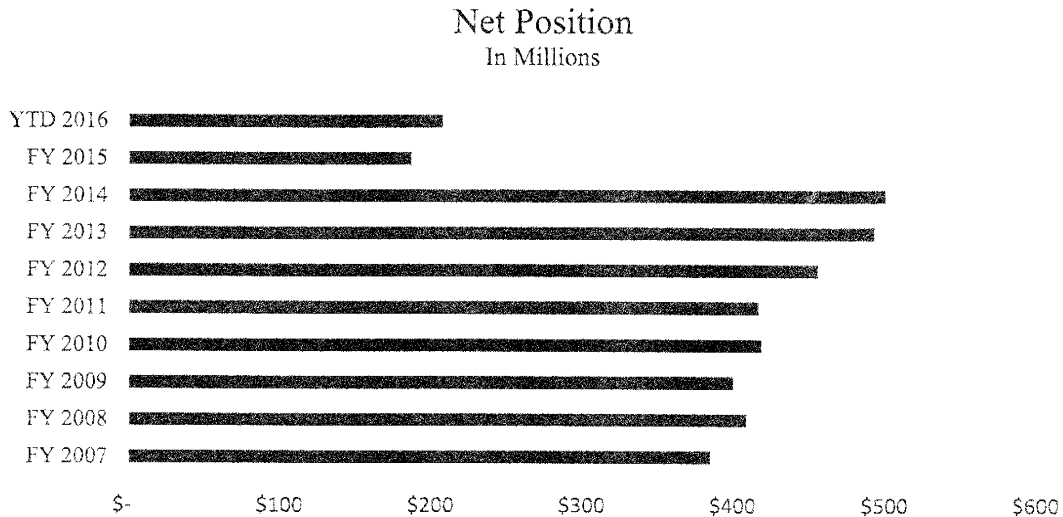
University of South Alabama

Management's Discussion and Analysis (continued)

University's basic financial statements, are prepared under the accrual basis of accounting, whereby revenues are recognized when earned and expenses are recognized when incurred, regardless of when cash is exchanged.

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

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



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

Restricted nonexpendable net position consists primarily of the University's permanent endowment funds. The corpus of these funds may not be expended and must remain with the University in perpetuity. Only the earnings from these funds may be expended. Restricted expendable net position is subject to externally imposed restrictions governing

University of South Alabama

Management's Discussion and Analysis (continued)

their use. The funds are restricted primarily for debt service, capital projects, student loans and scholarship purposes.

Although unrestricted net position is not subject to externally imposed stipulations, substantially all of the University's unrestricted net position has been designated for various academic and research programs and initiatives as well as capital projects. Also included in unrestricted net position at June 30, 2016 is the impact of the net pension liability recorded pursuant to the requirements of GASB Statement No. 68. The impact is not reflected in unrestricted net position as of June 30, 2015.

Statements of Revenues, Expenses and Changes in Net Position

Changes in total University net position as presented on the statements of net position is based on the activity presented in the statements of revenues, expenses and changes in net position. The purpose of the statements is to present the revenues recognized by the University, both operating and nonoperating, and the expenses incurred by the University, operating and nonoperating, and any other revenues, expenses, gains and losses recognized or incurred by the University.

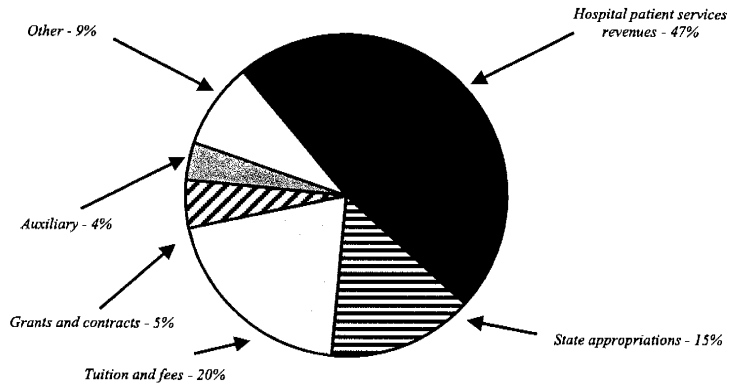
Generally, operating revenues are received for providing goods and services to the various customers and constituencies of the University. Operating expenses are those expenses paid to acquire or produce the goods and services provided in return for the operating revenues, and to carry out the mission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

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

University of South Alabama

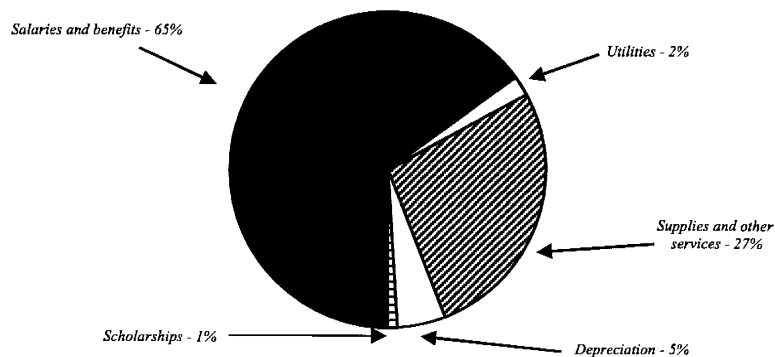
Management's Discussion and Analysis (continued)

Sources of Revenues



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

Operating Expenses by Natural Classification



Capital Assets and Debt Administration

During the current period, construction and construction planning continued on the Medical Professional Office Building. Also during the current period, the University continued a multi-year infrastructure improvement project. Additionally, several other

University of South Alabama

Management's Discussion and Analysis (continued)

smaller construction and renovation projects at the University and Hospitals remained ongoing during the current period.

In June 2013, the University issued the University Facilities Revenue Capital Improvement Bonds, Series 2013-A, 2013-B and 2013-C, with a face value of \$50,000,000. The net proceeds of these bonds will be used to fund the construction of a new professional medical office building as well as other construction and capital projects on the main campus of the University.

In March 2014, the University issued the University Facilities Revenue Refunding Bond, Series 2014-A, with a face value of \$41,245,000. The proceeds of this bond were used to refund the University's Series 2004 bonds in connection with the exercise of the option related to the 2004 swaption, as discussed below and in Note 10.

In April 2015, The University entered into two capital lease obligations with the Cerner Corporation for various software products and services related to the health system clinical and billing information system to be used by the University Health System. These leases were recorded at their present value of \$15,632,000 and \$1,594,000.

In June 2015, the University issued the University Facilities Revenue Capital Improvement Bond Series 2015 with a face value of \$6,000,000. The proceeds of this bond are being used for certain capital acquisitions and improvements for the Mitchell Cancer Institute.

In order to realize debt service savings currently from future debt refunding, in January 2008, the University entered into a synthetic advance refunding of the outstanding Series 2004 and 2006 bonds. This transaction was effected through the sale of two swaptions by the University to the counterparty and resulted in an up-front payment to the University totaling \$9,328,000 in exchange for selling the counterparty the option to enter into an interest rate swap with respect to the Series 2004 and 2006 bonds. A portion of this payment was considered a borrowing and was included in the long-term debt of the University. The fair value component of the refunding associated with the swaps was considered an investment derivative and, as such, the change in the fair value component was reflected as a component of investment income.

In December 2013, the counterparty exercised its option with respect to the 2004 swaption and forced the University into an underlying swap. The University refunded its Series 2004 bonds, issued the 2014-A variable rate bond and terminated the Series 2004 swaption. As a result of this termination, the borrowing arising from the Series 2004 swaption of \$1,696,000 and the investment derivative of \$5,213,000 were written off and an investment

University of South Alabama

Management's Discussion and Analysis (continued)

loss of \$2,229,000 was recognized in 2014. A borrowing arising from the 2014 swap of \$9,138,000 was recognized and is reported, net of amortization, in the statement of net position.

In March 2015, the University established a revolving line of credit for \$5,000,000. At June 30, 2016 approximately \$3,434,000 was outstanding on this line.

In June 2016, the University established a revolving line of credit for \$30,000,000. At June 30, 2016 approximately \$50,000 was outstanding on this line.

The University's bond credit rating is A1 as rated by Moody's Investors Services and A+ as rated by Standard and Poor's Rating Services. Neither rate has changed during 2015 or 2016.

Economic Outlook

While enrollment and tuition have generally increased in recent years, state appropriations prior to 2006 were relatively flat. However, in the 2008, 2007 and 2006 fiscal years, the University experienced increases of 16%, 19% and 17%, respectively. These increases were unusually high. For the 2009 fiscal year, the University's original state appropriation decreased 12.8% or approximately \$17,882,000. Additionally, in December 2008 the Governor of Alabama announced proration of 9%, or approximately \$10,967,000; and in July 2009, the Governor announced additional proration of 2%, or approximately \$2,437,000. Therefore, the total decrease in the 2009 state appropriation was approximately \$31,286,000 to \$108,451,000, or 22.4% lower than in 2008.

A state appropriation in the amount of approximately \$102,585,000 was authorized and received for the year ended September 30, 2013.

A state appropriation in the amount of approximately \$103,696,000 was authorized and received for the year ending September 30, 2014.

A state appropriation in the amount of approximately \$103,974,000 was authorized and received for the year ending September 30, 2015.

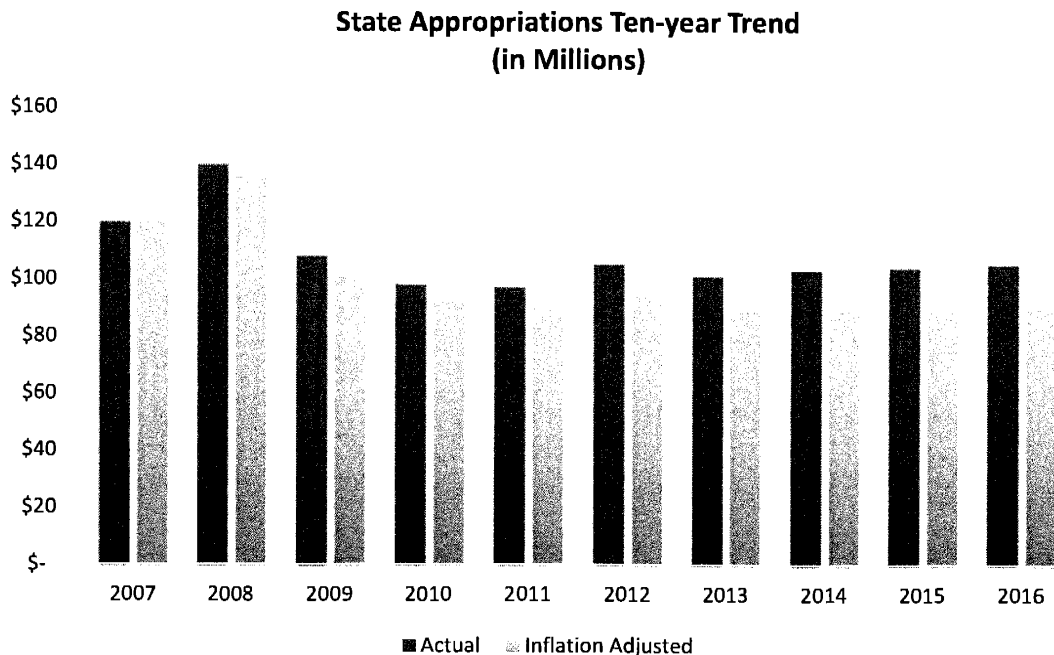
A state appropriation in the amount of \$104,977,000 has been authorized and is being received for the year ending September 30, 2016. This represents a \$1,003,000 increase from the fiscal 2015 appropriation received.

University of South Alabama

Management's Discussion and Analysis (continued)

A state appropriation in the amount of \$107,285,000 has been authorized for the year ending September 30, 2017. This represents a \$2,308,000 increase from the fiscal 2016 appropriation received.

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



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

Other than the issues presented above, University administration is not aware of any other currently known facts, decisions, or conditions that are expected to have a significant effect on the University's financial position or results of operations during fiscal year 2016 beyond those unknown variables having a global effect on virtually all types of business operations.

University of South Alabama

Statements of Net Position

June 30, 2016 and 2015

(In thousands)

	2016	2015
Assets		
Current assets		
Cash and cash equivalents	\$ 70,437	\$ 81,716
Investments, at fair value	70,256	158,880
Net patient service receivables	35,998	26,283
Accounts receivable, affiliates	5	20,725
Accounts receivable, other	77,319	59,273
Notes receivable, net	361	545
Prepaid expenses, inventories and other	12,136	11,661
Total current assets	266,512	359,083
Noncurrent assets		
Restricted cash and cash equivalents	17,002	25,806
Restricted investments	61,442	48,824
Investments, at fair value	96,549	27,243
Accounts receivable	4,361	2,223
Notes receivable, net	6,053	4,900
Other noncurrent assets	25,432	27,238
Capital assets (net of accumulated depreciation)	639,952	591,420
Total noncurrent assets	850,791	727,654
Deferred outflows (1)		
Total assets and deferred outflows	23,272	58
	1,140,575	1,086,795
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	55,709	44,815
Unrecognized revenue	94,634	80,732
Deposits	3,087	3,013
Current portion of long-term debt	23,597	17,828
Total current liabilities	177,027	146,388
Noncurrent liabilities		
Long-term debt	376,176	393,434
Net pension liability (1)	297,734	-
Other long-term liabilities	46,424	33,319
Total noncurrent liabilities	720,334	426,753
Deferred inflows (1)		
Total liabilities and deferred inflows	35,891	-
	933,252	573,141
Net position		
Net investment in capital assets	290,522	222,775
Restricted, nonexpendable		
Scholarships	22,472	20,938
Other	24,810	22,405
Restricted, expendable		
Scholarships	12,670	16,404
Other	44,256	62,200
Unrestricted (1)	(187,407)	168,932
Total net position	\$ 207,323	\$ 513,654

See accompanying notes to basic financial statements.

(1) The Statement of Net Position at June 30, 2015 does not reflect the impact of the implementation of GASB Statement No. 68. See Footnote 1.

University of South Alabama

Statements of Revenues, Expenses and Changes in Net Position

Nine Months Ended June 30, 2016 and 2015

(In thousands)

	2016	2015
Revenues		
Operating revenues		
Tuition and fees (net of scholarship allowances)	\$ 108,425	\$ 99,923
Patient services and other (net of contractual allowances and bad debt expense)	256,389	191,955
Federal grants and contracts	13,137	12,094
State grants and contracts	5,796	5,571
Private grants and contracts	6,665	46,838
Auxiliary enterprises (net of scholarship allowances)	20,412	14,297
Other operating revenues	46,250	44,892
Total operating revenues	457,074	415,570
Expenses		
Operating expenses		
Salaries and benefits	348,800	330,579
Supplies and other services	145,951	123,603
Scholarships and fellowships	5,151	4,092
Utilities	11,061	10,946
Depreciation and amortization	26,600	25,528
Total operating expenses	537,563	494,748
Operating loss	(80,489)	(79,178)
Nonoperating revenues (expenses)		
State appropriations	78,733	77,980
Investment income and gains (losses) on investments	(2,318)	3,662
Interest on indebtedness	(11,490)	(11,899)
Other nonoperating revenues	26,095	22,821
Other nonoperating expenses	(5,993)	(4,944)
Net nonoperating revenues	85,027	87,620
Income before other revenues, expenses, gains or losses	4,538	8,442
Capital gifts and grants	4,288	2,303
Additions to endowment	6,408	3,359
Increase in net position	15,234	14,104
Net position		
Beginning of period (1)	192,089	499,550
End of period (1)	\$ 207,323	\$ 513,654

See accompanying notes to basic financial statements.

(1) The net position at September 30, 2014 and June 30, 2015 does not reflect the impact of the implementation of GASB Statement No. 68. See Footnote 1.

University of South Alabama

Statement of Cash Flows

Nine Months Ended June 30, 2016 and 2015

(in thousands)

	2016	2015
Cash flows from operating activities:		
Receipts related to tuition and fees	\$ 78,600	\$ 72,518
Receipts from and on behalf of patients and third-party payers	241,647	201,752
Receipts from grants and contracts	46,027	55,193
Receipts related to auxiliary enterprises	16,269	11,629
Payments to suppliers and vendors	(150,573)	(136,547)
Payments to employees and related benefits	(350,444)	(337,597)
Payments for scholarships and fellowships	(5,151)	(4,092)
Other operating receipts	52,417	58,610
	<u>(71,208)</u>	<u>(78,534)</u>
Net cash used in operating activities		
Cash flows from noncapital financing activities:		
State appropriations	69,984	68,949
Endowment gifts	6,408	3,359
Agency funds received	646	726
Agency funds disbursed	(964)	(660)
Student loan program receipts	84,465	75,032
Student loan program disbursements	(85,033)	(75,281)
Other nonoperating revenues	27,039	25,423
Other nonoperating expenses	(5,993)	(4,944)
	<u>96,552</u>	<u>92,604</u>
Net cash provided by noncapital financing activities		
Cash flows from capital and related financing activities:		
Capital gifts and grants	4,288	21,632
Purchases of capital assets	(54,229)	(38,520)
Proceeds from sale of capital assets	-	2,303
Proceeds from issuance of capital debt	50	3,846
Principal payments on capital debt	(7,489)	(7,137)
Interest payments on capital debt	(10,293)	(16,013)
	<u>(67,673)</u>	<u>(33,889)</u>
Net cash used in capital and related financing activities		
Cash flows from investing activities:		
Interest and dividends on investments	1,975	8,800
Proceeds from sales of investments	17,818	5,872
Purchases of investments	(15,000)	(15,580)
	<u>4,793</u>	<u>(908)</u>
Net cash provided by (used in) investing activities		
Net decrease in cash and cash equivalents	(37,536)	(20,727)
Cash and cash equivalents (unrestricted and restricted):		
Beginning of year	124,975	128,249
End of period	<u>\$ 87,439</u>	<u>\$ 107,522</u>

University of South Alabama

Statement of Cash Flows

Nine Months Ended June 30, 2016 and 2015

(in thousands)

	<u>2016</u>	<u>2015</u>
Reconciliation of operating loss to net cash used in operating activities:		
Operating loss	\$ (80,488)	\$ (79,178)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation and amortization expense	26,600	25,528
Changes in operating assets and liabilities, net:		
Student receivables	(56,129)	(46,557)
Net patient service receivables	8,029	4,061
Grants and contracts receivables	20,314	(9,622)
Prepaid expenses, inventories, and other	(9,438)	2,148
Accounts payable and accrued liabilities	(17)	(1,021)
Unrecognized revenue	(16,489)	(2,020)
Other	36,410	28,127
Net cash used in operating activities	<u>\$ (71,208)</u>	<u>\$ (78,534)</u>

See accompanying notes to basic financial statements.

University of South Alabama
Notes to Financial Statements
June 30, 2016 and 2015

1. Summary of Significant Accounting Policies

Reporting Entity

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

The financial reporting entity, as defined by Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity* and amended by GASB Statement No. 39, *Determining Whether Certain Organizations Are Component Units*, and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus*, consists of the primary government and all of its component units. Component units are legally separate organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the financial statements to be misleading or incomplete. Accordingly, at year-end, the basic financial statements include the accounts of the University, as the primary government, and the accounts of the following entities as component units.

GASB Statement No. 61 amends GASB Statements No. 14 and No. 39, and provides criteria for determining whether organizations should be reported as component units based on the nature and significance of their relationship with the primary government. Such criteria include the appointment of a voting majority of the board of the organization, the ability to impose the will of the primary government on the organization and the financial benefits/burden between the primary government and the potential component unit. The statement also clarifies reporting and disclosure requirements for those organizations. Based on these criteria, the University reports the University of South Alabama Foundation (USA Foundation), the USA Research and Technology Corporation (the Corporation), and the Gulf Coast Regional Care Organization (RCO) as discretely presented component units in its annual financial statements. For quarterly reporting purposes, discretely presented component unit financial statements are not presented in the basic financial statements of the University.

The University is also affiliated with the South Alabama Medical Science Foundation. This entity is not considered a component unit of the University under the provisions of GASB Statement Nos. 14, 39 and 61 because the University does not consider SAMSF significant enough to warrant inclusion in the University's reporting entity.

GASB Statement No. 61 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 as defined by GASB Statement No. 61. Based on these criteria, the University reports the Professional Liability Trust Fund, the General Liability Trust Fund and the USA HealthCare Management, LLC as blended component units. For quarterly reporting purposes, only the USA HealthCare

University of South Alabama
Notes to Financial Statements
June 30, 2016 and 2015

Management, LLC is presented as a blended component unit in the basic financial statements of the University.

Professional Liability and General Liability Trust Funds

The medical malpractice liability of the University is maintained and managed in a separate professional liability trust fund (the PLTF) in which the University, SAMSF, and USA HealthCare Management, LLC are the only participants. In accordance with the bylaws of the trust fund, the president of the University is responsible for appointing members of the trust fund policy committee. Additionally, the general liability of the University is maintained and managed in a general liability trust fund (the GLTF) for which the University is responsible, as defined by GASB Statement No. 14. The PLTF and GLTF are separate legal entities which are governed by the University Board of Trustees through the University president.

USA HealthCare Management, LLC

In June 2010, the University's Board of Trustees approved the formation of USA HealthCare Management, LLC (the LLC). The University is the sole member of the LLC, which was organized for the purpose of managing and operating on behalf of and as agent for, substantially all of the health care enterprises of the University.

University of South Alabama Foundation

The 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 the USA Foundation, the USA Foundation is considered a component unit of the University. The Board of Directors of the USA Foundation is not appointed or controlled by the University. The University receives distributions from the USA Foundation primarily for scholarship, faculty and other support. The USA Foundation presents its financial statements in accordance with standards issued by the Financial Accounting Standards Board (FASB). The USA Foundation has a June 30 fiscal year end which differs from the University's September 30 fiscal year end.

USA Research and Technology Corporation

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

University of South Alabama
Notes to Financial Statements
June 30, 2016 and 2015

In September 2010, the Corporation caused the formation of NovALtech, LLC (NovALtech). NovALtech is a single-member limited liability company that exists for the purpose of engaging in scientific research and development activities and facilitating the transfer and utilization of technology, patents, processes, copyrights, formulae and other know-how. The activities of NovALtech are included in the financial statements of the Corporation.

Gulf Coast Regional Care Organization

The Gulf Coast Regional Care Organization (the RCO) is a not-for-profit corporation formed in July 2014 for the purpose of creating and operating a community-led network to coordinate the health care of Medicaid patients in southwest Alabama. The sole member of the RCO is the LLC. The operations of the RCO commenced on April 1, 2015.

University of South Alabama Health Services Foundation

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

Measurement Focus and Basis of Accounting

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

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

Use of Estimates

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

University of South Alabama
Notes to Financial Statements
June 30, 2016 and 2015

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

Cash and Cash Equivalents

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

Investments and Investment Income

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

Derivatives

The University has adopted the provisions of GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*. GASB 53 establishes a framework for accounting and financial reporting related to derivative instruments, requiring the fair value of the derivatives to be recognized in the basic financial statements

The University entered into two interest rate swaptions in January 2008, The Series 2004 swaption and the Series 2006 swaption. As a result of entering into the swaptions, the University received up-front payments. Swaptions are considered hybrid instruments which are required to be bifurcated into the fair value of the derivative and a piece that reflects a borrowing from financial statement purposes, which will accrete interest over time. In December 2013, the counterparty, Wells Fargo Banks, N.A. (Wells Fargo), exercised its option related to the Series 2004 swaption, and as a result, the University entered into an interest rate swap. As a result of the exercise of the option, the Series 2004 swaption was terminated. The Series 2006 swaption remains outstanding at the end of the current period.

In March 2014, the University entered into an interest rate swap arrangement with a counterparty. The resulting derivative is a “receive-variable, pay-fixed” interest rate swap. The University pays the counterparty a fixed semi-annual payment based on an annual rate of 4.9753% and receives on a monthly basis a variable payment of 68% of the one-month London Interbank Offered Rate plus 0.25%. The notional amount of the swap will at all times match the outstanding principal amount of the Series 2014-A bond. The change in fair value of the swap is reported as a deferred inflow on the statement of net position since the interest rate swap is a hedging derivative.

University of South Alabama
Notes to Financial Statements
June 30, 2016 and 2015

Accounts Receivable

Accounts receivable primarily results from net patient service revenue. Accounts receivable from affiliates primarily represent amounts due from HCM. Accounts receivable – other includes amounts due from students, the federal government, state and local governments, or private sources in connection with reimbursement of allowable expenditures made pursuant to the University’s grants and contracts. Accounts receivable are recorded net of estimated uncollectible amounts.

Inventories

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

Capital Assets

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

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

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

Certain buildings are componentized for depreciation purposes.

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

Unrecognized Revenue

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

University of South Alabama
Notes to Financial Statements
June 30, 2016 and 2015

Classifications of Net Position

The University's net position is classified as follows:

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

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

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

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

When an expense is incurred that can be paid using either restricted or unrestricted resources, the University addresses each situation on a case-by-case basis prior to determining the resources to be used to satisfy the obligation. Also included in unrestricted net position at June 30, 2016 is the impact of the net pension liability recorded pursuant to the requirements of GASB Statement No. 68. See footnote number 11.

Scholarship Allowances and Student Financial Aid

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

University of South Alabama
Notes to Financial Statements
June 30, 2016 and 2015

Donor Restricted Endowments

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

Classification of Revenues

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

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

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

Gifts and Pledges

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

Grants and Contracts

The University has been awarded grants and contracts for which funds have not been received or expenditures made for the purpose specified in the award. These awards have not been reflected in the basic financial statements, but represent commitments of sponsors to provide funds for specific research or training projects. For grants that have allowable cost provisions, the revenue will be recognized as the related expenditures are made. For

University of South Alabama
Notes to Financial Statements
June 30, 2016 and 2015

grants with work completion requirements, the revenue is recognized as the work is completed. For grants without either of the above requirements, the revenue is recognized as it is received.

Net Patient Service Revenue

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

Recently Adopted Accounting Pronouncements

In 2015, the University adopted the provisions of GASB Statement No. 68, Accounting and Financial Reporting for Pensions. GASB Statement No. 68 changes accounting and financial reporting for entities participating in a cost sharing plan. GASB Statement No. 68 required the University to record its share, as determined by an independent actuary, of the net unfunded pension liability, and its share of the changes in the net pension liability. The adoption of the provisions of GASB Statement No. 68 resulted in a \$313,737,000 decrease in unrestricted net position.

In 2016, the University will adopt the provisions of GASB Statement Nos. 72, 73, and 76. GASB Statement No. 72, *Fair Value Measurement an Application*, provides hierarchical guidance for determining a fair value measurement for assets and liabilities for financial reporting purposes and also provides guidance for required disclosures related to fair value measurement. Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB 68, and Amendments to Certain Provisions of GASB Statements 67 and 68* establishes requirements for defined benefit and defined contribution pension plans that are not within the scope of Statement No. 68 and, with certain modifications, extends the accounting and reporting approach established in Statement No. 68 to all pensions. Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments* identifies the hierarchy of generally accepted accounting principles for entities, reduces the GAAP hierarchy to two categories of authoritative GAAP, and addresses the use of authoritative and non-authoritative literature in the event that the accounting treatment of a transaction is not specified within a source of authoritative GAAP. None of these statements are expected to materially impact the University's financial statements.

Compensated Absences

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

University of South Alabama
Notes to Financial Statements
June 30, 2016 and 2015

2. Income Taxes

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

3. Cash

Pursuant to the Security for Alabama Funds Enhancement Act, funds on deposit may be placed in an institution designated as a qualified public depository (QPD) by the State of Alabama. QPD institutions pledge securities to a statewide collateral pool administered by the State Treasurer's office. Such financial institutions contribute to this collateral pool in amounts proportionate to the total amount of public fund deposits at their respective institutions. The securities are held at the Federal Reserve Bank and are designated for the State of Alabama. Additional collateral was not required for University funds on deposit with QPD institutions. At September 30, 2015, the net public deposits subject to collateral requirements for all institutions participating in the pool totaled approximately \$9,690,174,000.

4. Investments

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

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

Credit Risk and Concentration of Credit Risk

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

Additionally, the University Investment Policies require that not more than 10% of the cash, cash equivalents and investments of the University be invested in the obligations of

University of South Alabama
Notes to Financial Statements
June 30, 2016 and 2015

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

Interest Rate Risk

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

5. Derivative Transactions - Swaption

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

Objective of the derivative transaction

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

Terms

A summary of the transactions is as follow:

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

As further discussed in note 8, in December 2013, the counterparty exercised its option with respect to the 2004 swaption. The University refunded its Series 2004 bonds, issued the Series 2014-A variable rate bond and terminated the Series 2004 swaption. As a result of this termination, the borrowing arising from the Series 2004 and the investment derivative were written off and an investment loss of \$2,229,000 was recognized and reported in the statements of revenues, expenses and changes in net position for the year ended September 30, 2014. A borrowing arising from the 2014 swap of \$9,138,000 was recognized and is reported, net of amortization, as long-term debt in the statement of net position.

As outlined in the 2008 agreement, if the counterparty exercises its option in 2016 related to the 2006 swaption, the University would, at the counterparty's option, be compelled to enter into an underlying swap. If the option is exercised, the University would begin to

University of South Alabama
Notes to Financial Statements
June 30, 2016 and 2015

make payments on the notional amount, currently \$100,000,000 for the 2006 bonds of the underlying swap contract. Simultaneously, the University would call outstanding 2006 bonds and issue variable rate demand notes (VRDNs) in their place. Under the swap contract, the University would pay a fixed rate of 5.0% on the 2006 bonds to the counterparty and would receive payments based on 68% of the one-month LIBOR index plus 0.25%. Alternatively, although it is not anticipated that this option would be to the University's advantage, the University could, at its option, cash settle the swap and retain its right to refund the 2006 bonds.

If the interest rate environment is such that the counterparty chooses to not exercise its option related to the 2006 swaption, the swaption would be cancelled and the University would have no further obligation under this agreement.

Financial statement presentation

A swaption is considered a hybrid instrument and as such the payment by the counterparty to the University must be bifurcated into two components, a borrowing component and an embedded derivative component, and each component treated separately. The embedded derivative value of the swaption represents the fair value resulting from the fact that the fixed rate stated in the swaption is greater than the at-the-market rate. The initial value of the borrowing is the difference between the upfront payment and the fair value of the embedded derivative and represents the time value to the counterparty for holding the option, or the probability weighted, discounted values of a range of future possible outcomes. The value of the derivative and borrowings at the date of execution of this transaction are as follows:

	<u>2004 Bonds</u>	<u>2006 Bonds</u>
Embedded derivatives	\$ 918,000	3,343,000
Borrowings	1,070,000	3,997,000
	<u>\$ 1,988,000</u>	<u>7,340,000</u>

The values of any remaining borrowings are included in long-term debt on the University's statements of net assets. Interest is being accreted, and added to the borrowings through the expiration date of the option.

Risks associated with this transaction

Certain risks are inherent to derivative transactions.

Interest rate risk. Interest rate risk, as a result of rising short-term interest rates causing higher interest rate payments, is effectively hedged by the University's fixed rate bonds. If the counterparty exercises its options, the underlying swaps are expected to effectively hedge the potentially higher payments on VRDNs as well. The University is also subject to interest rate risk as a result of changes in long-term interest rates, which may cause the

University of South Alabama
Notes to Financial Statements
June 30, 2016 and 2015

value of fixed rate bonds or interest rate derivatives to change. If long-term interest rates fall subsequent to the execution of this transaction, the value of the swaptions will change, with negative consequences for the University.

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

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

Credit risk. Although the underlying swap exposes the University to credit risk should the swap be executed, the swaption itself does not expose the University to credit risk. If the option is exercised on one or both issues, the University would begin to make payments on the appropriate notional amount of the underlying swap contract. In that situation, if the fair value of the swap is positive, the University would be exposed to credit risk on the swap in the amount of its fair value. As of the current date, the swap counterparty was rated Aa3 by Moody's investors Services and AA by Standard and Poor's Rating Services.

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

6. Line of Credit

In March 2015, the University entered into a variable rate revolving line of credit with Compass Bank for the purpose of funding certain property acquisitions of the University's health system. There is no cost to the University for the maintenance of the line of credit. Interest is accrued on outstanding amounts at a rate calculated at the London Interbank Offered Rate (LIBOR) plus 1%. At June 30, 2016, approximately \$3,434,000 was outstanding on the line of credit and is reported as a note payable in the current liabilities section of the statement of net position.

In June 2016, the University entered into a variable rate revolving line of credit with Compass Bank for the purpose of funding certain capital improvements to various health care facilities. There is no cost to the University for the maintenance of the line of credit. Interest is accrued on outstanding amounts at a rate calculated at the 65% of the London Interbank Offered Rate (LIBOR) plus 77 basis points. At June 30, 2016, approximately

University of South Alabama
Notes to Financial Statements
June 30, 2016 and 2015

\$50,000 was outstanding on the line of credit and is reported as a note payable in the current liabilities section of the statement of net position.

7. Capital Lease Payable

In April 2015, The University entered into a capital lease obligation with the Cerner Corporation for various software products and services related to the health system clinical and billing information system to be used by the University Health System. These leases were recorded at their present value of \$15,632,000 and \$1,594,000. Those amounts, along with other costs required to place the system into operation, will, once in service, be amortized over a seven-year period. The implied interest rate of the capital lease is 3.43%.

8. Bonds Payable

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

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

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

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

University Facilities Revenue Capital Improvement Bond, Series 2010, 3.81%, payable through August 2030.

University Facilities Revenue Capital Improvement Bond, Series 2012-A, 2.92%, payable through August 2032.

University Facilities Revenue Capital Improvement Bond, Series 2012-B, 2.14%, payable through February 2018.

University Facilities Revenue Capital Improvement Bond, Series 2013-A, 2.83% payable through August 2033.

University Facilities Revenue Capital Improvement Bond, Series 2013-B, 2.83% payable through August 2033.

University Facilities Revenue Capital Improvement Bond, Series 2013-C, 2.78% payable through August 2025.

University Facilities Revenue Refunding Bond, Series 2014-A, variable rate payable at 68% of LIBOR plus 0.73%, payable through March 2024.

University of South Alabama
Notes to Financial Statements
June 30, 2016 and 2015

University Facilities Revenue Capital Improvement Bond, Series 2015, 2.47% payable through August 2030.

Substantially all student tuition and fee revenues secure University bonds. Additionally, security for all bonds include Children's and Women's Hospital revenues in amounts not exceeding \$10,000,000. Series 1999 Current Interest Bonds began maturing November 2002, and Series 1999 Capital Appreciation Bonds began maturing November 2011. Series 1999 Bonds are not redeemable prior to maturity. Series 2006 Bonds begin maturing in December 2024 and are redeemable beginning in December 2016. Series 2008 Bonds began maturing in August 2009 and are redeemable beginning September 2018. Series 2010 bonds began maturing in August 2011 and are redeemable beginning in February 2020. The 2012-A and 2012-B bonds began maturing in August 2013. The 2012-A Bond is redeemable beginning in August 2021. The 2012-B Bond was redeemable beginning in January 2015. The 2013-A, 2013-B and 2013-C Bonds began maturing in August 2014 and are redeemable beginning in June 2023. The 2014-A bonds begin maturing in March 2015 and is redeemable at any time. The Series 2015 bond began maturing in August 2015 and is redeemable beginning in June 2020.

In January 2008, the University entered into a synthetic advance refunding of the outstanding Series 2004 and 2006 bonds. This transaction was effected through the sale of two swaptions by the University to a counterparty. The proceeds from each sale, totaling \$9,328,000, consist of two components, a time value and an intrinsic value. The intrinsic value of the payment is considered a borrowing and is included in long-term debt. As a result of this transaction, the counterparty has the option to compel the University to enter into swap arrangements with respect to its Series 2004 (occurred in March 2014) and 2006 bonds at their respective redemption dates. See note 5 for a complete description of this transaction.

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

9. Net Patient Service Revenue

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

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

Medicare – Substantially all acute-care services rendered to Medicare program beneficiaries are paid at prospectively determined rates. These rates vary according to patient classification systems that are based on clinical, diagnostic, and other factors. Additionally, the Hospitals are reimbursed for both direct and indirect medical education

University of South Alabama
Notes to Financial Statements
June 30, 2016 and 2015

costs (as defined), principally based on per-resident prospective payment amounts and certain adjustments to prospective rate-per-discharge operating reimbursement payments. The Hospitals generally are reimbursed for certain retroactively settled items at tentative rates, with final settlement determined after submission of annual cost reports by the Hospitals and audits by the Medicare fiscal intermediary. During fiscal year 2015, USA Medical Center received a final settles 2010 and 2011 cost report. USA Medical Center's 2012 and 2013 cost reports are not settled. Audit work on 2012 was ongoing during fiscal year 2015, but no settlements were received. The 2013 cost report was amended and the 2014 cost report was filed.

Blue Cross – Inpatient services rendered to Blue Cross subscribers are paid at a prospectively determined per diem rate. Outpatient services are reimbursed under a cost reimbursement methodology. For outpatient services, the Hospitals are reimbursed at a tentative rate with final settlement determined after submission of annual cost reports by the Hospitals and audits thereof by Blue Cross. The Blue Cross retroactive settlements for USA Medical Center and USA Children's and Women's hospital for 2013 were issued in October 2014. 2014 cost reports were filed timely during 2015 and USA Medical Center has been audited and was settled in July 2015. The 2014 cost report for USA Children's and Women's Hospital has been audited but not settled. The settlement due is fully reserved, and repayment began in November 2015.

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.

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

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

10. Derivative Transaction – Interest Rate Swap

The University is a party to a derivative with Wells Fargo Bank, the counterparty. As more fully described in note 5, in December 2013, Wells Fargo exercised its option with respect to the synthetic advance refunding of the Series 2004 bonds to enter into an interest rate swap agreement with the University with an effective date of March 15, 2014. The resulting derivative is a "receive-variable, pay-fixed" interest rate swap. As part of the overall plan of the synthetic refunding of the 2004 bonds, the University redeemed those bonds in April 2014 with proceeds from the 2014-A bond.

University of South Alabama
Notes to Financial Statements
June 30, 2016 and 2015

Objectives of the transaction. As noted the interest rate swap was the result of the original January 2008 synthetic advance refunding of the Series 2004 bonds. The objective of that transaction was to realize debt service savings currently from the future debt refunding and create an economic benefit to the University.

The swap will terminate in March 2024, when the 2014-A bond matures. The notional amount of the swap will at all times match the outstanding principal amount of the bond. Under the swap, the University pays the counterparty a fixed semi-annual payment based on an annual rate of 4.9753% and receives on a monthly basis a variable payment of 68% of the one-month London Interbank Offered Rate (LIBOR) plus 0.25%. Conversely, the Series 2014-A bonds bears interest on a monthly basis at 68% of the one-month LIBOR rate plus 0.73%.

Fair value. The interest rate swap had a negative fair value of approximately \$(9,138,000) at its inception. This amount, net of amortization, is reported as a borrowing arising from the 2014 interest rate swap as long-term debt in the statement of net position.

The change in fair value during the current period is reported as a deferred outflow/inflow and a derivative asset/liability in the statement of net position since the interest rate swap is a hedging derivative instrument.

The fair value of the interest rate swap was estimated using the zero-coupon method. This method calculates the future net settlement payments required by the swap, assuming the current forward rates implied by the yield curve correctly anticipate future spot interest rates. These payments are then discounted using the spot rates implied by the current yield curve for hypothetical zero-coupon bonds due on the date of each future net settlement.

Interest rate risk. As the LIBOR rate decreases, the net payment on the swap increases. This, however, is mitigated by the fact that a decline in the LIBOR rate will also result in a decrease of the University's interest payment on the Series 2014-A bond. The University's exposure is limited to 0.48% of the notional amount, the difference in the payment from the counterparty and the interest payment on the 2014-A bond.

Credit Risk. As of the current date the University was not exposed to credit risk on the interest rate swap because it had a negative fair value. However, if interest rates change and the fair value of the derivative become positive, the University would have a gross exposure to credit risk in the amount of the derivative's fair value. As of the current date, the counterparty is rated Aa3 by Moody's Investor Services and AA- by Standard & Poor's Ratings Services.

Termination risk. The University may be required to terminate the swap based on certain standard default and termination events, such as failure to make payments, breach of agreement, and bankruptcy. As of the current date, no events of termination have occurred.

University of South Alabama
Notes to Financial Statements
June 30, 2016 and 2015

11. Employee Benefits

Retirement and Pension Plans

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

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. TRS members who retire after age sixty with ten years or more creditable service or with twenty-five years of services (regardless of age) are entitled to an annual retirement benefit, payable monthly for life. Service and disability retirement benefits are based on a guaranteed minimum or formula method, with the member receiving payment under the method that yields the higher monthly benefit. Under the formula method, members of the TRS are allowed 2.0125% of their average final compensation (highest three of the last ten years) for each year of service. Act 377 of the Legislature of 2012 established a new tier of benefits (Tier 2) for members hired on or after January 1, 2013. Tier 2 TRS members are eligible for retirement after age sixty-two with ten years or more of creditable service and are entitled to an annual retirement benefit, payable monthly for life. Service and disability retirement benefits are based on a guaranteed minimum or formula method, with the member receiving payment under the method that yields the highest monthly benefit. Under the formula method, Tier 2 members of the TRS are allowed 1.65% of their average final compensation (highest five of the last ten years) for each year of service. Members are eligible for disability retirement if they have ten years of credible service, are currently in-service, and determined by the RSA Medical Board to be permanently incapacitated 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.

Tier 1 covered members of the TRS are required by statute to contribute 7.50% of earnable compensation. Tier 1 certified law enforcement, correctional officers, and firefighters of the TRS are required by statute to contribute 8.50% of earnable compensation.

Tier 2 covered members of the TRS contribute 6% of earnable compensation to the TRS as required by statute. Tier 2 certified law enforcement, correctional officers, and firefighters of the TRS are required by statute to contribute 7% of earnable compensation.

The defined contribution pension plan covers certain academic and administrative employees employed prior to October 1, 2009, and participation by eligible employees is optional. Under this plan, administered by Teachers Insurance and Annuity Association –

University of South Alabama
Notes to Financial Statements
June 30, 2016 and 2015

College Retirement Equities Fund (TIAA-CREF), contributions by eligible employees are matched equally by the University up to a maximum of 3% of current annual pay.

Employees of the LLC may, at their option, participate in a defined contribution plan. Under this plan, eligible employees may make contributions to the plan which are matched, dollar-for-dollar, by the LLC up to 5% of compensation.

In 2015, the University adopted the provisions of GASB Statement No. 68, Accounting and Financial Reporting for Pensions. GASB Statement No. 68 changes accounting and financial reporting for entities participating in a cost sharing plan. GASB Statement No. 68 required the University to record its share, as determined by an independent actuary, of the net unfunded pension liability, and its share of the changes in the net pension liability. The adoption of the provisions of GASB Statement No. 68 required that the University book its share of unfunded net pension liability and therefore resulted in a \$313,737,000 decrease in unrestricted net position.

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 termination of employment, employees are paid all unused accrued vacation and paid time off at their regular rate of pay up to a maximum of two times their annual accumulation rate. No accrual is recognized for sick leave benefits since no terminal cash benefit is available to employees for accumulated sick leave.

Other Postretirement Employee Benefits

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

12. Risk Management

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

University of South Alabama
Notes to Financial Statements
June 30, 2016 and 2015

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 and LLC participate in a self-insured health plan, administered by an unaffiliated entity. Contributions by the University and the LLC and their 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.

13. Other Related Parties

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

The University of South Alabama Foundation for Research and Commercialization (FRAC) is a not-for-profit corporation that exists for the purpose of centralizing the development, support, and operation of certain research and commercialization efforts of the entire University.

14. Commitments and Contingencies

Grants and Contracts

The University had been awarded certain amounts in grants and contracts for which resources had not been received and for which reimbursable expenditures had not been made for the purposes specified. These awards, which represent commitments of sponsors to provide funds for research or training projects, have not been reflected in the accompanying basic financial statements as the eligibility requirements of the award have not been met. Advances include amounts received from grant and contract sponsors which have not been earned under the terms of the agreements and, therefore, have not yet been included in revenues in the accompanying basic financial statements. Federal awards are subject to audit by Federal agencies. The University's management believes any adjustment from such audits will not be material.

Letter of Credit

In connection with the Hospitals' participation in the State of Alabama Medicaid Program, the University has established a \$77,000 irrevocable standby letter of credit with Wells Fargo Bank. The Alabama Medicaid Agency is the beneficiary of this letter of credit. No funds are currently advanced under this letter.

In connection with the establishment of the RCO, the LLC has established a \$1,689,000 irrevocable standby letter of credit with Hancock Bank. The Alabama Medicaid Agency

University of South Alabama
Notes to Financial Statements
June 30, 2016 and 2015

is the beneficiary of this letter of credit. No funds are currently advanced under this letter.

Federal Program Review

In November 2014, the University was the subject of a program review conducted by the U.S. Department of Education. The program review assessed the University's administration of Title IV, HEA programs for the 2013-2014 fiscal year and the first two months of the 2015 fiscal year. A draft report has been subsequently received by the University and a response to this draft has been sent to the U.S. Department of Education. No final report has been issued. Management believes that there will be no liability to the University beyond what which is reported in the financial statements.

Litigation

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

Rent Supplement Agreement

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

State Bond Issue

From time to time, the State of Alabama makes allocations to the University from bonds issued in prior years. Pursuant to the allocations, funds are available to the University for certain future construction costs. The allocations are reflected as revenue in the accompanying financial statements to the extent they have been incurred and approved by the State. At the current date, there are no outstanding commitments from the state.

15. Significant New Accounting Pronouncements

In June 2015, the GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. GASB Statement No. 75 changes accounting and financial reporting for entities which participate in plans providing postemployment benefits other than pensions and will be effective for the University's year ending September 30, 2018. In August 2015, the GASB issued Statement No. 77, *Tax Abatement Disclosures*. This statements requires governments that enter into tax abatement agreements to disclose specific information about the agreements. This statement will be effective for the University beginning with the fiscal year ending

University of South Alabama
Notes to Financial Statements
June 30, 2016 and 2015

September 30, 2017. In December 2015, the GASB issued Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*. This statement amends Statement No. 68 to exclude pensions that are not governmental pension plans and establishes requirements for the recognition and measurement of non-governmental pension plans that are offered to government employees. Also in December 2015, the GASB issued Statement No. 79, *Certain External Investment Pools and Pool Participants*. This statement addresses accounting and financial reporting for certain external investment pools and pool participants. It establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial statement purposes. Both statements No. 78 and 79 will be effective for the University beginning with the fiscal year ending September 30, 2017. In January 2016, the GASB issued Statement No. 80, *Blending Requirements for Certain Component Units*. This statement will be effective for the University of South Alabama (USA) beginning with the fiscal year ending September 30, 2017. Statement 80 amends the blending requirements for financial statement presentation and requires the blending of a component unit that is incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. In March 2016, the GASB issued Statement No. 81, *Irrevocable Split-Interest Agreements* and Statement No. 82, *Pension Issues*. Both statements will be effective for the University of South Alabama (USA) beginning with the fiscal year ending September 30, 2017. Statement No. 81 changes the reporting requirements for gifts given to the University in which USA is a beneficiary of a split-interest agreement. Statement No. 82 was issued to address certain issues that have been raised from Statements No. 67, 68 and 73 and clarifies the presentation of payroll-related measures in the required supplementary information, the selection of assumptions and treatment of deviations from the guidance, and the classification of payments made by employers to satisfy employee contribution requirements.

The effect of the implementation of GASB Statements Nos. 75, 80, 81 and 82 on the University has not yet been determined.

Statement Nos. 77, 78, and 79 will not have an impact on the University's financial statements.

RESOLUTION

**EXPLORE FEASIBILITY OF SELLING REFUNDING BONDS
THROUGH A COMPETITIVE PROCESS**

WHEREAS, pursuant to that certain University Facilities Revenue Trust Indenture between the University of South Alabama (the "University") and The Bank of New York Mellon Trust Company, N.A., as successor trustee thereunder (the "Trustee"), as heretofore supplemented and amended (the "Indenture"), the University has heretofore issued its \$100,000,000 University Tuition Revenue Refunding and Capital Improvement Bonds, Series 2006, dated December 1, 2006 (the "Series 2006 Bonds"), all of which are presently outstanding, and

WHEREAS, the Series 2006 Bonds bear interest at fixed rates and may be redeemed and prepaid by the University anytime on or after December 1, 2016, and

WHEREAS, on January 2, 2008, the University entered a transaction (the "Swaption Transaction") with Wells Fargo Bank National Association (formerly known as "Wachovia Bank, National Association") ("Wells Fargo"), and

WHEREAS, as contemplated by the Swaption Transaction, it will be necessary for the University to refinance the 2006 Bonds with one or more series of limited obligation variable rate bonds of the University containing the same current outstanding principal amortization schedule as the Series 2006 Bonds (collectively, the "Refunding Bonds"), and

WHEREAS, it is necessary, desirable, and in the best interest of the University that the University explore the feasibility of selling the Refunding Bonds to one or more financial institutions through a competitive process, and, further, that the University call for redemption and payment on December 9, 2016, the Series 2006 Bonds,

NOW, THEREFORE, BE IT RESOLVED, the President of the University and the Vice President for Finance and Administration are hereby authorized and directed to explore the feasibility of selling the Refunding Bonds to one or more financial institutions through a

competitive process; provided, that the Refunding Bonds shall be subject to approval and authorization by the Board of Trustees, and

BE IT FURTHER RESOLVED that the University does hereby elect to redeem and pay, and does hereby call for redemption and payment, on December 9, 2016 (the "Redemption Date"), the Series 2006 Bonds, the redemption of the Series 2006 Bonds to be effected at and for a redemption price equal to 100% of the principal amount thereof plus accrued interest to the Redemption Date, and

FURTHER RESOLVED, the Trustee is hereby authorized and directed to cause written notice of the redemption and payment of the Series 2006 Bonds to be given in the manner and at the times and to the persons required pursuant to the Indenture, and to take all such other actions as shall be necessary or desirable in order to cause the Series 2006 Bonds to be redeemed and paid on the Redemption Date, provided such redemption notice shall be conditioned upon the closing of the Refunding Bonds and the availability of funds sufficient to pay the redemption price of the Series 2006 Bonds by the Redemption Date and, further, subject to revocation by the Trustee if such conditions have not occurred by the Redemption Date, and

FINALLY, BE IT RESOLVED that the President of the University and the Vice President for Finance and Administration are hereby authorized and directed to take or cause to be taken, in the name and on behalf of the University, all of the actions that may be necessary or desirable to effect the redemption and payment of the Series 2006 Bonds on the Redemption Date as aforesaid including, without limitation, to direct the Trustee on the proper disposition of all funds on deposit in the funds and accounts established pursuant to the Indenture and referable to the Series 2006 Bonds. The President of the University and the Vice President for Finance and Administration are further authorized and directed to execute and deliver such notices, directions, consents, agreements, certificates, instruments or other documents as shall be necessary or desirable to effectuate the transactions contemplated by this resolution.

Date:

August 12, 2016

To:

President
Tony G. Waldrop

From:

G. Scott Weldon, V.P. for Finance and Administration

Gsw

Subject:

Agenda Item for September 9, 2016, Board of Trustees Meeting
Authorization to Explore Feasibility of Selling Refunding Bonds through a Competitive Process

Attached is a resolution for consideration by the Budget and Finance Committee concerning the University's 2006 swaption and the related sale of bonds that will refund the existing 2006 bonds. This resolution will give authorization for me to issue a request for proposal to several financial institutions to determine if directly selling refunding bonds to one or more financial institutions is feasible. The sale of the refunding bonds will be an approval item on the December 2016 meeting agenda.

With your consent, this item will be presented to the Budget and Finance Committee and the Board of Trustees for final approval. Further, I recommend the adoption of the resolution by the Board of Trustees.

Attachment

Approval: _____

Tony G. Waldrop

Date: _____

8-16-16

RESOLUTION

UNIVERSITY TOTAL BUDGET FOR 2016-2017

BE IT RESOLVED, the University of South Alabama Board of Trustees approves the 2016-2017 University of South Alabama Budget, and

BE IT FURTHER RESOLVED, the University of South Alabama Board of Trustees approves the 2016-2017 Budget as a continuation budget for 2017-2018 in order to be in compliance with bond trust indenture requirements if the budget process cannot be completed prior to beginning the 2017-2018 fiscal year.

Date:
August 12, 2016

To:
President Tony G. Waldrop

From:
G. Scott Weldon *GSW*

fgw

Subject:
Resolution – University Budget for 2016-2017

Attached is the Resolution for the University Total Budget for 2016-2017. With your approval, we will place this item on the agenda for the September 9, 2016, Board of Trustees meeting.

GSW/cbm

Attachment



**UNIVERSITY OF SOUTH ALABAMA
BUDGET
2016-2017**

INDEX

	<u>PAGE</u>
TOTAL CURRENT FUNDS BUDGET SUMMARY	1
UNRESTRICTED CURRENT FUNDS BUDGET SUMMARY	2
RESTRICTED CURRENT FUNDS BUDGET SUMMARY	3
UNRESTRICTED CURRENT FUNDS BY OPERATING DIVISION:	
OPERATIONS AND MAINTENANCE	4
COLLEGE OF MEDICINE	5
USA HEALTH	6
MITCHELL CANCER INSTITUTE	7
AUXILIARY ENTERPRISES	8
SCHEDULE OF STATE APPROPRIATIONS	9

UNIVERSITY OF SOUTH ALABAMA
2016-2017 BUDGET SUMMARY
TOTAL CURRENT FUNDS

	2016-2017 BUDGET			2015-2016 BUDGET
	UNRESTRICTED	RESTRICTED	TOTAL	
REVENUES:				
TUITION AND FEES	\$ 162,229,277	\$	\$ 162,229,277	\$ 148,897,898
STATE APPROPRIATIONS	107,284,718		107,284,718	104,976,761
FEDERAL GRANTS AND CONTRACTS	3,810,832	36,300,000	40,110,832	42,235,832
STATE AND LOCAL GRANTS AND CONTRACTS	503,938	6,900,000	7,403,938	7,703,938
PRIVATE GIFTS, GRANTS AND CONTRACTS	9,833,100	8,600,000	18,433,100	22,165,000
MOBILE RACING COMMISSION	25,000		25,000	25,000
SALES AND SERVICES OF EDUCATIONAL ACTIVITIES	8,677,750		8,677,750	4,198,750
USA HEALTH	491,136,075		491,136,075	421,614,525
MITCHELL CANCER INSTITUTE	21,034,461		21,034,461	16,172,894
AUXILIARY ENTERPRISES	29,054,025		29,054,025	28,622,966
OTHER SOURCES	7,770,467	5,600,000	13,370,467	17,882,002
TOTAL REVENUES	<u>841,359,643</u>	<u>57,400,000</u>	<u>898,759,643</u>	<u>814,495,566</u>
EXPENDITURES AND MANDATORY TRANSFERS:				
EDUCATIONAL AND GENERAL:				
INSTRUCTION	110,931,942	10,800,000	121,731,942	117,561,409
RESEARCH	5,555,174	12,100,000	17,655,174	18,968,286
PUBLIC SERVICE	9,094,064	8,600,000	17,694,064	22,245,255
ACADEMIC SUPPORT	25,441,401		25,441,401	20,804,230
STUDENT SERVICES	31,350,211	1,000,000	32,350,211	30,681,109
INSTITUTIONAL SUPPORT	25,384,638		25,384,638	30,286,440
OPERATION AND MAINTENANCE OF PLANT	31,817,457		31,817,457	29,758,371
SCHOLARSHIPS	21,950,867	27,000,000	48,950,867	46,698,867
EDUCATIONAL AND GENERAL EXPENDITURES	<u>261,525,754</u>	<u>59,500,000</u>	<u>321,025,754</u>	<u>317,003,967</u>
MANDATORY TRANSFERS FOR:				
PRINCIPAL AND INTEREST	19,535,337		19,535,337	15,336,508
LOAN FUND MATCHING GRANTS	150,000		150,000	171,239
TOTAL EDUCATIONAL AND GENERAL	<u>281,211,091</u>	<u>59,500,000</u>	<u>340,711,091</u>	<u>332,511,714</u>
USA HEALTH (INCLUDING DEBT SERVICE OF \$6,110,165):	<u>499,918,904</u>		<u>499,918,904</u>	<u>433,787,916</u>
MITCHELL CANCER INSTITUTE (INCLUDING DEBT SERVICE OF \$1,140,200):	<u>26,896,503</u>		<u>26,896,503</u>	<u>25,108,148</u>
AUXILIARY ENTERPRISES:				
EXPENDITURES	24,036,659		24,036,659	23,069,503
MANDATORY TRANSFERS FOR:				
PRINCIPAL AND INTEREST	4,488,061		4,488,061	4,488,061
TOTAL AUXILIARY ENTERPRISES	<u>28,524,720</u>		<u>28,524,720</u>	<u>27,557,564</u>
TOTAL EXPENDITURES AND MANDATORY TRANSFERS	<u>836,551,218</u>	<u>59,500,000</u>	<u>896,051,218</u>	<u>818,965,342</u>
OTHER TRANSFERS AND ADDITIONS/(DEDUCTIONS):				
RENEWALS AND REPLACEMENTS	(10,400,305)		(10,400,305)	(5,679,941)
OTHER TRANSFERS	5,591,880	2,100,000	7,691,880	10,149,717
NET INCREASE (DECREASE) IN FUND BALANCES	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

**UNIVERSITY OF SOUTH ALABAMA
2016-2017 BUDGET SUMMARY
RESTRICTED CURRENT FUNDS**

	<u>OPERATIONS AND MAINTENANCE</u>	<u>COLLEGE OF MEDICINE</u>	<u>MITCHELL CANCER INSTITUTE</u>	<u>2016-2017 BUDGET</u>	<u>2015-2016 BUDGET</u>
REVENUES:					
FEDERAL GRANTS AND CONTRACTS	\$ 27,300,000	\$ 6,700,000	\$ 2,300,000	\$ 36,300,000	\$ 38,400,000
STATE AND LOCAL GRANTS AND CONTRACTS	5,200,000	1,500,000	200,000	6,900,000	7,250,000
PRIVATE GIFTS, GRANTS AND CONTRACTS	6,700,000	1,600,000	300,000	8,600,000	12,450,000
OTHER	<u>3,900,000</u>	<u>1,400,000</u>	<u>300,000</u>	<u>5,600,000</u>	<u>5,700,000</u>
TOTAL REVENUES	<u>43,100,000</u>	<u>11,200,000</u>	<u>3,100,000</u>	<u>57,400,000</u>	<u>63,800,000</u>
EXPENDITURES:					
EDUCATIONAL AND GENERAL:					
INSTRUCTION	9,200,000	1,300,000	300,000	10,800,000	9,300,000
RESEARCH	2,500,000	6,300,000	3,300,000	12,100,000	14,100,000
PUBLIC SERVICE	5,300,000	2,800,000	500,000	8,600,000	12,800,000
STUDENT SERVICES	1,000,000			1,000,000	950,000
OPERATIONS AND MAINTENANCE OF PLANT				0	400,000
SCHOLARSHIPS	<u>26,100,000</u>	<u>900,000</u>		<u>27,000,000</u>	<u>26,250,000</u>
TOTAL EXPENDITURES	<u>44,100,000</u>	<u>11,300,000</u>	<u>4,100,000</u>	<u>59,500,000</u>	<u>63,800,000</u>
OTHER TRANSFERS AND ADDITIONS/(DEDUCTIONS):					
OTHER TRANSFERS	<u>1,000,000</u>	<u>100,000</u>	<u>1,000,000</u>	<u>2,100,000</u>	
NET INCREASE (DECREASE) IN FUND BALANCES	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

**UNIVERSITY OF SOUTH ALABAMA
OPERATIONS AND MAINTENANCE
2016-2017 BUDGET
UNRESTRICTED CURRENT FUNDS**

	<u>2016-2017 BUDGET</u>	<u>2015-2016 BUDGET</u>
REVENUES:		
TUITION AND FEES	\$ 149,897,277	\$ 137,171,718
ALLOCATION OF STATE APPROPRIATIONS	65,335,214	63,861,395
FEDERAL GRANTS AND CONTRACTS	910,832	935,832
STATE GRANTS AND CONTRACTS	316,349	266,349
PRIVATE GIFTS, GRANTS AND CONTRACTS	2,783,100	2,665,000
SALES AND SERVICES OF EDUCATIONAL ACTIVITIES	8,677,750	4,198,750
OTHER SOURCES	<u>6,220,467</u>	<u>10,632,002</u>
TOTAL REVENUES	<u>234,140,989</u>	<u>219,731,046</u>
EXPENDITURES AND MANDATORY TRANSFERS:		
EDUCATIONAL AND GENERAL:		
INSTRUCTION	84,827,286	82,541,407
RESEARCH	3,345,174	2,758,286
PUBLIC SERVICE	3,100,000	3,564,121
ACADEMIC SUPPORT	20,012,823	15,969,139
STUDENT SERVICES	29,346,069	27,790,743
INSTITUTIONAL SUPPORT	22,324,838	27,078,901
OPERATION AND MAINTENANCE OF PLANT	25,882,520	23,633,617
SCHOLARSHIPS	<u>20,795,867</u>	<u>19,213,867</u>
EDUCATIONAL AND GENERAL EXPENDITURES	<u>209,634,577</u>	<u>202,550,081</u>
MANDATORY TRANSFERS:		
PRINCIPAL AND INTEREST	19,134,894	14,936,065
LOAN FUND MATCHING GRANTS	<u>150,000</u>	<u>171,239</u>
TOTAL EXPENDITURES AND MANDATORY TRANSFERS	<u>228,919,471</u>	<u>217,657,385</u>
OTHER TRANSFERS AND ADDITIONS/(DEDUCTIONS):		
OTHER TRANSFERS	(1,121,518)	2,540,878
RENEWALS AND REPLACEMENTS	<u>(4,100,000)</u>	<u>(4,614,539)</u>
NET INCREASE (DECREASE) IN FUND BALANCES	<u>\$ 0</u>	<u>\$ 0</u>

UNIVERSITY OF SOUTH ALABAMA
 COLLEGE OF MEDICINE
 2016-2017 BUDGET
 UNRESTRICTED CURRENT FUNDS

	<u>2016-2017</u> <u>BUDGET</u>	<u>2015-2016</u> <u>BUDGET</u>
REVENUES:		
TUITION AND FEES	\$ 12,332,000	\$ 11,726,180
ALLOCATION OF STATE APPROPRIATIONS	27,972,031	27,340,560
FEDERAL GRANTS AND CONTRACTS	2,900,000	2,900,000
STATE GRANTS AND CONTRACTS	187,589	187,589
PRIVATE GIFTS, GRANTS AND CONTRACTS	7,050,000	7,050,000
MOBILE RACING COMMISSION	25,000	25,000
OTHER SOURCES	<u>1,550,000</u>	<u>1,550,000</u>
TOTAL REVENUES	<u>52,016,620</u>	<u>50,779,329</u>
EXPENDITURES AND MANDATORY TRANSFERS:		
EDUCATIONAL AND GENERAL:		
INSTRUCTION	26,104,656	25,720,002
RESEARCH	2,210,000	2,110,000
PUBLIC SERVICE	5,994,064	5,881,134
ACADEMIC SUPPORT	5,428,578	4,835,091
STUDENT SERVICES	2,004,142	1,940,366
INSTITUTIONAL SUPPORT	3,059,800	3,207,539
OPERATION AND MAINTENANCE OF PLANT	5,934,937	5,724,754
SCHOLARSHIPS	<u>1,155,000</u>	<u>1,235,000</u>
EDUCATIONAL AND GENERAL EXPENDITURES	<u>51,891,177</u>	<u>50,653,886</u>
MANDATORY TRANSFERS:		
PRINCIPAL AND INTEREST	<u>400,443</u>	<u>400,443</u>
TOTAL EXPENDITURES AND MANDATORY TRANSFERS	<u>52,291,620</u>	<u>51,054,329</u>
OTHER TRANSFERS AND ADDITIONS/(DEDUCTIONS):		
OTHER TRANSFERS	<u>275,000</u>	<u>275,000</u>
NET INCREASE (DECREASE) IN FUND BALANCES	<u>\$ 0</u>	<u>\$ 0</u>

**UNIVERSITY OF SOUTH ALABAMA
USA HEALTH
2016-2017 BUDGET
UNRESTRICTED CURRENT FUNDS**

	<u>2016-2017 BUDGET</u>	<u>2015-2016 BUDGET</u>
REVENUES:		
GROSS PATIENT REVENUES	\$ 780,420,154	\$ 615,864,412
CONTRACTUAL ADJUSTMENTS	343,402,626	292,262,703
OTHER ADJUSTMENTS	(3,748,470)	2,364,010
OTHER MEDICAID ADJUSTMENTS		
TOTAL DEDUCTIONS FROM REVENUES	<u>339,654,156</u>	<u>294,626,713</u>
NET PATIENT REVENUES	<u>440,765,998</u>	<u>321,237,699</u>
ALLOCATION OF STATE APPROPRIATIONS	8,977,473	8,774,806
MOBILE COUNTY HOSPITAL BOARD	15,700,000	15,400,000
MOBILE COUNTY INDIGENT CARE BOARD	533,004	533,004
MEDICAID DISPROPORTIONATE SHARE	19,485,288	20,921,773
OTHER REVENUES	<u>14,651,785</u>	<u>63,522,049</u>
TOTAL REVENUES	<u>500,113,548</u>	<u>430,389,331</u>
EXPENDITURES AND MANDATORY TRANSFERS:		
EXPENDITURES:		
NURSING SERVICES	110,028,122	106,029,799
PROFESSIONAL SERVICES	108,423,040	99,978,973
GENERAL DIVISION	23,635,334	21,469,282
ADMINISTRATIVE DIVISION	70,122,527	66,932,096
MEDICAL EDUCATION	19,766,677	18,639,121
AMBULATORY CLINICS	74,913,492	48,879,014
PROVISION FOR UNCOLLECTIBLE ACCOUNTS (NET OF RECOVERIES)	<u>86,919,547</u>	<u>62,413,030</u>
TOTAL EXPENDITURES	<u>493,808,739</u>	<u>424,341,315</u>
MANDATORY TRANSFERS FOR:		
PRINCIPAL AND INTEREST	<u>6,110,165</u>	<u>9,446,601</u>
TOTAL EXPENDITURES AND MANDATORY TRANSFERS	<u>499,918,904</u>	<u>433,787,916</u>
OTHER TRANSFERS AND ADDITIONS/(DEDUCTIONS):		
RENEWALS AND REPLACEMENTS	(5,771,000)	
OTHER TRANSFERS	<u>5,576,356</u>	<u>3,398,585</u>
NET INCREASE (DECREASE) IN FUND BALANCES	\$ <u>0</u>	\$ <u>0</u>

UNIVERSITY OF SOUTH ALABAMA
MITCHELL CANCER INSTITUTE
2016-2017 BUDGET
UNRESTRICTED CURRENT FUNDS

	<u>2016-2017 BUDGET</u>	<u>2015-2016 BUDGET</u>
REVENUES:		
GROSS PATIENT REVENUES	\$ 31,849,606	\$ 18,969,285
ALLOCATION OF STATE APPROPRIATIONS	5,000,000	5,000,000
OTHER REVENUES	<u>4,029,639</u>	<u>6,477,466</u>
TOTAL REVENUES	<u>40,879,245</u>	<u>30,446,751</u>
LESS: CONTRACTUAL ADJUSTMENTS	<u>14,844,784</u>	<u>9,273,857</u>
NET REVENUES	<u>26,034,461</u>	<u>21,172,894</u>
EXPENDITURES AND MANDATORY TRANSFERS:		
EXPENDITURES:		
PROFESSIONAL SERVICES	8,723,818	7,692,637
ADMINISTRATIVE DIVISION	15,529,139	15,604,819
PROVISION FOR UNCOLLECTIBLE ACCOUNTS (NET OF RECOVERIES)	<u>1,503,346</u>	<u>731,025</u>
TOTAL EXPENDITURES	<u>25,756,303</u>	<u>24,028,481</u>
MANDATORY TRANSFERS:		
PRINCIPAL AND INTEREST	<u>1,140,200</u>	<u>1,079,667</u>
TOTAL EXPENDITURES AND MANDATORY TRANSFERS	<u>26,896,503</u>	<u>25,108,148</u>
OTHER TRANSFERS AND ADDITIONS/(DEDUCTIONS):		
OTHER TRANSFERS	<u>862,042</u>	<u>3,935,254</u>
NET INCREASE (DECREASE) IN FUND BALANCES	<u>\$ 0</u>	<u>\$ 0</u>

**UNIVERSITY OF SOUTH ALABAMA
AUXILIARY ENTERPRISES
2016-2017 BUDGET
UNRESTRICTED CURRENT FUNDS**

	<u>HOUSING</u>	<u>FOOD SERVICES</u>	<u>BOOKSTORE</u>	<u>2016-2017 BUDGET</u>	<u>2015-2016 BUDGET</u>
REVENUES:					
RENTAL INCOME	\$ 9,943,936	\$	\$	\$ 9,943,936	\$ 9,737,911
SALES			10,667,000	10,667,000	10,745,000
COMMISSION INCOME		7,928,249		7,928,249	7,737,575
OTHER INCOME	<u>267,840</u>	<u>120,000</u>	<u>127,000</u>	<u>514,840</u>	<u>402,480</u>
TOTAL REVENUES	<u>10,211,776</u>	<u>8,048,249</u>	<u>10,794,000</u>	<u>29,054,025</u>	<u>28,622,966</u>
LESS: COST OF GOODS SOLD			<u>8,028,757</u>	<u>8,028,757</u>	<u>8,084,062</u>
NET REVENUES	<u>10,211,776</u>	<u>8,048,249</u>	<u>2,765,243</u>	<u>21,025,268</u>	<u>20,538,904</u>
EXPENDITURES:					
SALARIES AND WAGES	1,621,561	54,945	998,000	2,674,506	2,648,050
EMPLOYEE BENEFITS	329,347	21,978	319,800	671,125	697,020
OTHER EXPENDITURES	<u>4,305,683</u>	<u>7,145,145</u>	<u>1,211,443</u>	<u>12,662,271</u>	<u>11,640,371</u>
TOTAL EXPENDITURES	<u>6,256,591</u>	<u>7,222,068</u>	<u>2,529,243</u>	<u>16,007,902</u>	<u>14,985,441</u>
NET OPERATING INCOME	<u>3,955,185</u>	<u>826,181</u>	<u>236,000</u>	<u>5,017,366</u>	<u>5,553,463</u>
TRANSFERS AMONG FUNDS - ADDITIONS/(DEDUCTIONS):					
MANDATORY TRANSFERS:					
PRINCIPAL AND INTEREST	(3,801,376)	(450,685)	(236,000)	(4,488,061)	(4,488,061)
NON-MANDATORY TRANSFERS:					
RENEWALS AND REPLACEMENTS	<u>(153,809)</u>	<u>(375,496)</u>		<u>(529,305)</u>	<u>(1,065,402)</u>
TOTAL TRANSFERS	<u>(3,955,185)</u>	<u>(826,181)</u>	<u>(236,000)</u>	<u>(5,017,366)</u>	<u>(5,553,463)</u>
NET INCREASE (DECREASE) IN FUND BALANCES	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

**UNIVERSITY OF SOUTH ALABAMA
STATE APPROPRIATIONS
EDUCATION TRUST FUND**

<u>2016-2017</u>	<u>2015-2016</u>
\$ <u>107,284,718</u>	\$ <u>104,976,761</u>

**UNIVERSITY OF SOUTH ALABAMA
BOARD OF TRUSTEES**



**COMMITTEE OF THE
WHOLE**

**UNIVERSITY OF SOUTH ALABAMA
BOARD OF TRUSTEES**

**COMMITTEE OF THE WHOLE
(ON BEHALF OF THE BUDGET AND FINANCE COMMITTEE)**

**June 2, 2016
2:58 p.m.**

A meeting of the Budget and Finance Committee of the University of South Alabama Board of Trustees was duly convened by Mr. Jimmy Shumock on behalf of Mr. Tom Corcoran, Chair, on Thursday, June 2, 2016, at 2:55 p.m. in the Board Room of the Frederick P. Whiddon Administration Building.

Members Present: Jimmy Shumock, Steve Stokes and Jim Yance.

Members Absent: Tom Corcoran, Arlene Mitchell and Sandy Stimpson.

Other Trustees: Chandra Brown Stewart, Steve Furr, Ron Jenkins, Bettye Maye, Bryant Mixon, John Peek, Ken Simon and Mike Windom.

Administration and Others: Joe Busta, Lynne Chronister, Foster Clark (Balch & Bingham), Joel Erdmann, Monica Ezell, Mike Finan, Happy Fulford, Mike Haskins, David Johnson, Mike Mitchell, John Smith, Polly Stokley, Sam Strada, Becky Tate, Jean Tucker, Tony Waldrop and Scott Weldon.

Press: Alyssa Newton (*Vanguard* and WPMI).

The meeting came to order and the attendance roll was called. Without a quorum of the Committee members present, Chairman Furr suggested that the Committee of the Whole could make recommendations on behalf of the Budget and Finance Committee. Mr. Shumock called for consideration of the minutes of the meeting held on March 3, 2016. On motion by Judge Simon, seconded by Mr. Windom, the minutes were approved unanimously. Mr. Shumock called for adoption of the revised agenda. On motion by Ms. Maye, seconded by Mr. Yance, the revised agenda was adopted unanimously.

Mr. Shumock asked Mr. Weldon to discuss **ITEM 17**, the quarterly financial statements for the six months ended March 31, 2016. Mr. Weldon stated the financial results were as expected. He called attention to a \$3 million increase in net position, a decline from that of \$16 million reported six months into fiscal year 2014-2015. He noted a decrease in investment value accounted for this difference. He referenced a significant change in total net position, down from \$516 million in 2015 to \$198 million, stating the reason for the difference is a new accounting standard implemented in September 2015, which requires the University to record its portion of the unfunded pension liability for the Teachers' Retirement System of Alabama. He

stressed that this reflection in the statements is simply an accounting entry and has no impact on retirement system contributions by the University or its employees. He added that all institutions in Alabama, as well as in the nation, are subject to this requirement.

Mr. Shumock called on Ms. Stokley for an overview on the activities of the Process Improvement Committee (PIC), **ITEM 18**. Ms. Stokley, PIC Chair, stated the University community can now track PIC projects and report process difficulties via the USA Web site under the President's Web page. She shared examples of how improvement suggestions had led to meaningful process advances, such as deployment of electronic travel documentation and reconciliation, as well as electronic timesheet reporting. She discussed the University's new procurement card program provided through PNC Bank and graphics demonstrating *P-card* design were viewed. She said in excess of 125 improvement items have been logged thus far.

Mr. Shumock called on Ms. Chronister for presentation of **ITEM 19**, a resolution to elect Messrs. Joseph Adamo and Don Langham as directors of the USA Research and Technology Corporation (RTC) for four-year terms beginning September 2016 (for copies of resolutions, policies and other authorized documents, refer to the minutes of the Board of Trustees meeting held on June 3, 2016). On motion by Ms. Maye, seconded by Ms. Brown Stewart, the Committee voted unanimously to recommend approval by the Board of Trustees.

Mr. Shumock asked Mr. Weldon to address **ITEM 19.A**, a resolution authorizing the University President to finalize a land lease agreement with the RTC for the lease of a 1.2 acre parcel of property on the corner of Lafayette Street and Springhill Avenue that is adjacent to the USA Springhill Avenue campus. Mr. Weldon advised the land would be leased for \$1 per year and the RTC will construct an 8,000-square-foot building that would be leased to Biomedical Applications of Alabama, a provider of outpatient dialysis services. He reminded the Committee of an identical transaction approved a few years prior for a similar facility on Stanton Road at the USA Medical Center campus, adding this is the third dialysis unit with which the University has a relationship. Addressing a question from Mr. Peek about optimum use of campus space, Mr. Weldon stated the land is an old parking lot that is largely unused. He advised that additional parking had since been constructed adjacent to USA's Family Medicine Center and would be made possible through the purchase of property from the Mobile Area Water and Sewer System on Catherine and Center streets, as well as through the demolition of the old nursing dormitories. Mr. Peek asked about the size of the facility. Ms. Tate said the facility will be a typical one-story dialysis center and advised of the Department of Medicine's three long-term directorship contracts with dialysis centers to provide nephrology services for an income of \$100,000 per year. Mr. Yance asked about patient occupancy. Ms. Tate said the facility would accommodate up to 12 beds and would be the first in the community to serve primarily pediatric patients. She pointed out the advantage of its proximity to USA Children's

& Women's Hospital. On motion by Mr. Yance, seconded by Ms. Maye, the Committee voted unanimously to recommend approval by the Board of Trustees.

Mr. Shumock called on Ms. Tucker for presentation of **Item 20**, a resolution reaffirming the authority of the University President to enter into contracts and sign legal documents on behalf of the University and the Board of Trustees, as well as, delegate signature authority to other University officials for contracts that are preapproved by the University Attorneys. Further, the resolution authorizes, as contracting officers having the same power and authority, the positions of Executive Vice President (Dr. John Smith); Vice President for Finance and Administration (Mr. Scott Weldon); Vice President for Medical Affairs (Dr. John Marymont); Vice President for Health Systems (Mr. Stan Hammack); University Treasurer (Mr. Ken Davis); Chief Operating Officer, Health Systems (Mr. Owen Bailey); Chief Financial Officer, Health Systems (Ms. Traci Jones); and Assistant Vice President for Hospital Financial Affairs (Mr. Bill Bush). Ms. Tucker noted changes in positions within the Health System and identified the positions having contract authority, as well as the names of individuals serving in these roles. She assured that all contracts are reviewed by University attorneys prior to signature. On motion by Ms. Maye, seconded by Dr. Stokes, the Committee voted unanimously to recommend approval by the Board of Trustees.

Mr. Shumock called on Mr. Weldon to address **ITEM 21**, a resolution authorizing the President and Vice President for Finance and Administration to execute a loan agreement and a promissory note as set forth; authorizing the Secretary of the Board to affix the University seal to these documents; and authorizing these individuals to execute other agreements and documents as necessary or desirable that pertain to the loan agreement and promissory note, as well as to additional related transactions. Mr. Weldon reminded Trustees of Board approval in March to issue a request for proposals for a \$30-million line of credit to be used for capital needs for the Health System. He stated, having quoted an extremely favorable rate of approximately 1.06 percent, Compass Bank was the successful lowest bidder. Judge Simon asked about the maturation of the line of credit. Mr. Weldon stated that this is a two-year commitment and added, by the end of the term, it would likely be converted into some form of long-term financing. He said the advantage of structuring the transaction in this way is the University will not be locked into a \$30-million bond or note. He said if the capital need is less, the University would obtain permanent financing for only the amount actually needed. On motion by Judge Simon, seconded by Mr. Yance, the Committee voted unanimously to recommend approval by the Board of Trustees.

Mr. Shumock asked Mr. Weldon to discuss **ITEM 22**, a resolution authorizing the President and Vice President for Finance and Administration to execute a refunding of the University's Series 2008 bonds, in an outstanding principal amount of approximately \$102 million, prior to the next meeting of the Board. Noting a bond call date of December 2018, Mr. Weldon said the

Administration endeavors to monitor market interest rates for refinancing opportunities as bond call dates approach. He stated it has become advantageous in recent weeks for the University to consider an advanced refinancing of the bonds, adding that the University stands to realize a savings of about 10 percent, or \$10 million. He stated the resolution requires the approval of the Chair *pro tempore*, as well as the Chair of the Budget and Finance Committee, and establishes that certain parameters must be in place, such as a net savings of at least three percent. He estimated it would take 60 days to complete the underwriting and trust documentation process, projecting a closing date around August 1. He introduced the University's bond attorney Mr. Foster Clark of the law firm of Balch and Bingham in Birmingham, who wrote the resolution. He advised of their meeting with representatives from the national financial advisory company PFM, Inc., who recommended that the University pursue the refinancing as soon as possible before the savings diminish. He and Mr. Clark agreed that a three-percent savings threshold is standard for such refinancing. Mr. Peek asked if there was reasonable progress on paying off the existing bond. Mr. Weldon stated progress was slow on the original \$112-million bond. Judge Simon inquired about revenue sources for paying off the bond, and Mr. Weldon stated that the bonds are secured by general tuition and a \$10-million pledge of hospital revenues. Mr. Weldon talked about options for amortization reduction and said PFM will help determine the best way to proceed. Mr. Clark explained the concept of "stacking" the University's existing 11 bonds to leverage payoff advantages. Mr. Peek asked for an analysis of all current bond indebtedness. Mr. Weldon offered to share material. Judge Simon asserted confidence in Mr. Clark, calling him one of the top bond lawyers in the United States. On motion by Ms. Maye, seconded by Mr. Yance, the Committee voted unanimously to recommend approval by the Board of Trustees.

There being no further business, the meeting was adjourned at 3:24 p.m.

Respectfully submitted:

James H. Shumock

on behalf of:

E. Thomas Corcoran, Chair

Committee Charge: Executive CommitteeOverall Roles and Responsibilities:

The Executive Committee has the power to transact all business of the Board of Trustees in the interim between meetings of the Board and may perform all duties and transact 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 the 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.

Responsibilities:

Specific responsibilities of the Committee include:

- Act as a Governance Committee responsible for Trustee matters, including, but not limited to, service, honorary designations, efficiency, educational development, and travel

Meetings:

With notice from the President or the Chair *pro tempore*, the Executive Committee may meet at any time.

Membership:

The Chair *pro tempore* of the Board of Trustees 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 Chair *pro tempore* shall consider appointing members with backgrounds in, and knowledge of, general business and executive leadership.

Committee Charge: Long-Range Planning CommitteeOverall Roles and Responsibilities:

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.

Responsibilities:

Specific responsibilities of the Committee include:

- Recommend a Strategic Plan which specifies the mission, goals and objectives for the University
- Periodic review of the University's progress to attain its mission, goals and objectives as specified in the Strategic Plan
- Periodic recommendation of changes to the Strategic Plan as needed

Meetings:

The Committee shall meet upon the call of the President, the Chair *pro tempore*, or the Chair of the Committee. Meetings typically occur on the day prior to the regularly-scheduled quarterly meetings of the Board of Trustees, but may be called to take place at any time.

Membership:

Committee members and the Chair and the Vice Chair of the Committee shall be appointed by the Chair *pro tempore* for terms concurrent with the term of the Chair *pro tempore*. The Chair *pro tempore* shall consider the appointment of members with backgrounds in, and knowledge of, education, general business and executive leadership.

Reports:

The following reports are commonly submitted by the University Administration for consideration by the Committee:

- University Scorecard with data measuring progress by the University at achieving the goals and objectives established by the Strategic Plan (submitted annually)
- Proposed revisions to the strategic plan from the University's Committee on Planning Assessment and Finance (submitted annually, if needed)

**UNIVERSITY OF SOUTH ALABAMA
BOARD OF TRUSTEES**



**SPECIAL
ACKNOWLEDGMENT**

RESOLUTION

COMMENDATION OF MR. STANLEY K. HAMMACK

WHEREAS, the University of South Alabama seeks to honor exceptional individuals who have provided outstanding leadership and service to the University and have distinguished themselves throughout their professional careers, and

WHEREAS, Mr. Stanley K. Hammack has served the University for 41 years in a variety of leadership positions, masterfully managed the numerous challenges found in academic medicine and demonstrated his ability to capitalize on opportunities, and

WHEREAS, Mr. Hammack began his career at the University as a pharmacist at the USA Medical Center in 1975, later becoming Director of Materials Management and Assistant Administrator, and attended night classes to earn his master's degree in public administration from the University, and throughout his career has been a champion for medical education in USA's College of Medicine and numerous USA graduate medical education programs, and

WHEREAS, after the University's purchase of Doctors and Knollwood Park hospitals in 1990, Mr. Hammack served as Hospital Administrator of USA's Knollwood Park Hospital during which time he developed a long-term acute care hospital – the first of its kind in Alabama – for a unique, previously underserved patient population, and

WHEREAS, Mr. Hammack later became Hospital Administrator at USA Children's & Women's Hospital, overseeing the relocation of inpatient services for newborns, children and women from the USA Medical Center, and helping create a Medicaid maternity program, the Center for Child Development and Geri Moulton Children's Park, and

WHEREAS, in his most recent positions as Associate Vice President/CEO for the USA Hospitals and then as Vice President for USA Health Systems, Mr. Hammack has played a key leadership role in shaping health care policy throughout Alabama, and

WHEREAS, Mr. Hammack has been recognized regionally and nationally for his significant contributions in managing state funding issues and improving access for patients through his work with Alabama's Medicaid Waiver Program and Alabama's Children's Health Insurance Program, as well as for his service on local, regional and national boards, including those for America's Essential Hospitals, Blue Cross/Blue Shield of Alabama and the Business Council of Alabama, and, further, for his service on the Medicaid Advisory Commission, as chair of the Medicaid Steering Committee and for numerous leadership roles for both the Alabama and American Hospital Associations, including the American Hospital Association's influential Regional Policy Board, and

WHEREAS, he was honored by the American Hospital Association as Alabama's recipient of the AHA's Grassroots Champion Award, given in conjunction with the Alabama Hospital Association, and in 2009, he was awarded the Gold Medal of Excellence by the Alabama Hospital Association, and

WHEREAS, Mr. Hammack has provided leadership in the development of regional care organizations across the state to support better health outcomes and create a more efficient delivery system, and he led the effort to organize the University's lead role in the Gulf Coast Regional Care Organization to provide care for patients in southwest Alabama, and

WHEREAS, Mr. Hammack, with his affinity for motorcycles and travel, will soon be literally riding off into the sunset,

THEREFORE, BE IT RESOLVED, that the University of South Alabama Board of Trustees expresses its deep appreciation to Mr. Stanley K. Hammack for his many contributions to the University of South Alabama and wishing him and his wife, Brenda, the best upon his retirement.