

Greetings from the Foundation. This newsletter provides an update of activities of the Foundation as of Summer, 2008.

\$20 MILLION GIFT

TO SUPPORT PEDIATRIC PROGRAM EXPANSION AT USA CHILDREN'S AND WOMEN'S HOSPITAL APPROVED BY USA FOUNDATION BOARD OF DIRECTORS AT ITS MAY 22, 2008 MEETING

TOTAL FUNDING PROVIDED BY THE FOUNDATION FOR THE EXPANSION COULD REACH \$67.7 MILLION

In addition to the \$20-Million gift to be made over seven years to support the expansion of the Pediatric Program, the Foundation Board adopted a 3% distribution rate of the health-related endowment, the Disproportionate Share Hospital Funds. Those funds may be used, at the discretion of the Foundation Board and at the request of the University, to provide as much as \$3.3 Million annually for the Pediatric Program Expansion, or for other health-related programs.

Mr. Stan Hammack, Vice President for the USA Health System, and Dr. Becky DeVillier, Administrator of USA Children's and Women's Hospital, provided to the Foundation Board an overview of the planned expansion that will enlarge the pediatric services provided by USA Children's and Women's Hospital.

MORE THAN \$9.7 MILLION GIVEN BY THE FOUNDATION DURING THE CURRENT FISCAL YEAR

THIS AMOUNT PROVIDES SUPPORT TO UNIVERSITY OF SOUTH ALABAMA FACULTY, STUDENTS AND ACADEMIC PROGRAMS. AT THE RECENT BOARD MEETING THE SEMI-ANNUAL CONTRIBUTION OF \$4.2 MILLION WAS APPROVED. INCLUDED AMONG THIS YEAR'S CONTRIBUTION WERE \$4 MILLION FOR THE MITCHELL CANCER INSTITUTE AND \$1 MILLION FOR THE MEDICAL SIMULATION PROGRAM.

More than 30 professorships, 100 scholarships and numerous academic programs are supported annually through these disbursements.

March 31, 2008 Financial Statements

Net assets of the Foundation at March 31, 2008 were reported as \$298,991,000, a decrease over the nine-month period of 6.2%, as compared to a decrease in the S&P 500 of 12.02%. While the value of Foundation securities was down, the decrease was partially offset by the Foundation's timber holdings, which had a 4.1% increase in value.

New Board Members

Mr. Al Johnson, Vice President of Commercial Lending for Woodlands Bank

Mr. Tommy Zoghby, Alumni Representative and Chief Financial Officer for Volkert & Associates Engineering

Mr. Brad Roberts was introduced at the May 22nd Board meeting. He is joining the Foundation as Director of Accounting.

MORE THAN \$109 MILLION IN SUPPORT OF THE UNIVERSITY OF SOUTH ALABAMA

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