PRELIMINARY OFFICIAL STATEMENT DATED SEPTEMBER 11, 2026

		Ratings:
	Underlying	*Insured*
Moody's	**A3**	**n/a**
S&P	**n/a**	**AA**

(See "RATINGS" herein)

NEW ISSUE – BOOK-ENTRY ONLY

In the opinion of Bond Counsel to the University, under existing law and assuming the accuracy of certain representations and certifications and compliance by the University with certain tax covenants, interest on the Series 2026 Bonds will be excluded from gross income for federal income tax purposes. Bond Counsel to the University is of the further opinion that, under existing law, interest on the Series 2026 Bonds will not be an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations. See "TAX MATTERS" herein for further information and certain other federal tax consequences arising with respect to the Series 2026 Bonds. Bond Counsel to the University is also of the opinion that, under existing law, interest on the Series 2026 Bonds is exempt from Alabama income taxation.

THE UNIVERSITY OF WEST ALABAMA
$27,500,000*
GENERAL FEE REVENUE BONDS
SERIES 2026

Dated: Date of Delivery **Due: January 1, as shown below**

FOR MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES, YIELDS, & CUSIP NUMBERS, SEE INSIDE COVER

The above-referenced bonds (the "Series 2026 Bonds") are being issued by The University of West Alabama, a public corporation under the laws of the State of Alabama (the "University"). The Series 2026 Bonds will be limited obligations of the University payable from and secured by a pledge of General Fee Revenues (hereafter defined) payable by students at the University.

The Series 2026 Bonds are being issued under a resolution (the "Authorizing Resolution") adopted by the Board of Trustees (the "Trustees") of the University. In the Authorizing Resolution, the Trustees have pledged the General Fee Revenues for the payment of the Series 2026 Bonds, on parity of lien with the Board's outstanding General Fee Revenue Bond, Series 2012, dated July 13, 2012, General Fee Revenue Bonds, Series 2018, dated December 6, 2018, General Fee Revenue Bonds, Series 2020, dated March 12, 2020, and General Fee Revenue Bonds, Series 2021, dated April 20, 2021 (collectively the "Outstanding Parity Bonds"), and any Additional Parity Bonds hereafter issued. See "SUMMARY OF AUTHORIZING RESOLUTION – General Fee Revenues" and "SUMMARY OF AUTHORIZING RESOLUTION – Additional Parity Bonds" herein. The Bank of New York Mellon Trust Company, N.A. will serve as paying agent, depository, and registrar for the Series 2026 Bonds.

The scheduled payment of principal of and interest on the Bonds when due will be guaranteed under a municipal insurance policy to be issued concurrently with the delivery of the Bonds by BUILD AMERICA MUTUAL ASSURANCE COMPANY. See "BOND INSURANCE" herein.

BAM.

Interest on the Series 2026 Bonds is payable on January 1, 2027, and on each July 1 and January 1 thereafter. The principal on the Series 2026 Bonds is payable on January 1 in years and amounts as set forth on the inside front cover hereof. The Series 2026 Bonds will be subject to [optional and mandatory redemption] as more fully described herein. The Series 2026 Bonds are initially issuable as fully registered bonds without coupons in denominations of $5,000 and any integral multiple thereof pursuant to a book-entry only system to be administered by The Depository Trust Company, New York, New York, or any successor or assign thereof or substitute thereof as such securities depository (the "Securities Depository") and, when issued, will be registered in the name of and held by Cede & Co., as nominee. Individual purchasers of the Series 2026 Bonds will not receive physical delivery of bond certificates. See Appendix C – "BOOK-ENTRY ONLY SYSTEM".

This cover page contains information for quick reference only. It is not a summary of this issue. Potential investors must read the entire Official Statement to obtain information essential to making an informed investment decision. There are numerous risk factors that prospective investors should carefully consider before making an investment decision regarding the Series 2026 Bonds. See "RISK FACTORS" herein.

The Series 2026 Bonds are offered when, as and if issued by the University, subject to prior sale, to withdrawal or modification of the offer without notice and to the approval of the validity and legality thereof by Bradley Arant Boult Cummings, LLP, Birmingham, Alabama, Bond Counsel to the University, and certain other conditions. Certain matters will be passed on for the Underwriter by its counsel, Balch & Bingham LLP, Birmingham, Alabama. It is expected that the Series 2026 Bonds in definitive form will be available for delivery through the facilities of DTC on or about __________, 2026.

STIFEL

Dated: ____, 2026

* Preliminary; subject to change.

MATURITIES, AMOUNTS, INTEREST RATES, YIELDS & CUSIP NUMBERS

27,500,000*
The University of West Alabama
General Fee Revenue Bonds
Series 2026

Maturity Date (January 1,)	Principal Amount*	Interest Rate	Yield	CUSIP[(1)]
2030	$410,000			
2031	430,000			
2032	450,000			
2033	475,000			
2034	500,000			
2035	525,000			
2036	550,000			
2037	580,000			
2038	610,000			
2039	645,000			
2040	680,000			
2041	715,000			
2042	755,000			
2043	800,000			
2044	840,000			
2045	890,000			
2046	940,000			
2047	995,000			
2048	1,055,000			
2049	1,115,000			
2050	1,180,000			
2051	1,250,000			
2052	1,325,000			
2053	1,405,000			
2054	1,490,000			
2055	1,575,000			
2056	1,670,000			
2057	1,770,000			
2058	1,875,000			

*Preliminary; subject to change.
(1) CUSIP® is a registered trademark of the American Bankers Association. CUSIP data herein is provided by the CUSIP Service Bureau, operated by Standard & Poor's, a division of The McGraw-Hill Companies, Inc. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Services Bureau. CUSIP numbers have been assigned by an independent company not affiliated with the University and are included solely for the convenience of the registered owners of the Series 2026 Bonds. The University and the Underwriters are not responsible for the selection or uses of these CUSIP numbers, and no representation is made as to their correctness by the University on the Series 2026 Bonds and by the Underwriters on the Series 2026 Bonds or as included herein. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Series 2026 Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Series 2026 Bonds.

THE UNIVERSITY OF WEST ALABAMA

Administrative Officers
Dr. Todd G. Fritch, President
Dr. Amy H. Jones, Provost
Clete Beard, Vice-President for
Financial Affairs and Treasurer

Counsel to the University
Boardman, Carr, Petelos, Watkins, Ogle & Howard, P.C.
Birmingham, Alabama

Bond Counsel to the University
Bradley Arant Boult Cummings LLP
Birmingham, Alabama

Underwriter
Stifel, Nicolaus & Company, Incorporated
Montgomery, Alabama

Underwriter's Counsel
Balch & Bingham LLP
Birmingham Alabama

This Official Statement is not to be construed as a contract or agreement between the University and the purchasers or holders of any of the Series 2026 Bonds. All quotations from and summaries and explanations of provisions of laws and documents herein do not purport to be complete, and reference is made to such laws and documents for full and complete statements of their provisions. The information in this Official Statement has been obtained from sources which are considered dependable and which are customarily relied upon in the preparation of similar official statements, but such information is not guaranteed as to accuracy or completeness. All estimates and assumptions contained herein are believed to be reasonable, but no representation is made that such estimates or assumptions are correct or will be realized.

No person, including any broker, dealer or salesman, has been authorized to give any information or to make any representation other than those contained in this Official Statement, and if given or made, such other information or representations must not be relied upon as having been authorized by the University.

This Official Statement does not constitute an offer to sell the Series 2026 Bonds in any jurisdiction to any person to whom it is unlawful to make such offer in such jurisdiction. The Series 2026 Bonds will not be registered under the Securities Act of 1933, as amended, or any state securities laws and will not be listed on any stock or other securities exchange, and neither the Securities and Exchange Commission nor any federal, state, municipal or other governmental agency will pass upon the accuracy, completeness or adequacy of this Official Statement.

The order and placement of material in this Official Statement, including its appendices, are not to be deemed a determination of relevance, materiality or importance, and all material in this Official Statement, including its appendices, must be considered in its entirety. Any information or expressions of opinion are subject to change without notice, and neither the delivery of this Official Statement nor any sale hereunder shall under any circumstances create an implication that there has been no change as to the affairs of the University since the date hereof.

In making an investment decision investors must rely on their own examination of the facts concerning the University, as disclosed herein, and the terms of the offering, including the merits and risks involved. These securities have not been recommended by any federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this document. Any representation to the contrary is a criminal offense.

The information contained in this Official Statement has been obtained from representatives of the University, public documents, records and other sources considered to be reliable, but is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation by, the Underwriter. The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the Federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

The delivery of this Official Statement at any time does not imply that any information herein is correct as of any time subsequent to its date. Any statements in this Official Statement involving estimates, assumptions and matters of opinion, whether or not so expressly stated, are intended as such and not representations of fact. This Official Statement contains forward-looking statements, which can be identified by the use of the future tense or other forward-looking terms such as "may," "intend," "will," "expect," "anticipate," "plan," "management believes," "estimate," "continue," "should," "strategy," or "position" or the negatives of those terms or other variations on them or by comparable terminology. In particular, any statements, express or implied, concerning future operating results or the ability to generate General Fee Revenues or cash flow to service indebtedness are forward-looking statements. Investors are cautioned that reliance on any of those forward-looking statements involves risks and uncertainties and that, although the University's management believes that the assumptions on which those forward-looking statements are based are reasonable, any of those assumptions could prove to be inaccurate. As a result, the forward-looking statements based on those assumptions also could be incorrect, and actual results may differ materially from any results indicated or suggested by those assumptions. In light of these and other uncertainties, the inclusion of a forward-looking statement in this Official Statement should not be regarded as a representation

by the University that its plans and objectives will be achieved. All forward-looking statements are expressly qualified by the cautionary statement contained in this paragraph. The University undertakes no duty to update any forward-looking statements.

Build America Mutual Assurance Company ("BAM") makes no representation regarding the Series 2026 Bonds or the advisability of investing in the Series 2026 Bonds. In addition, BAM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding BAM, supplied by BAM and presented under the heading "Bond Insurance" and "Appendix E - Specimen Municipal Bond Insurance Policy".

TABLE OF CONTENTS

OFFICIAL STATEMENT

THE UNIVERSITY OF WEST ALABAMA
$27,500,000*
GENERAL FEE REVENUE BONDS
SERIES 2026

INTRODUCTION

This Official Statement, including the cover page and appendices, is furnished in connection with the offering by The University of West Alabama (the "University") of the above-referenced bonds (the "Series 2026 Bonds"). The University is a public corporation existing under the laws of the State of Alabama, including in particular Chapter 53 of Title 16 of the Code of Alabama 1975, as amended (the "Enabling Law").

The Series 2026 Bonds will be issued by the University under the Constitution and laws of the State of Alabama, including in particular but without limitation Section 16-3-28 of the Code of Alabama 1975, as amended. The Series 2026 Bonds will be authorized under a resolution (the "Authorizing Resolution") adopted by the Board of Trustees (the "Trustees") of the University. The Series 2026 Bonds will not constitute general obligations of the University or a charge against the general credit or taxing power of the State of Alabama or any political subdivision of the State of Alabama.

The Series 2026 Bonds will be limited obligations payable solely from, and secured solely by, General Fee Revenues. As used herein, "General Fee Revenues" means all of the tuition and fees, including housing charges, paid by students at the University.

See "INFORMATION REGARDING THE SERIES 2026 BONDS - Security" herein. The pledge of General Fee Revenues for the Series 2026 Bonds is on parity of lien with the Outstanding Parity Bonds (hereinafter defined) of the University and any bonds and other obligations hereafter issued by the University as payable from General Fee Revenues in accordance with certain provisions set forth in the Outstanding Parity Bonds Resolutions (hereinafter defined) and the Authorizing Resolution. See "INFORMATION REGARDING THE SERIES 2026 BONDS - Security" herein.

The Series 2026 Bonds are being issued for the purpose of (i) paying the costs to acquire, construct, renovate and equip various public capital improvements at the University's campus in Livingston, Alabama, herein defined as the "2026 Improvements", (ii) paying capitalized interest on the Series 2026 Bonds, and (iii) paying the costs of issuing the Series 2026 Bonds. See "PLAN OF FINANCING" herein.

DEFINITIONS

As used in this Official Statement the following terms shall have the following meanings:

"*Beneficial Owners*" means the registered owners of beneficial interests in the Series 2026 Bonds.

"*Bond Insurer*" means Build America Mutual Assurance Company, a New York domiciled mutual insurance corporation.

"Bond Register" means the register for the registration and transfer of Series 2026 Bonds maintained by the Depository for the University under the Authorizing Resolution.

"Bonds" means the Outstanding Parity Bonds, the Series 2026 Bonds, and any Additional Parity Bonds hereafter issued.

"Book-Entry System" means a book-entry only system of evidence of purchase and transfer of beneficial ownership interests in the Series 2026 Bonds.

* Preliminary; subject to change.

"Business Day" means a day, other than a Saturday or a Sunday, on which commercial banking institutions are open for business in the city where the principal corporate office of the Depository is located or the city in which the Bond Insurer is located and a day on which the payment system of the Federal Reserve System is operational.

"Code" means the Internal Revenue Code of 1986, as amended, regulations promulgated by the United States Treasury referable thereto, and all references to specific sections of the foregoing shall be deemed to include any and all respective successor provisions to such sections.

"Common Bond Fund" means that certain fund described as the "Common Bond Fund" in the Authorizing Resolution and established for payment of the Series 2020 Bonds, the Series 2026 Bonds, and any Additional Parity Bonds hereafter issued.

"Depository" means The Bank of New York Mellon Trust Company, N.A., Birmingham, Alabama, as paying agent, depository and registrar for the Series 2026 Bonds.

"Direct Participant" means securities brokers and dealers, banks, trust companies, clearing corporations and other financial institutions which have access to the Book-Entry System.

"Fiscal Year" means the period beginning on October 1 of one calendar year and ending on September 30 of the next succeeding calendar year, or such other fiscal year as may hereafter be adopted by the University.

"Indirect Participant" means a broker, dealer, bank or other financial institution for which the Securities Depository holds bonds as securities depository through a Direct Participant.

"Outstanding Parity Bonds" means the Series 2012 Bonds, the Series 2018 Bonds, the Series 2020 Bonds, and the Series 2021 Bonds.

"Outstanding Parity Bonds Resolutions" means the Series 2012 Bonds Authorizing Resolution, the Series 2018 Bonds Authorizing Resolution, the Series 2020 Bonds Authorizing Resolution, and the Series 2021 Bonds Authorizing Resolution.

"Record Date" means, with respect to the Series 2026 Bonds, that date which is 15 calendar days before any date on which interest is due and payable on the Series 2026 Bonds.

"Securities Depository" means The Depository Trust Company, a limited purpose trust company organized under the laws of the State of New York, and the successors and assigns thereof, and any substitute securities depository thereof that maintains a Book-Entry System for the Series 2026 Bonds.

"Securities Depository Nominee" means the Securities Depository or the nominee of such Securities Depository in whose name there shall be registered on the Bond Register the Series 2026 Bonds to be delivered to such Securities Depository during the period in which the Series 2026 Bonds are held pursuant to the Book-Entry System.

"Series 2012 Bonds" means the General Fee Revenue Bonds, Series 2012, dated July 13, 2012, now outstanding in the aggregate principal amount of $18,005,000.

"Series 2012 Bonds Authorizing Resolution" means the resolution adopted by the Trustees pursuant to which the Series 2012 Bonds were issued.

"Series 2018 Bonds" means the General Fee Revenue Bonds, Series 2018, dated December 6, 2018, now outstanding in the aggregate principal amount of $5,655,000.

"Series 2018 Bonds Authorizing Resolution" means the resolution adopted by the Trustees pursuant to which the Series 2018 Bonds were issued.

"Series 2020 Bonds" means the General Fee Revenue Bonds, Series 2020, dated March 12, 2020, now outstanding in the aggregate principal amount of $18,835,000.

"Series 2020 Bonds Authorizing Resolution" means the resolution adopted by the Trustees pursuant to which the Series 2020 Bonds were issued.

"Series 2021 Bonds" means the General Fee Revenue Bonds, Series 2021, dated April 20, 2021, now outstanding in the aggregate principal amount of $2,458,892.

"Series 2021 Bonds Authorizing Resolution" means the resolution adopted by the Trustees pursuant to which the Series 2021 Bonds were issued.

"Series 2026 Bonds" means the General Fee Revenue Bonds, Series 2026, dated the date of their delivery, offered hereby.

"2026 Improvements" means public housing facilities and related improvements for students of the University and other public capital improvements of the University.

INFORMATION REGARDING THE SERIES 2026 BONDS

General Description

The Series 2026 Bonds will be issued in fully registered form, without coupons, payable to the respective registered owners thereof, or registered assigns, in denominations of $5,000 each or any integral multiple thereof, and shall be numbered for identification as determined by the Depository hereinafter defined.

The Series 2026 Bonds will be dated the date of their delivery and will mature in the principal amounts and on the dates, all as set forth on the inside cover page of this Official Statement. Interest will be payable on January 1, 2027, and on each July 1 and January 1 thereafter. Interest shall be computed on the basis of a 360-day year of twelve consecutive 30-day months.

Payment, Registration, Transfer and Exchange Provisions

The Series 2026 Bonds will be issued initially pursuant to a book-entry system to be administered by The Depository Trust Company, New York, New York ("DTC") and registered in the name of and held by Cede & Co., as nominee of DTC. During the period in which Cede & Co. is the registered owner of the Series 2026 Bonds, the transfer, registration, exchange and payment of the Series 2026 Bonds will be governed by the Book-Entry Only System administered by DTC until for such series the Book-Entry Only System is terminated. If the Book-Entry Only System is terminated for the Series 2026 Bonds, the Authorizing Resolution provides alternate provisions for the transfer, registration, exchange and payment of Series 2026 Bonds. See Appendix C - "BOOK-ENTRY ONLY SYSTEM" and "SUMMARY OF THE AUTHORIZING RESOLUTION" below.

Source of Payment; Security

The Series 2026 Bonds shall be payable solely out of, and secured solely by a pledge of, General Fee Revenues. The pledge of General Fee Revenues for the Series 2026 Bonds is on parity of lien with the pledge thereof heretofore made by the University for the Series 2012 Bonds, the Series 2018 Bonds, the Series 2020 Bonds, and the Series 2021 Bonds (*i.e.*, the Outstanding Parity Bonds), and any Additional Parity Bonds hereafter issued by the University as payable from General Fee Revenues in accordance with the Authorizing Resolution and the Outstanding Parity Bonds Resolutions. See "SUMMARY OF AUTHORIZING RESOLUTION – Additional Parity Bonds" herein. The Series 2026 Bonds will not constitute general obligations of, or a charge against, the general credit or assets of the University. The University has no taxing power. The Series 2026 Bonds will not constitute general obligations of or a charge against the general credit or taxing powers of the State of Alabama, and the State of Alabama shall not be obligated to remit or pay any funds to the University for payment of the Series 2026 Bonds.

The University shall be obligated, directly or indirectly, to contribute any funds, property or resources to the payment of the Series 2026 Bonds other than General Fee Revenues. The Series 2026 Bonds may not be secured by any pledge or other lien on any moneys appropriated by the State of Alabama to the University.

Authority for Issuance

The Series 2026 Bonds are issued by the University under the authority of the Constitution and laws of the State of Alabama, including particularly but without limitation Section 16-3-28, of the Code of Alabama 1975, as amended, which authorizes public institutions of higher education in Alabama like the University to (among other things) issue and sell interest-bearing bonds for the governmental purpose of financing or refinancing the costs of purchasing, constructing, enlarging or altering any buildings or other improvements, including dormitories, dining halls, classrooms, laboratories, libraries, stadiums, administration building and any other buildings and appurtenances thereto suitable for use by such university.

Redemption Prior to Maturity

Optional Redemption. Those of the Series 2026 Bonds with stated maturities on or after [_______________] shall be subject to redemption prior to maturity, in whole or in part, at the option of the University on [______________], and on any date thereafter, at and for a redemption price of 100% for each Series 2026 Bond (or part thereof) redeemed plus accrued interest thereon to the date fixed for redemption.

Mandatory Redemption. The Series 2026 Bonds maturing on [January 1, 20__] and [January 1, 20___] (the "Series 2026 Term Bonds") shall be redeemed by the University, at a redemption price equal to the face amount of Series 2026 Bonds to be redeemed plus accrued interest thereon to the date fixed for redemption, on the dates and in the principal amounts as follows:

Series 2026 Term Bonds Maturing on January1, [___]

Year (January 1)	**Principal Amount to be Redeemed**

Series 2026 Term Bonds Maturing on January 1, [___]

Year (January 1)	**Principal Amount to be Redeemed**

In the event the University shall have partially redeemed Series 2026 Term Bonds or shall have provided for a partial redemption of Series 2026 Term Bonds in such a manner that the Series 2026 Term Bonds for the redemption of which provision is hereinabove made are considered as fully paid, the University may elect to apply all or any part (but only in integral multiples of $5,000) of the principal amount of such Series 2026 Term Bonds so redeemed or to be redeemed to the reduction of the principal amount of Series 2026 Term Bonds required to be redeemed pursuant to the schedules set forth immediately above on any January 1 coterminous with or subsequent to the date such optional redemption actually occurs.

If less than all of the outstanding Series 2026 Bonds of any series are to be redeemed during a period in which the Book-Entry System is in effect for such Series 2026 Bonds, the University shall designate the order and amount of maturities of the Series 2026 Bonds (or portions thereof) to be redeemed not less than 30 nor more than

60 days prior to the redemption date from the outstanding Series 2026 Bonds which have not previously been called for redemption, and, in accordance with the letter of representation of the Securities Depository (the "Letter of Representations"), the Securities Depository may determine the amount of the interest of each Direct Participant in those of such Series 2026 Bonds to be redeemed, on the basis of the smallest Authorized Denomination of such Series 2026 Bonds, by lot or by such other method as the Securities Depository shall deem fair and appropriate.

If less than all the outstanding Series 2026 Bonds are to be redeemed during a period in which the Book-Entry System is not in effect, the University shall designate the order and amount of maturities of the Series 2026 Bonds (or portions thereof) to be redeemed not less than 30 nor more than 60 days prior to the redemption date from the outstanding Series 2026 Bonds which have not previously been called for redemption, on the basis of the smallest Authorized Denomination of such Series 2026 Bonds, and the Depository shall select, by lot or by such method as the Depository shall deem fair and appropriate, the order and amount of Series 2026 Bonds to be redeemed within a maturity. The University and the Depository shall so select Series 2026 Bonds for redemption in such manner so as to assure that after such redemption no Holder shall retain Series 2026 Bonds in an aggregate amount less than an Authorized Denomination.

Notice of any intended redemption shall be given by the Depository to the Holder of each Series 2026 Bond, all or a portion of the principal of which is to be redeemed, not less than 30 days prior to the proposed redemption date, by United States mail, first class and postage prepaid, or, if the Securities Depository or Securities Depository Nominee is the Holder, at the times and in the manner as provided in the Letter of Representation, at the address of such Holder appearing in the Bond Register; provided, however, any Holder may waive the requirement of notice as to the redemption (in whole or in part) of the Series 2026 Bonds thereof. During a period in which the Book-Entry System is in effect for the Series 2026 Bonds, notice of any intended redemption may also be given to each Beneficial Owner, all or portion of the interest of which in such Series 2026 Bonds is to be redeemed, by the Direct Participants and, where appropriate, by the Indirect Participants, pursuant to arrangements among said parties, subject to statutory and regulatory requirements in effect from time to time; provided, however, any Beneficial Owner may waive the requirement of notice as to the redemption of the interest thereof in the Series 2026 Bonds.

GENERAL FEE REVENUES; DEBT SERVICE AND COVERAGE

Description of General Fee Revenues

General Fee Revenues include the following fees (and the rates thereof as of January 1, 2026) payable by students attending the University and applicants for enrollment in the University:

(1) General student fees known as the "Tiger One Fee" charged to students enrolled in campus-based courses in the amount of $605 per semester (the "Tiger One Fee") and "Online Tiger One Fee" charged to students enrolled solely in online based courses in the amount of $120 per semester (the "Online Tiger One Fee").

(2) Tuition charges of $630 per credit hour per semester for each in-state doctoral student, $429 per credit hour per semester for each in-state graduate student, and $325 per credit hour per semester for each part-time undergraduate student.

(3) Tuition charges of $1,260 per credit hour per semester for each out-of-state doctoral student, $858 per credit hour per semester for each out-of-state graduate student, and $650 per credit hour per semester for each part-time, out-of-state undergraduate student.

(4) An application fee of $30 for each applicant for enrollment in the University ("Tuition Fees").

(5) Housing charges for students living in dormitories or other University-owned student housing, which currently range from $2,000 per semester to $4,400 per semester ("Housing Charges").

Total General Fee Revenues collected by the University are as follows for the past five fiscal years:

Fiscal Year Ended September 30	Tuition and Fees*	Housing Charges	Total General Fee Revenues
2025	$46,691,110	$4,480,358	$51,171,468
2024	42,602,759	3,735,661	46,338,420
2023	40,364,833	3,603,517	43,968,350
2022	39,995,015	3,549,184	43,544,199
2021	43,791,639	3,962,842	47,754,481

* Net of Scholarship Allowances

Debt Service Requirements

Series 2026 Bonds. The following table sets forth the estimated annual principal and interest requirements on the proposed Series 2026 Bonds for the fiscal years shown:

Period Ending (September 30,)	Principal*	Interest*	Total*
2027	-	$1,147,116	$1,146,497
2028	-	1,529,488	1,528,663
2029	-	1,529,488	1,529,488
2030	410,000	1,519,238	1,929,238
2031	430,000	1,498,238	1,928,238
2032	450,000	1,476,238	1,926,238
2033	475,000	1,453,113	1,928,113
2034	500,000	1,428,738	1,928,738
2035	525,000	1,403,113	1,928,113
2036	550,000	1,376,238	1,926,238
2037	580,000	1,347,263	1,927,263
2038	610,000	1,316,025	1,926,025
2039	645,000	1,283,081	1,928,081
2040	680,000	1,248,300	1,928,300
2041	715,000	1,211,681	1,926,681
2042	755,000	1,172,150	1,927,150
2043	800,000	1,129,388	1,929,388
2044	840,000	1,084,288	1,924,288
2045	890,000	1,036,713	1,926,713
2046	940,000	986,388	1,926,388
2047	995,000	931,931	1,926,931
2048	1,055,000	872,994	1,927,994
2049	1,115,000	810,606	1,925,606
2050	1,180,000	744,625	1,924,625
2051	1,250,000	674,763	1,924,763
2052	1,325,000	600,731	1,925,731
2053	1,405,000	522,244	1,927,244
2054	1,490,000	439,013	1,929,013
2055	1,575,000	350,894	1,925,894
2056	1,670,000	257,600	1,927,600
2057	1,770,000	158,700	1,928,700
2058	1,875,000	53,906	1,928,906

* Preliminary; subject to change.

Outstanding Parity Bonds and Series 2026 Bonds. The following table sets forth the principal and interest requirements on the Outstanding Parity Bonds, and the estimated principal and interest requirements for the Series 2026 Bonds, for the fiscal years shown:

Fiscal Year Ending (September 30,)	Series 2012 Bonds	Series 2018 Bonds	Series 2020 Bonds	Series 2021 Bonds	Series 2026 Bonds*	Total*
2027	$1,566,887	$478,975	$1,684,975	$276,930	$1,146,497	$5,154,264
2028	1,572,904	493,075	1,683,100	276,930	1,528,663	5,554,672
2029	1,572,153	506,175	1,683,850	276,930	1,529,488	5,568,596
2030	1,574,624	518,275	1,682,100	276,930	1,929,238	5,981,166
2031	1,575,873	534,275	1,683,400	276,930	1,928,238	5,998,716
2032	1,582,555	544,662	1,678,200	276,930	1,926,238	6,008,585
2033	1,588,445	559,475	1,676,300	276,930	1,928,113	6,029,263
2034	1,591,301	577,500	1,672,600	276,930	1,928,738	6,047,069
2035	1,603,888	593,600	1,676,900	276,930	1,928,113	6,079,430
2036	1,601,504	608,300	1,674,100	276,930	1,926,238	6,087,071
2037	1,601,531	626,500	1,669,300	--	1,927,263	5,824,594
2038	1,598,843	643,100	1,667,400	--	1,926,025	5,835,368
2039	1,598,309	663,000	1,668,200	--	1,928,081	5,857,590
2040	1,599,687	--	1,666,600	--	1,928,300	5,194,587
2041	1,597,802	--	1,662,600	--	1,926,681	5,187,084
2042	986,766	--	--	--	1,927,150	2,913,916
2043	--	--	--	--	1,929,388	1,929,388
2044	--	--	--	--	1,924,288	1,924,288
2045	--	--	--	--	1,926,713	1,926,713
2046	--	--	--	--	1,926,388	1,926,388
2047	--	--	--	--	1,926,931	1,926,931
2048	--	--	--	--	1,927,994	1,927,994
2049	--	--	--	--	1,925,606	1,925,606
2050	--	--	--	--	1,924,625	1,924,625
2051	--	--	--	--	1,924,763	1,924,763
2052	--	--	--	--	1,925,731	1,925,731
2053	--	--	--	--	1,927,244	1,927,244
2054	--	--	--	--	1,929,013	1,929,013
2055	--	--	--	--	1,925,894	1,925,894
2056	--	--	--	--	1,927,600	1,927,600
2057	--	--	--	--	1,928,700	1,928,700
2058	--	--	--	--	1,928,906	1,928,906

* Preliminary; subject to change.

Estimated Debt Service Coverage

The estimated maximum annual debt service on the Series 2012 Bonds, the Series 2018 Bonds, the Series 2020 Bonds, the Series 2021 Bonds, and the proposed Series 2026 Bonds, occurring in the fiscal year ending September 30, 2036, is $6,087,071, is covered approximately 8.41 times by General Fee Revenues of $51,171,468 received by the University during the fiscal year ended September 30, 2025.

The estimated average annual debt service on the Series 2012 Bonds, the Series 2018 Bonds, the Series 2020 Bonds, the Series 2021 Bonds, and the proposed Series 2026 Bonds, is $3,671,143, which is covered 13.94 times by General Fee Revenues of $51,171,468 received by the University during the fiscal year ended September 30, 2025.

ADDITIONAL PARITY BONDS

In each of the Outstanding Parity Bonds Resolutions and in the Authorizing Resolution, the University reserved the right to issue at any time and from time to time additional bonds ("Additional Parity Bonds") payable from and secured by a pledge of General Fee Revenues on parity of lien with the Outstanding Parity Bonds, the Series 2026 Bonds, and any Additional Parity Bonds at the time outstanding.

Before any Additional Parity Bonds may be issued, the following conditions must be complied with:

(a) The University shall not be in default under the provisions of any of the Outstanding Parity Bond Resolutions, the Authorizing Resolution, or any supplemental resolution thereafter adopted; and

(b) The total amount derived from the General Fee Revenues during each of the two Fiscal Years next preceding the Fiscal Year during which any such Additional Parity Bonds are delivered shall have been not less than 2.50 times the Maximum Annual Debt Service Requirements during the then current or any then succeeding Fiscal Year with respect to the Outstanding Parity Bonds, the Series 2026 Bonds, and all Additional Parity Bonds that will be outstanding immediately following the issuance of the Additional Parity Bonds then proposed to be issued.

As used herein, "Maximum Annual Debt Service Requirement" means the maximum amount of principal of and interest on any Bonds due and payable during the then current or any subsequent Fiscal Year; provided, that for purposes of this definition the principal amount of Bonds required to be redeemed in any Fiscal Year shall be deemed to be payable in such Fiscal Year rather than the Fiscal Year of their stated maturity.

SOURCES AND USES OF FUNDS

The University estimates that proceeds from the Series 2026 Bonds will be used substantially as follows:

Sources
Par amount of Series 2026 Bonds
[Plus/Less] [Net] Original Issue Premium/Discount]
Total

Uses
2026 Improvements
Issuance Expenses
Total

____
* Includes legal fees, underwriting discount, municipal bond insurance premium, and other customary costs of issuance.

PLAN OF FINANCING

The University will use and apply a portion of the proceeds from the sale of the Series 2026 Bonds to pay the costs of the 2026 Improvements. Pursuant to the Authorizing Resolution, the University will open and maintain the Construction Account (as defined herein), and a portion of the principal proceeds derived from the sale of the Series 2026 Bonds will be deposited in and held in the Construction Account pending disbursement for the 2026 Improvements. Amounts on deposit in the Construction Account will not subject to the lien established under the Authorizing Resolution for the benefit of the Series 2026 Bonds or otherwise pledged to secure the Series 2026 Bonds.

RISK FACTORS

Introduction

In making a decision whether to purchase the Series 2026 Bonds, potential investors should consider certain risks and investment considerations which could affect the ability of the University to pay debt service on the Series 2026 Bonds in a timely manner and which could affect the marketability of or the market price for the Series 2026 Bonds. These risks and investment considerations are discussed throughout this Official Statement. Certain of these risks and investment considerations are set forth in this section for convenience, but this discussion is not intended to be a comprehensive or exhaustive compilation of all possible risks and investment considerations nor a substitute for an independent evaluation of the information presented in this Official Statement. Each prospective investor of Series 2026 Bonds should read this Official Statement in its entirety, including the appendices hereto, and should consult such prospective investor's own investment and/or legal advisor for a more complete explanation of the matters that should be considered when evaluating an investment such as the Series 2026 Bonds. Each prospective investor should carefully examine his, her or its own financial condition in order to make a judgment as to his, her or its ability to bear the risk of an investment in the Series 2026 Bonds.

Limited Source of Payment

The Series 2026 Bonds will be limited obligations of the University, payable solely from, and secured by a pledge of, General Fee Revenues. See “INFORMATION REGARDING THE SERIES 2026 BONDS – Source of Payment; Security”. The Series 2026 Bonds will not be payable from or secured by any other funds of the University. The Series 2026 Bonds are not debts or obligations of the State of Alabama, and debt service on the Series 2026 Bonds will not be payable out of any money provided or appropriated to the University by the State of Alabama.

Holders of the Series 2026 Bonds shall never have the right to demand payment of the Series 2026 Bonds from the University from any source other than General Fee Revenues and shall be entitled to payment from such sources only on a parity basis with all other Bonds (*i.e.*, the Series 2012 Bonds, the Series 2018 Bonds, the Series 2020 Bonds, the Series 2021 Bonds, and all Additional Parity Obligations hereafter issued).

The net proceeds of the Series 2026 Bonds will not be held in a special fund under the Authorizing Resolution or otherwise pledged to secure payment of the Series 2026 Bonds.

Limitation on Remedies Upon Default

The Authorizing Resolution does not constitute a mortgage on or security interest in any properties of the University, and no foreclosure or sale proceedings with respect to any property of the University may occur.

The University is exempt from all suits under the doctrine of sovereign immunity, but agents and employees of the University may, by mandamus, be compelled to apply the General Fee Revenues to the payment of the Series 2026 Bonds in accordance with the terms of the Authorizing Resolution.

An action for mandamus and the rights of the holders of the Series 2026 Bonds and the enforceability thereof and of the Authorizing Resolution may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors’ rights and general principles of equity, including the exercise of judicial discretion in appropriate cases.

State Proration

The State of Alabama appropriates money each year to the University for operating costs and non-operating cash requirements, including capital expenditures. Because the State is mandated by its constitution to operate with a balanced budget, the State occasionally has reduced its appropriations, through a process known as “proration”, when its annual revenues are not expected to meet budgeted appropriations. The last fiscal year in which State appropriations were "prorated" was fiscal year 2011. It is possible that proration may be implemented from time to time in the future and, when proration does occur, the University may be required to implement various cost-saving measures in order to balance its own budget. Although proration may impact the University's budget, the Series 2026 Bonds are not payable from State appropriations.

The University is subject to the plenary authority of the Alabama legislature to amend the statutes governing the University at any time.

General Factors Affecting General Fee Revenues

No representation can be made and no assurance can be given that General Fee Revenues will be sufficient to make the required payment of debt service on the Series 2026 Bonds and the Outstanding Parity Bonds, and pay the necessary operating expenses of the University.

Such receipts are subject to a variety of factors that could adversely affect the University's debt service coverage on the Series 2026 Bonds and the Outstanding Parity Bonds, including, without limitation, (i) reduction in other sources of the University's funding (state, federal, and other), (ii) fluctuations in general economic conditions, (iii) loss of population in the University's regional area, (iv) reduction in student enrollment at the University, (v) decrease in demand for higher education, and (vi) increased administrative, regulatory, and other financial burdens on the University.

Cybersecurity

General. Like many public universities and other large organizations, the University relies heavily on digital technologies to conduct its day-to-day operations. In the past several years, a number of entities, originating domestically and throughout the world, have sought to gain unauthorized access to digital systems of organizations (including "denial of service" attacks whereby a malicious actor aims to render a computer or other device, or group of computers and devises, unavailable to the intended user or users, "distributed denial-of service" attacks whereby multiple systems flood the bandwidth or resources of a target system, including two or more web servers, services, phishing attacks, ransomware attacks that permanently block use of electronic devises, including a network of devices, and various other types of malicious cyber tactics) for the purpose of misappropriating information, causing operational disruptions, extracting substantial financial payments from the target organization, and other malicious aims and results. These attempts include highly sophisticated efforts to electronically circumvent network security as well as more traditional intelligence gathering and social engineering aimed at obtaining information necessary to gain access.

While the University maintains a network security system, policies and other measures intended to stop or contain such "cyber-attacks" no assurances can be given that such security systems will be successful. Breaches of the University's cyber-security efforts could result in, without limitation, inadvertent disclosure of protected or other confidential information, ransom attacks holding critical information hostage, impairment on the operations of the University, and many other consequences that could materially and negatively impact the University, its finances, and its ability to timely pay debt service on the Series 2026 Bonds.

The University maintains cybersecurity policies and for at least two years has not experienced any material breaches of its cyber systems.

Qualification of Legal Opinions

The various legal opinions to be delivered concurrently with delivery of the Series 2026 Bonds (1) will be qualified as to enforceability of the various legal instruments by limitations imposed by bankruptcy, reorganization, insolvency, or other similar laws affecting the rights of creditors generally and by equitable remedies and proceedings generally and (2) will express the professional judgment of the attorneys rendering the opinions as to the legal issues explicitly addressed therein. By rendering a legal opinion, the opinion giver does not become an insurer or guarantor of that expression of professional judgment, of the transaction opined upon, or the future performance of parties to the transaction, and the rendering of an opinion does not guarantee the outcome of any legal dispute that may arise out of the transaction.

Tax-Exempt Status of Series 2026 Bonds

It is expected that the Series 2026 Bonds will qualify as tax-exempt obligations for federal income tax purposes as of the date of issuance. *See* "TAX MATTERS" herein. It is anticipated that Bond Counsel to the University will render an opinion substantially in the form attached hereto as Appendix A, which should be read in its entirety for a complete understanding of the scope of the opinions and the conclusions expressed therein. A legal opinion expresses the professional judgment of the attorney rendering the opinion as to the legal issues explicitly addressed therein. By rendering a legal opinion, the opinion giver does not become an insurer or guarantor of that expression of professional judgment, of the transaction opined upon, or of the future performance of parties to the transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

The tax status of the Series 2026 Bonds could be affected by post-issuance events. There are various requirements of the Internal Revenue Code that must be observed or satisfied after the issuance of the Series 2026 Bonds in order for the Series 2026 Bonds to qualify for, and retain, tax-exempt status. These requirements include appropriate use of the proceeds of the Series 2026 Bonds, use of the facilities financed by the Series 2026 Bonds, investment of bond proceeds, and the rebate of so-called excess arbitrage earnings. Compliance with these requirements is the responsibility of the University.

The Internal Revenue Service (the "IRS") conducts an audit program to examine compliance with the requirements regarding tax-exempt status. Under current IRS procedures, in the initial stages of an audit with respect to the Series 2026 Bonds, the University would be treated as the taxpayer, and the owners of the Series 2026 Bonds may have limited rights to participate in the audit process. The initiation of an audit with respect to the Series 2026 Bonds could adversely affect the market value and liquidity of the Series 2026 Bonds, even though no final determination about the tax-exempt status has been made. If an audit results in a final determination that the Series 2026 Bonds do not qualify as tax-exempt obligations, such a determination could be retroactive in effect to the date of issuance of the Series 2026 Bonds.

In addition to post-issuance compliance, a change in law after the date of issuance of the Series 2026 Bonds could affect the tax-exempt status of the Series 2026 Bonds or the effect of investing in the Series 2026 Bonds. For example, the federal government is considering various proposals to reduce federal budget deficits and the amount of federal debt, including proposals that would eliminate or reduce indirect expenditures made through various deductions and exemptions currently allowed by the income tax laws. The exemption for interest on tax-exempt bonds is one of the indirect expenditures that could be affected by a deficit reduction initiative. Some deficit-reduction proposals would eliminate the exemption for interest on tax-exempt bonds. Other proposals would place an aggregate cap on the total amount of exemptions and deductions that may be claimed by a taxpayer, or a cap on the exemption for interest on tax-exempt bonds. Changes in the rate of the federal income tax, including so-called "flat tax" proposals, could also reduce the value of the exemption. Changes affecting the exemption for interest on tax-exempt bonds, if enacted, could apply to tax-exempt bonds already outstanding, including the Series 2026 Bonds offered pursuant to this Official Statement, as well as bonds issued after the effective date of such legislation. It is not possible to predict whether Congress will adopt legislation affecting the exemption for tax-exempt bonds, what the provisions of such legislation may be, whether any such legislation will be retroactive in effect, or what effect any such legislation may have on investors in the Series 2026 Bonds. Investors should consult their own tax advisers about the prospects and possible effect of future legislation that could affect the exemption for interest on tax-exempt bonds.

The Authorizing Resolution does not provide for mandatory redemption of the Series 2026 Bonds or payment of any additional interest or penalty if a determination is made that the Series 2026 Bonds do not comply with the existing requirements of the Code, if a subsequent change in law adversely affects the tax-exempt status of the Series 2026 Bonds or the economic benefit of investing in the Series 2026 Bonds, or if any other event or occurrence takes place that impacts the tax status of the Series 2026 Bonds.

BOND INSURANCE

Bond Insurance Policy

Concurrently with the issuance of the Bonds, Build America Mutual Assurance Company ("BAM") will issue its Municipal Bond Insurance Policy for the Bonds (the "Policy"). The Policy guarantees the scheduled payment of principal of and interest on the Bonds when due as set forth in the form of the Policy included as an exhibit to this Official Statement.

The Policy is not covered by any insurance security or guaranty fund established under New York, California, Connecticut or Florida insurance law.

Build America Mutual Assurance Company

BAM is a New York domiciled mutual insurance corporation and is licensed to conduct financial guaranty insurance business in all fifty states of the United States and the District of Columbia. BAM provides credit enhancement products to issuers in the U.S. public finance markets. BAM will only insure municipal bonds, as defined in Section 6901 of the New York Insurance Law, which are most often issued by states, political subdivisions, integral parts of states or political subdivisions or entities otherwise eligible for the exclusion of income under section 115 of the U.S. Internal Revenue Code of 1986, as amended. No member of BAM is liable for the obligations of BAM.

The address of the principal executive offices of BAM is: 28 Liberty Street, 59th Floor, New York, New York 10005, its telephone number is: 212-235-2500, and its website is located at: www.bambonds.com.

BAM is licensed and subject to regulation as a financial guaranty insurance corporation under the laws of the State of New York and in particular Articles 41 and 69 of the New York Insurance Law.

BAM's financial strength is rated "AA/Stable" by S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P"). An explanation of the significance of the rating and current reports may be obtained from S&P at https://www.spglobal.com/en/. The rating of BAM should be evaluated independently. The rating reflects S&P's current assessment of the creditworthiness of BAM and its ability to pay claims on its policies of insurance. The above rating is not a recommendation to buy, sell or hold the Bonds, and such rating is subject to revision or withdrawal at any time by S&P, including withdrawal initiated at the request of BAM in its sole discretion. Any downward revision or withdrawal of the above rating may have an adverse effect on the market price of the Bonds. BAM only guarantees scheduled principal and scheduled interest payments payable by the issuer of the Bonds on the date(s) when such amounts were initially scheduled to become due and payable (subject to and in accordance with the terms of the Policy), and BAM does not guarantee the market price or liquidity of the Bonds, nor does it guarantee that the rating on the Bonds will not be revised or withdrawn.

Capitalization of BAM

BAM's total admitted assets, total liabilities, and total capital and surplus, as of June 30, 2026 and as prepared in accordance with statutory accounting practices prescribed or permitted by the New York State Department of Financial Services were $505.6 million, $295.6 million and $210.0 million, respectively.

BAM is party to a first loss reinsurance treaty that provides first loss protection up to a maximum of 15% of the par amount outstanding for each policy issued by BAM, subject to certain limitations and restrictions.

BAM's most recent Statutory Annual Statement, which has been filed with the New York State Insurance Department and posted on BAM's website at www.bambonds.com, is incorporated herein by reference and may be obtained, without charge, upon request to BAM at its address provided above (Attention: Finance Department). Future financial statements will similarly be made available when published.

BAM makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, BAM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding BAM, supplied by BAM and presented under the heading "BOND INSURANCE".

Additional Information Available from BAM

Credit Insights Videos. For certain BAM-insured issues, BAM produces and posts a brief Credit Insights video that provides a discussion of the obligor and some of the key factors BAM's analysts and credit committee considered when approving the credit for insurance. The Credit Insights videos are easily accessible on BAM's website at https://bambonds.com/insights/#video. (The preceding website address is provided for convenience of reference only. Information available at such address is not incorporated herein by reference.)

Credit Profiles. Prior to the pricing of bonds that BAM has been selected to insure, BAM may prepare a pre-sale Credit Profile for those bonds. These pre-sale Credit Profiles provide information about the sector designation (e.g. general obligation, sales tax); a preliminary summary of financial information and key ratios; and demographic and economic data relevant to the obligor, if available. Subsequent to closing, for any offering that includes bonds insured by BAM, any pre-sale Credit Profile will be updated and superseded by a final Credit Profile to include information about the gross par insured by CUSIP, maturity and coupon. BAM pre-sale and final Credit Profiles are easily accessible on BAM's website at https://bambonds.com/credit-profiles. BAM will produce a Credit Profile for all bonds insured by BAM, whether or not a pre-sale Credit Profile has been prepared for such bonds. (The preceding website address is provided for convenience of reference only. Information available at such address is not incorporated herein by reference.)

Disclaimers. The Credit Profiles and the Credit Insights videos and the information contained therein are not recommendations to purchase, hold or sell securities or to make any investment decisions. Credit-related and other analyses and statements in the Credit Profiles and the Credit Insights videos are statements of opinion as of the date expressed, and BAM assumes no responsibility to update the content of such material. The Credit Profiles and Credit Insight videos are prepared by BAM; they have not been reviewed or approved by the issuer of or the underwriter for the Bonds, and the issuer and underwriter assume no responsibility for their content.

BAM receives compensation (an insurance premium) for the insurance that it is providing with respect to the Bonds. Neither BAM nor any affiliate of BAM has purchased, or committed to purchase, any of the Bonds, whether at the initial offering or otherwise.

SUMMARY OF AUTHORIZING RESOLUTION

The following, together with information contained elsewhere in this Official Statement, is a brief description and summary of certain provisions of the Authorizing Resolution under which the Series 2026 Bonds will be issued. Such description does not purport to be comprehensive or definitive; all references herein to said Authorizing Resolution are qualified in their entirety by reference to such document, copies of which are available at the office of the President of the University. Certain provisions of the Authorizing Resolution are not summarized or otherwise identified hereinafter.

Common Bond Fund

In the 2020 Resolution the University created a special fund presently known as the "Common Bond Fund". The Common Bond Fund shall be maintained by the Depository so long as the Series 2020 Bonds, the Series 2026 Bonds, and any Additional Parity Obligations hereafter issued are outstanding. The Common Bond Fund does not provide for payment of the Series 2012 Bonds, the Series 2018 Bonds or the Series 2021 Bonds as each such series has its own, separate, bond fund.

The University shall transfer to the Depository for the account of the Common Bond Fund, and such other bond funds as have been established by the University for the Series 2012 Bonds, the Series 2018 Bonds and the

Series 2021 Bonds, the following:

(a) on or before the 25th day of December and June in each year an amount which, together with any interest and profits on investments deposited or to be deposited in the said bond funds, shall be sufficient to pay the interest becoming due on all outstanding Bonds on the next succeeding January 1 and July 1 of each year, and

(b) on or before the 25th day of December of each year, an amount which, together with any interest or profits on investments deposited or to be deposited in the bond funds, shall be sufficient to pay the principal becoming due on all outstanding Bonds on the next succeeding January 1.

Maintenance of Certain Revenues

In the Authorizing Resolution, the University has covenanted and agreed that, so long as the Series 2026 Bonds and any other Bonds remain outstanding and unpaid, the University will fix, levy and collect General Fee Revenues in such amounts and at such times as shall be required to produce revenues sufficient to timely pay the principal of and interest on all such Bonds.

Construction Account

Proceeds from the sale of the Series 2026 Bonds shall be deposited into a special account of the University (the "Construction Account") to be held pending disbursement for payment of the costs of the 2026 Improvements. Amounts on deposit in the Construction Account are not pledged to secure the Series 2026 Bonds.

Investment of Funds and Accounts

The moneys on deposit in the Common Bond Fund shall be continuously secured for the benefit of the University either:

(a) by holding on deposit as collateral security general obligations of the United States of America or obligations, the principal of and interest on which are unconditionally guaranteed by the United States of America or other marketable securities eligible as security for the deposit of trust funds under regulations of the Comptroller of the Currency, United States Treasury, having a market value (exclusive of accrued interest) not less than the amount of money on deposit in the Fund or account being secured, or

(b) if the furnishing of security in the manner provided in the foregoing clause (a) is not permitted by the then applicable laws and regulations, then in such manner as may be required or permitted by the applicable State and federal laws and regulations respecting the security for or granting a preference in the case of the deposit of public trust funds;

provided, however, that it shall not be necessary for the applicable bank to secure any portion of the money on deposit in such funds or account that (i) may be insured by the Federal Deposit Insurance Corporation or by any agency of the United States of America that may succeed to its functions or (ii) that may be invested as otherwise provided in the Authorizing Resolution.

Provision for Payment of Series 2026 Bonds

The University may provide for the payment of the Series 2026 Bonds by establishing an irrevocable trust agreement with the Depository consisting of cash and/or Government Obligations which, together with the investment income therefrom, will produce funds sufficient to pay the principal of, premium (if any) and interest on the Series 2026 Bonds when due. All or part of the Series 2026 Bonds may be called for redemption under such circumstances.

Authorizing Resolution Constitutes a Contract

The terms, provisions and covenants set forth in the Authorizing Resolution constitute a contract with the registered owners from time to time of the Series 2026 Bonds and shall remain in effect until the Series 2026 Bonds shall have been paid in full or until payment shall have been provided as set forth in the preceding paragraph entitled "Provision for Payment of Series 2026 Bonds."

THE UNIVERSITY

General

The University is a state-supported, co-educational public corporation in the State of Alabama. The University is governed by its Board of Trustees (the "Trustees") which has the exclusive authority over and jurisdiction of buildings and other capital improvements now existing on or hereafter provided for said campus. The Trustees consists of two members from the congressional district in which the institution is located, one from each of the other congressional districts in the state, five from the state-at-large, the state superintendent of education and the governor, who shall be ex-officio president of the Board of Trustees. The members of the Board of Trustees are appointed by the Governor of the State of Alabama and approved by the State Senate. As a regional institution, the University's foremost commitment is to meeting the needs of the State and particularly of the West Alabama area. Valuing diversity in its student enrollment, it also welcomes students from throughout the United States and from other countries.

The University is located in the City of Livingston, Alabama, the county seat of Sumter County. The University is located approximately 116 miles southwest of Birmingham, 130 miles west of Montgomery and 37 miles east of Meridian, Mississippi. The University was initially organized by a group of private citizens in 1835 and incorporated as a female seminary in 1840. The University was first known as Livingston Collegiate Institute. In 1883, the Alabama Legislature passed a bill appropriating $2,500 a year to establish a normal school for females. The first diplomas of the Alabama Normal School were delivered in 1886. In 1929, the school became known as the State Teachers College with authority to confer the degree of Bachelor of Science. The Bachelor of Arts degree was authorized in 1947. In 1957, the name was again changed by an act of the Legislature - this time to Livingston State College - and the following year the vision of the institution was broadened when the Graduate Division was established and the College was authorized to confer master's degrees in the field of professional education. In 1967, an act of the Legislature changed the name to Livingston University and provided that the University would be governed by its own Board of Trustees. In 1995, the institution recognized its broader mission as a regional university serving the educational needs of all citizens of the area by changing its name to The University of West Alabama.

The University's campus site consists of approximately 545 acres of rolling terrain. The campus buildings include six academic buildings, six dormitories for student housing and five general use buildings (cafeteria, office space, president's home, faculty apartments and student center). There is also a football stadium, a baseball field, softball fields, tennis courts, basketball gymnasium, rodeo facility, and intramural fields.

Members of the Board of Trustees

The current membership of the Board of Trustees is as follows(1):

Name	Occupation	Stated Year Term Expires(1)
Kay Ivey	Governor	Ex Officio
Jennifer Estes Agee	Co-Owner, NHS Management	2029
Hal Bloom, Jr.	Owner, The Bloom Group	2019
Jody Wise	Retired Circuit Clerk	2023
Joseph Brown	External Affairs Manager	2027
Sheila S. Cloud	Retired	2021
Jerry W. Groce	District Administrative Specialist (DHR)	2029
Randall L. Hillman	Retired	2023
Matthew Lavender	Co-Owner, Lavender, Inc.	2027

Michael Maddox	Distributor Sales Manager	2027
Tom Perry	Lawyer	2027
Scott Stadthagen	Founder, Hagen Homes, Inc.	2027
Victor H. Vernon	Retired	2029
Ed Hauser	Senior Vice President - Brassfield & Gorrie	2029

(1) Under the Enabling Law, a Trustee for the University continues to serve under a stated term that has expired until a successor is nominated by the Governor and confirmed by the Alabama State Senate.

Senior University Management

Dr. Todd G. Fritch, Ph.D., President. Dr. Fritch serves as President of the University. Dr. Fritch became the thirteenth president of the University of West Alabama on January 2, 2025. He holds a B.S. in Geology from Lake Superior State University, an M.S. and Ph.D. in Geology from Baylor University, and completed the Institute for Educational Management program at Harvard.

Previously, Dr. Fritch served as Executive Vice President and Provost at the State College of Florida, Manatee-Sarasota, where he was instrumental in driving academic excellence and fostering a culture of inclusivity and engagement. Prior roles include serving as Chief Academic Officer and Vice President at Shorelight Education, and as Provost at American International College. Fritch has also held senior academic positions at The American College of Greece and Northeastern University.

Dr. Fritch has also been actively involved in numerous professional and community service roles, including serving on the Board of Directors as Vice Chair for the Sarasota County Economic Development Corporation; the Board of Governors for Manatee Technical College; the School Advisory Council for Suncoast Technical College; and as the Community Board Chair for the Bradenton YMCA. He has been recognized with several honors and awards, including the Chancellor's Best Practice Award for Workforce Partnerships from the Florida Department of Education in 2019 and the Outstanding Alumni Award from Lake Superior State University in 2016.

Dr. Amy H. Jones, Provost. Dr. Amy H. Jones serves as Provost of the University of West Alabama, providing leadership for Academic Affairs and overseeing the University's academic colleges, programs, faculty affairs, curriculum, academic policy, student academic success, and related academic operations. She was selected for the role in May 2026 after serving as Interim Provost beginning in October 2025.

Dr. Jones holds a Ph.D. in Communication and Information Sciences from The University of Alabama, a Master of Science in Sport Administration from the University of Louisville, and a Bachelor of Arts in Film, Theatre and Communication Arts from the University of New Orleans.

Since joining the University in 2007 as a lecturer, Dr. Jones has advanced through the faculty ranks and held several leadership roles across Academic Affairs, most recently serving as Dean of the College of Liberal Arts. During her nearly 20 years at the University, she has worked closely with faculty, staff, and students on academic initiatives, student success efforts, faculty support, and strategic planning.

Dr. Jones currently serves as Chair of the Council of University Chief Academic Officers and has previously served on the executive board of the United Way of West Alabama, among other professional and community service roles. Throughout her career at the University, Dr. Jones has shown a strong commitment to academic excellence, collaboration, student success, and service to the University and the broader region. Her leadership reflects her commitment to supporting faculty and staff, expanding opportunities for students, and advancing UWA's academic mission.

Dr. Jones is married to Michael Jones, and they have two sons, Rock and Hudson.

Clete Beard, Vice-President for Financial Affairs. Clete Beard serves as the Vice-President of Financial Affairs for the University of West Alabama. He was promoted to the position of interim Vice President in January 2022 after serving as Business Manager. Before coming to the University of West Alabama, he served as Chief

Executive Officer of Bank of York and Market President of Investar Bank after their merger. In his current position, Mr. Beard is responsible for all financial endeavors involving the University. He oversees the comptroller's office, the accounting offices, accounts payable, accounts receivable, purchasing, property control, physical plant, and information technology.

Mr. Beard graduated from the University of Alabama with a Bachelor of Science in Business Administration and received his Masters of Business Administration from the University of West Alabama. Mr. Beard is also a graduate of Alabama Banking School and the Graduate School of Banking at Louisiana State University. Mr. Beard is very active in the community and has served in many different roles including Chairman of the City of Livingston Utilities Board, Treasurer of the Livingston United Methodist Church, Chairman of the Board of Directors for the University of West Alabama Wesley Foundation, President of the Sumter County University of Alabama Alumni Association, and Board of Directors of Livingston Country Club. He is married to Kristen Sturdivant Beard and they have two daughters, Collins and Adalyn.

Employees and Employee Relations

The University currently employs approximately 706 total faculty and staff, of which approximately 434 are full time and 272 are part time. The University's current undergraduate pupil-to-professor/teacher ratio is approximately 18 to 1.

No employees of the University are represented by labor unions or similar employee organizations. The University does not bargain collectively with any labor union or employee organization. The University has never experienced a strike, boycott, or other work stoppage and no such work stoppage is threatened.

Programs

The University provides six instructional units: College of Liberal Arts; College of Business; College of Education; College of Natural Science and Mathematics; College of Nursing and Health Professions, and Division of Engineering Technology. The University is accredited by the Commission on Colleges of the Southern Association of Colleges and Schools (1866 Southern Lane, Decatur, Georgia, telephone number (404) 679-4501) to award the associate, baccalaureate, master's, education specialist, and doctorate degrees. This accreditation gives regional and national recognition to credits and degrees earned at the University. The University's College of Education is accredited by the National Council for the Accreditation of Teacher Education at both the initial and advanced levels, its Associate and baccalaureate Degrees in Nursing are accredited by the Accreditation Commission for Education in Nursing, and its Athletic Training Education Program is accredited by the Commission on Accreditation of Athletic Training Education. The University's College of Business is nationally accredited by the Accreditation Council for Business Schools and Programs to offer the following business degrees: the Bachelor of Business Administration degree in Accounting, Business Administration, Marketing and Management. The Division of Engineering and Technology is accredited by the Accreditation Board for Engineering and Technology for its Associate of Applied Science in Industrial Maintenance and its Bachelor of Science in Engineering Technology programs.

The University is a member of the American Association of State Colleges and Universities, the American Association of Colleges for Teacher Education, the Association of Alabama Colleges, the Council of Colleges of Arts and Sciences, the Teacher Education Council of State Colleges and Universities and the Alabama Council for International Programs.

The University provides opportunities for quality education for students to pursue associate, baccalaureate, master's, education specialist and doctoral degrees in liberal arts, natural sciences and mathematics, pre-professional programs, nursing, technology, business and education. Importance is placed on the provision of opportunities within the curricula for the development of enhanced skills in critical thinking, communication, leadership, and computer literacy. The University also seeks to provide students opportunities for growth beyond the classroom through a wide range of extracurricular activities, programs and services and through the maintenance of an environment of cultural and intellectual diversity.

The University began offering online programs in the Fall 2002 and as of the Fall 2025 approximately 5,900 students were enrolled in online courses. In Fall 2007, the Division of Online Programs was established to house online operations. The University of West Alabama's Division of Online Programs offers 83 online degree programs. This includes 42 undergraduate programs, 39 graduate programs, and 2 doctorate program, all completely online. There are six terms each year, with Fall 1, Fall 2, Spring 1 and Spring 2 being eight week courses, and Summer 1 and Summer 2 being six week courses. This format allows online students to complete their program at an accelerated pace.

Enrollment

Provided below are fall semester enrollment trends for the years indicated.

**Undergraduate Enrollment*
(On-Campus)**

Year	Full-Time	Part-Time	Total
2025	845	368	1,213
2024	816	319	1,135
2023	807	303	1,110
2022	849	284	1,133
2021	873	310	1,183

**Undergraduate Enrollment*
(Online)**

Year	Full-Time	Part-Time	Total
2025	1,622	366	1,988
2024	1,593	262	1,855
2023	1,312	252	1,564
2022	1,052	233	1,285
2021	881	258	1,139

**Graduate Enrollment*
(On-Campus)**

Year	Full-Time	Part-Time	Total
2025	21	22	43
2024	20	16	36
2023	16	12	28
2022	25	15	40
2021	31	85	116

**Graduate Enrollment*
(Online)**

Year	Full-Time	Part-Time	Total
2025	2,983	784	3,767
2024	3,167	634	3,801
2023	2,949	416	3,365
2022	3,060	333	3,393
2021	2,966	190	3,156

* The Office of Institutional Effectiveness and Retention calculates enrollments based on census dates, which occur the Monday after the last day to add a class for each term. All students are counted only once regardless of the delivery format for classes. In other words, a student who takes an on-campus class and an online class will only be counted in the enrollment once as an on-campus student. If an online student takes a class in the first term and the second term, the student is only counted in the first term.

Retention

Provided below are the retention rates respecting new freshman for the years indicated:

Fiscal Year Ended September 30	New Freshman Retention Rates
2024	67%
2023	65
2022	61
2021	61
2020	66

Provided below are the graduation rates for the years indicated:

Fiscal Year Ended September 30	Graduation Rate
2025	35%
2024	38
2023	35
2022	38
2021	39
2020	40

Degrees Awarded

The University awarded degrees for the years indicate as follows:

Year	Associate	Undergraduate	Graduate	Total
2024	44	453	1,374	1,871
2023	36	401	1,269	1,706
2022	41	357	1,248	1,646
2021	35	350	1,384	1,769
2020	29	312	1,052	1,393
2019	57	319	988	1,364
2018	46	308	801	1,155

Student Geographical Diversity and Related Information

The following summarizes the geographical diversity of the University's student body for the years indicated:

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
In-state	3,015	3,641	4,120	4,477	4,538	4,429	4,737	5,121	5,642	5,800
Out-of-state	795	863	957	1,057	1,103	1,055	1,006	979	1,074	1,201
International	173	140	137	119	93	110	104	92	107	133
Unknown	3	2	0	0	0	0	4	3	4	33
Total	3,986	4,646	5,214	5,653	5,734	5,594	5,851	6,195	6,827	7,167

The following summarizes the numbers of full and part time undergraduate, graduate, and doctoral students at the University for the years indicated:

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Full-time (undergrad)	1,722	1,843	1,837	1,883	1,775	1,754	1,901	2,119	2,409	2,467
Part-time (undergrad)	256	268	323	356	473	568	517	555	581	734

Full-time (grad)	1,848	2,392	2,899	3,221	3,160	2,907	2,989	2,965	3,110	3,004
Part-time (grad)	160	143	124	117	236	255	328	428	583	806
Full-time (doctoral)	--	--	2	61	60	90	96	70	77	107
Part-time (doctoral)	--	--	29	15	30	20	20	58	67	76
Total	3,986	4,646	5,214	5,653	5,734	5,594	5,851	6,195	6,827	7,194

Housing and Meal Plan Rates; Residents Halls Occupancy Rates

The rates charged by the University for housing and meal plans to students is as follows for the 2025-2026 school year:

Housing and Meal Plan Rates
2025-2026 School Year

Hall	**Room Rate**	**Meal Plan**	**Semester Expense**
Gilbert Hall	$2,850	$2,119	$4,969
Hoover Apartments (Phase 1)	3,010	1,709	4,719
Hoover Apartments (Phase 2)	3,390	1,709	5,099
Patterson Hall	2,250	1,709	3,959
Reed Hall	2,250	1,709	3,959
Stickney Hall	2,430	1,709	4,139
Selden Hall	1,820	2,119	3,939

For the 2025 Fall semester, the University had 898 total beds available, of which 840 were occupied (for an occupancy rate of 93.5%).

The existing residency halls and their occupancy rates for the last five fiscal years are as follows:

Residence		**Fall 2020**	**Fall 2021**	**Fall 2022**	**Fall 2023**	**Fall 2024**	**Fall 2025**
Gilbert (457)	Occupancy	268	309	295	341	376	420
	Occupancy Rate	58.4%	67.3%	64.3%	74.3%	82.3%	91.9%
Hoover 1 (58)	Occupancy	56	43	46	37	46	54
	Occupancy Rate	90.3%	69.4%	74.2%	61.7%	76.7%	93.1%
Hoover 2 (96)	Occupancy	92	92	95	90	96	95
	Occupancy Rate	95.8%	95.8%	99.0%	93.8%	100.0%	99.0%
Patterson Hall A (15)	Occupancy	46	44	46	13	15	15
	Occupancy Rate	92.0%	88.0%	100.0%	86.7%	100.0%	100.0%
Patterson Hall B (16)	Occupancy	N/A	N/A	N/A	16	14	16
	Occupancy Rate	N/A	N/A	N/A	100.0%	87.5%	100.0%
Patterson Hall C (29)	Occupancy	N/A	N/A	N/A	30	31	29
	Occupancy Rate	N/A	N/A	N/A	96.8%	100.0%	100.0%
Reed (88)	Occupancy	63	56	68	67	73	85
	Occupancy Rate	70.0%	62.2%	75.6%	74.4%	83.0%	96.6%
Selden (104)	Occupancy	19	24	51	53	84	103
	Occupancy Rate	11.3%	14.3%	49.0%	51.0%	91.3%	99.0%
Stickney (35)	Occupancy	42	41	38	6	25	23
	Occupancy Rate	51.9%	50.6%	54.3%	12.2%	71.4%	65.7%
TOTAL (898)	**Occupancy**	**586**	**609**	**639**	**653**	**760**	**840**
	Occupancy Rate	**58.3%**	**60.5%**	**68.9%**	**71.0%**	**85.4%**	**93.5%**

Major Sources of Revenue of the University

State Appropriations. Historically, the University has received appropriations from the State to defray a portion of the costs of operations and for non-operating cash requirements, including capital expenditures. Funds are appropriated primarily on a lump sum basis to the University. **Funds appropriated to the University, by Alabama law, are not permitted to be pledged or used for payment of debt service. Accordingly, investors in the Series 2026 Bonds will receive no payments from, and have no lien upon, funds appropriated to the University by the State of Alabama.**

The Governor submits an appropriations request for the University in the annual State budget. The State appropriations request for the University is formulated by the Governor after receiving an appropriations request from the University and appropriations recommendations by the Alabama Commission on Higher Education ("ACHE"). ACHE evaluates and coordinates appropriations requests for the State's public institutions of higher education. After open hearings are held on the separate budgets, ACHE presents to each institution, as well as the Governor and the Legislature, a single unified budget containing budget recommendations for separate appropriations to each of the institutions. The recommendations of ACHE are derived from its assessment of the actual funding needs of each of the universities as presented to it by each university's president.

Pursuant to the provisions of Section 213 of the Constitution of Alabama 1901, as amended, including as amended by Amendment 26, the State is required to have a balanced budget. This requirement is implemented by means of the 1932 Budget and Financial Control Act, which mandates a reduction of appropriations pro rata ("Proration") when necessary during a fiscal year to prevent a deficit. Proration generally occurs as a result of the difficulties inherent in projecting tax receipts several months in advance of the commencement of a fiscal year.

State Appropriations to the University for the five most recent fiscal years are as follows:

Fiscal Year	**Appropriation Amount**
2026	$34,318,443
2025	31,365,149
2024	27,810,078
2023	37,573,496
2022	24,027,382
2021	19,458,685

The State budget for the fiscal year ended September 30, 2026, currently reflects an appropriation to the University in the amount of $34,318,443. That amount is subject to proration.

Although not pledged for payment of debt service on the Series 2026 Bonds or otherwise subject to the lien of the Authorizing Resolution, the University relies on State appropriations to fund basic operations, student services and other costs of the University.

For several years the Alabama Legislature has considered the implementation of an outcomes-based funding model for a portion of State appropriations paid to State of Alabama universities, such as the University, and on April 9, 2026, the Governor signed into law Act 2026-422, commonly known as the "Cheer Act". The Cheer Act establishes a process to provide bonus funding to higher education institutions that meet identified student and institution performance goals and objectives. Each public university in Alabama is allowed to choose a single metric or multiple metrics that will allow them to be eligible for a bonus pool of funding. The Alabama Legislature allocated $37,531,748 in fiscal year 2027 for the University.

Federal Revenues. The University receives Federal money each year for various education programs. Most of these programs are for vocational or special education purposes, and the Federal funds are restricted to the designated purpose.

Student Revenues. Student revenues presently consist of Tiger One Fees, Online Tiger One Fees, Tuition Fees, Housing Charges, and other miscellaneous course fees such as laboratory fees.

Auxiliary Enterprise Revenues. Auxiliary enterprises revenues consist of revenues from student support services such as Book Store, dormitory rentals and cafeteria sales.

The total revenue collected by the University, net of scholarships, have been as follows for the periods indicated:

Fiscal Year Ended (September 30,)	General Fee Revenues[1]	Other Revenues[2]	Total Revenues[2]
2025	$51,171,468	$67,231,821	$118,403,289
2024	46,338,420	68,855,551	115,193,971
2023	43,968,350	59,978,962	103,947,312
2022	43,544,199	47,188,759	90,732,958
2021	47,718,479	42,603,530	90,322,009

(1) Debt service on the Series 2026 Bonds (as well as the other Outstanding Parity Bonds) is payable solely from General Fee Revenues. See "GENERAL FEE REVENUES; DEBT SERVICE AND COVERAGE – Description of General Fee Revenues".
(2) Includes State Appropriations, Auxiliary Revenues, Federal Grants, and other miscellaneous revenue. None of these revenues are pledged to the payment of the Series 2026 Bonds or the Outstanding Parity Bonds.

Indebtedness of the University

Long Term Debt. Upon the issuance of the Series 2026 Bonds, the University will not have outstanding any other long-term debt other than the Series 2026 Bonds and the Outstanding Parity Bonds (i.e., the Series 2012 Bonds, the Series 2018 Bonds, the Series 2020 Bonds, and the Series 2021 Bonds).

Short Term Debt. The University has short term obligations outstanding. It is possible that the University will incur miscellaneous short term obligations in the future as needs change and opportunities arise.

Non-Current Liabilities. As of September 30, 2025, the University has recorded charges of $1,939,756 for compensated absences and $43,680,000 for net pension liability.

Future Anticipated Debt. The University has no current plans to borrow any money over the next 18 to 24 months to finance new capital improvements and for which it intends to issue bonds secured by General Fee Revenues on parity with the Series 2026 Bonds.

Historical Statement of Activities

The following page presents the condensed Statement of Revenues, Expenses and Changes in Net Position for the University for the fiscal years ended September 30, 2021 through and including September 30, 2025. The following information should be read in connection with the audited financial statements of the University for the fiscal year ended September 30, 2025, attached as Appendix B hereto.

	2021	2022	2023	2024	2025
Operating Revenues					
Student Tuition and Fees (Net of Scholarship Allowances)	$43,677,675	$39,885,660	$40,259,581	$42,502,614	$46,602,612
Federal Grant and Contracts	12,394,975	11,111,871	9,580,192	4,784,407	5,686,200
State and Local Grants and Contracts	499,131	767,577	674,245	2,069,348	993,379
Nongovernmental Grants and Contracts	1,342,639	1,093,491	960,464	865,293	463,522
Auxiliary Enterprises (Net of Scholarship)	4,216,433	3,540,037	3,208,239	3,739,401	3,495,104
Athletic Revenue	693,534	907,490	592,936	--	--
Other Operating Revenue	389,472	948,843	1,067,484	3,244,632	3,477,083
Total Operating Revenues	**$63,213,859**	**$58,254,969**	**$56,343,142**	**$57,205,696**	**$60,717,900**
Operating Expenses					
Instruction	36,682,841	37,469,817	40,225,171	42,914,651	46,727,465
Research	512,077	599,190	506,718	229,728	551,704
Public Service	2,812,545	4,167,132	5,711,773	3,313,656	2,458,377
Academic Support	6,677,937	7,027,824	6,806,096	5,748,351	6,401,399
Student Services	9,322,466	10,149,208	11,112,707	12,196,096	13,190,731
Institutional Support	13,233,922	6,600,733	8,109,708	7,603,228	11,062,975
Operation and Maintenance	5,682,863	5,649,637	6,354,678	7,424,846	7,405,091

Scholarships and Financial Aid	1,947,796	3,659,335	197,816	1,561,323	78,858
Depreciation	2,845,003	3,143,121	2,859,447	4,980,975	5,204,366
Auxiliary Enterprises	3,425,906	3,754,950	3,550,647	4,386,741	4,677,854
Total Operating Expenses	**$83,143,356**	**$82,220,947**	**$85,434,761**	**$90,359,595**	**$97,758,820**
Operating Loss	**($19,929,497)**	**($23,965,978)**	**($29,091,619)**	**($33,153,899)**	**($37,040,920)**
Non-Operating Revenues (Expenses)					
State Appropriations	21,816,356	26,279,006	37,573,496	46,205,588	44,101,279
Federal Grants	6,443,524	6,900,285	8,287,213	10,940,172	13,412,246
PSCA Bond Revenue	--	--	4,176,054	1,776,817	1,365,497
Investment Income - Net	7,902	2,453	25,447	9,841	3,265
Interest on Debt	(2,331,199)	(2,152,855)	(2,119,842)	(2,009,145)	(1,970,175)
Other Nonoperating Revenue (Expenses)	1,171,567	1,449,100	(338,199)	1,065,003	773,278
Net Nonoperating Revenues	27,108,150	32,477,989	47,604,170	57,988,275	57,685,390
Change in Net Position	7,178,653	8,512,011	18,512,551	24,834,377	20,644,470
Net Position - Beginning of Year	(22,931,422)	(15,752,769)	(7,240,752)	11,271,799	36,106,176
Prior Period Adjustments	--	--	--	--	5,957
Net Position - Beginning of Year (Restated)	(22,931,422)	(15,752,769)	(7,240,752)	11,271,799	36,112,133
Net Position – End of Year	**($15,752,769)**	**($7,240,758)**	**$11,271,799**	**$36,106,176**	**$56,756,603**

General Fund Budget

The General Fund of the University is the primary operating fund of the University. The following is the University's General Fund budget for the fiscal year ending September 30, 2026:

	2026 Budget
Revenues	
State of Alabama Appropriations	$34,318,443
Student Tuition and fees	52,397,737
Other Operating Revenues	2,350,000
Total Revenues	**$89,066,180**
Expenditures	
Instruction	39,941,923
Research and Public Service	10,000
Institutional Support	25,154,179
Academic Support	2,698,644
Student Services	3,575,219
Athletics	8,308,930
Operation and Maintenance	5,476,246
Scholarships	3,500,000
Total Expenditures	**$88,665,141**

Retirement System/OPEB

A description of the University's Defined Benefit Pension Plan and Other Postemployment Benefits are described in Notes 5 and 6 (Pages 18-31) of the audited financial statements of the University for the fiscal year ended September 30, 2025, attached as Appendix B hereto.

Employees of the University are participants of the Teachers Retirement System of Alabama, which was established by act of the Alabama Legislature. The University is required to deduct from each employee's paycheck an amount or percentage specified by the State Board of Control, which administers the Retirement System, and to transmit to the Board of Control each month the amount deducted. The State of Alabama by annual appropriation by the Legislature contributes a like amount. The University is not required to make contributions to the retirement system on the employees' behalf except for those employees paid from Federal funds. The matching contributions for those employees are paid from the same Federal funds as their salaries and not from local funds.

The University of West Alabama Foundation

The University of West Alabama Foundation (the "Foundation") operates and supports the development of educational excellence at The University of West Alabama. It does so by attracting and involving leaders from among the University's alumni and friends in this endeavor. The Foundation's primary efforts are directed toward attracting, receiving, investing, managing and expending gifts and other resources designated for the education and support of programs of the University and for services to the West Alabama area.

The University of West Alabama Foundation was incorporated in 1992 as a private foundation and granted a tax-exempt status as described in Section 501(c)(3) by the Internal Revenue Service in February 1993.

The Foundation is managed out of the University's office of Institutional Advancement, located in Webb Hall, Livingston, Alabama. All financial records are kept on file in this office. The Foundation is governed by a Board of Directors consisting of 14 members, with the Vice President of Institutional Advancement serving as the Executive Secretary.

The consolidated financial statements of the Foundation are included within the audited financial statements of the University for the fiscal year ended September 30, 2025, attached as Appendix B hereto, starting on Page 38 thereof.

LITIGATION

There is not now pending any litigation restraining, enjoining or in any manner questioning or affecting: the creation, organization or existence of the University; the title of the present members of the Board of Trustees to their respective offices; the validity of the Series 2026 Bonds; the proceedings and authority under which the Series 2026 Bonds are to be issued; the levy and collection of the student fees, tuition, or housing charges, or the pledges of General Fee Revenues to the payment of the Series 2026 Bonds.

LEGAL MATTERS

The Series 2026 Bonds will be issued subject to the approving opinion of Bradley Arant Boult Cummings LLP, Birmingham, Alabama, Bond Counsel to the University. It is anticipated that the opinion of Bond Counsel to the University respecting the Series 2026 Bonds will be in substantially the form set forth in Appendix A.

The various legal opinions to be delivered concurrently with the delivery of the Series 2026 Bonds express the professional judgment of the attorneys rendering the opinions as to the legal issues explicitly addressed therein. By rendering a legal opinion, the authoring firm or attorney does not become an insurer or guarantor of that expression of professional judgment, of the transaction opined upon or the future performance of parties to the transaction, and the rendering of an opinion does not guarantee the outcome of any legal dispute that may arise out of the transaction.

TAX MATTERS

General

In the opinion of Bradley Arant Boult Cummings LLP, Bond Counsel to the University, under existing statutes and court decisions and assuming continuing compliance with certain tax covenants described herein, interest on the Series 2026 Bonds is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Code. Interest on the Series 2026 Bonds is not treated as a preference item in calculating the alternative minimum tax imposed on individuals and corporations under the Code. In rendering its opinion, Bond Counsel to the University has relied on certain representations, certifications of fact and statements of reasonable expectations made by the University and others in connection with the Series 2026 Bonds, and Bond Counsel to the

University has assumed compliance with certain ongoing covenants to comply with applicable requirements of the Code to assure the exclusion of interest on the Series 2026 Bonds from gross income under Section 103 of the Code. As a result of amendments to the Code enacted pursuant to the Inflation Reduction Act of 2022, interest on the Series 2026 Bonds may be taken into account for purposes of the alternative minimum tax imposed by Section 55(b)(2) of the Code on "applicable corporations", as defined in Section 59(k) of the Code.

Bond Counsel expresses no opinion regarding any other federal or state tax consequences with respect to the Series 2026 Bonds. Bond Counsel renders its opinion under existing statutes and court decisions as of the issue date and assumes no obligation to update its opinion after the issue date to reflect any future action, fact or circumstance, or change in law or interpretation, or otherwise. Bond Counsel expresses no opinion on the effect of any action taken in reliance upon an opinion of other counsel on the exclusion from gross income for federal income tax purposes of interest on the Series 2026 Bonds.

Certain Ongoing Federal Tax Requirements and Covenants. The Code establishes certain significant ongoing requirements that must be met subsequent to the issuance and delivery of the Series 2026 Bonds in order that interest on the Series 2026 Bonds be and remain excluded from gross income under Section 103 of the Code. These requirements include, but are not limited to, requirements relating to use and expenditure of gross proceeds of the Series 2026 Bonds, yield and other restrictions on investments of gross proceeds, and the arbitrage rebate requirement that certain excess earnings on gross proceeds be rebated to the federal government. Noncompliance with such requirements may cause interest on the Series 2026 Bonds to become included in gross income for federal income tax purposes retroactive to their issue date, irrespective of the date on which such noncompliance occurs or is discovered. The University has covenanted to comply under the Authorizing Resolution with certain applicable requirements of the Code to assure the exclusion of interest on the Series 2026 Bonds from gross income under Section 103 of the Code.

Certain Collateral Federal Tax Consequences. The following is a brief discussion of certain collateral federal income tax matters with respect to the Series 2026 Bonds. It does not purport to deal with all aspects of federal taxation that may be relevant to a particular owner of any Series 2026 Bonds. Prospective investors, particularly those who may be subject to special rules, are advised to consult their own tax advisors regarding the federal tax consequences of owning and disposing of Series 2026 Bonds.

Prospective owners of the Series 2026 Bonds should be aware that the ownership of such obligations may result in collateral federal income tax consequences to various categories of persons, such as corporations (including S corporations and foreign corporations), financial institutions, property and casualty and life insurance companies, individual recipients of Social Security and railroad retirement benefits, individuals otherwise eligible for the earned income tax credit and taxpayers deemed to have incurred or continued indebtedness to purchase or carry obligations the interest on which is not included in gross income for federal income tax purposes. Interest on the Series 2026 Bonds may be taken into account in determining the tax liability of foreign corporations subject to the branch profits tax imposed by Section 884 of the Code.

[Original Issue Premium. The initial public offering price to be paid for the Series 2026 Bonds is greater than the principal amount thereof. Under existing law, any owner who has purchased a Series 2026 Bond in the initial public offering of the Series 2026 Bonds is required to reduce his basis in such Series 2026 Bond by the amount of premium allocable to periods during which he holds such Series 2026 Bond, and the amount of premium allocable to each accrual period will be applied to reduce the amount of interest received by the owner during each such period. All owners of Series 2026 Bonds should consult their own tax advisors with respect to the determination for federal, state and local income tax purposes of interest accrued upon redemption, sale or other disposition of such Series 2026 Bond and with respect to the federal, state, local and foreign tax consequences of the purchase, ownership, redemption, sale, gift or other disposition of such Series 2026 Bond.]

[*Original Issue Discount*. The initial public offering price to be paid for certain of the Series 2026 Bonds (the "Original Issue Discount Series 2026 Bonds") is less than the principal amount thereof. Under existing law, the difference between (i) the amount payable at the maturity of each Original Issue Discount Series 2026 Bond, and (ii) the initial offering price to the public of such Original Issue Discount Series 2026 Bond constitutes original issue discount with respect to such Original Issue Discount Series 2026 Bond in the hands of any owner who has purchased such Original Issue Discount Series 2026 Bond in the initial public offering of the Series 2026 Bonds. Such initial owner is entitled to exclude from gross income (as defined in Section 61 of the Code) an amount of income with respect to such Original Issue Discount Series 2026 Bond equal to that portion of the amount of such original issue discount allocable to the period that such Original Issue Discount Series 2026 Bond continues to be owned by such owner.

In the event of the redemption, sale or other taxable disposition of such Original Issue Discount Series 2026 Bond prior to stated maturity, however, the amount realized by such owner in excess of the basis of such Original Issue Discount Series 2026 Bond in the hands of such owner (adjusted upward by the portion of the original issue discount allocable to the period for which such Original Issue Discount Series 2026 Bond was held by such initial owner) is includable in gross income.

Under existing law, the original issue discount on each Original Issue Discount Series 2026 Bond is accrued daily to the stated maturity thereof (in amounts calculated as described below for each six-month period ending on the date before the semiannual anniversary dates of the Series 2026 Bonds and ratably within each such six-month period) and the accrued amount is added to an initial owner's basis for such Original Issue Discount Series 2026 Bond for purposes of determining the amount of gain or loss recognized by such owner upon the redemption, sale or other taxable disposition thereof. The amount (if any) to be added to basis for each accrual period is equal to (a) the sum of the issue price and the amount of original issue discount accrued in prior periods (if any) multiplied by the yield to maturity (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period) less (b) the amounts payable as current interest during such accrual period on such bonds.

The federal income tax consequences of the purchase, ownership, redemption, sale or other disposition of Original Issue Discount Series 2026 Bonds which are not purchased in the initial offering at the initial offering price may be determined according to rules which differ from those described above. All owners of Original Issue Discount Series 2026 Bonds should consult their own tax advisors with respect to the determination for federal, state and local income tax purposes of interest accrued upon redemption, sale or other disposition of such Original Issue Discount Series 2026 Bonds and with respect to the federal, state, local and foreign tax consequences of the purchase, ownership, redemption, sale, gift or other disposition of such Original Issue Discount Series 2026 Bonds.]

Bank Qualification. The Series 2026 Bonds have <u>not</u> been designated as "qualified tax-exempt obligations" under Section 265 of the Code.

Post-Issuance Matters. The tax-exempt status of the Series 2026 Bonds could be affected by post-issuance events. *See* "RISK FACTORS – Tax-Exempt Status of Series 2026 Bonds" herein. The Authorizing Resolution does not provide for mandatory redemption of the Series 2026 Bonds or payment of any additional interest or penalty if a determination is made that the Series 2026 Bonds do not comply with the existing requirements of the Code, if a subsequent change in law adversely affects the tax-exempt status of the Series 2026 Bonds or the economic benefit of investing in the Series 2026 Bonds or if any other event or occurrence takes place that impacts the tax status of the Series 2026 Bonds.

FEDERAL BANKRUPTCY CODE

The rights and remedies of the registered owners of the Series 2026 Bonds are subject to the provisions of Chapter 9 of Title 11 of the United States Code (Bankruptcy Code) which became effective October 1, 1979, and which was recently amended. Title 11 permits under certain specific circumstances (but only after authorization by the state legislature or by a governmental officer or organization empowered by state law to give such authorization), a political subdivision of a state, to file a petition for relief in the U.S. District Court for the district in which the political subdivision is located if it is insolvent or unable to meet its debts as they mature and desires to effect a plan to adjust its debts. Under the Bankruptcy Code, the filing of such a petition operates as an automatic stay" of the commencement or the continuation of any judicial, administrative or other proceeding against the petitioner, its property or any officer of the petitioner which seeks to enforce (a) any claim against the petitioner or (b) a lien on or arising out of any taxes due to the petitioner. Chapter 9 also permits a political subdivision that files such a petition to issue, with the approval of the Court, certificates of indebtedness having priority over preexisting obligations.

Any political subdivision filing a petition for relief under Chapter 9 must in due course file a plan for the adjustment of its debts, and such plan may include provisions modifying or altering the rights of creditors generally, or any class of them, secured or unsecured. Such plan, when confirmed by the Court, binds all creditors who had timely notice or actual knowledge of the petition or plan and discharges all claims against the petitioning political subdivision provided for in the plan. No plan may, however, be confirmed by the Court unless certain conditions occur, which include either (1) that the plan has been accepted in writing by two-thirds (2/3) in amount and more than fifty percent (50%) in number of the allowed claims of each class which is impaired by the plan, or (2) the Court finds that the plan does not discriminate unfairly, and is fair and equitable, with respect to each class of claims that is impaired under, and has not accepted, the plan.

The Bankruptcy Code contains a provision relating to the postpetition effect of a security interest in property of the petitioner. This provision is incorporated by reference into Chapter 9. The effect of this provision on a pledge of revenues to be received by a political subdivision is such that it would release or terminate a pledge of such revenues once a petition is filed with the result that registered owners of obligations similar to the Series 2026 Bonds would in effect be general, unsecured creditors with respect to such revenues after a petition is filed. Prospective purchasers of the Series 2026 Bonds should assume that existing Alabama statutes authorize the University to file a petition for relief under Chapter 9 of Title 11, United States Code.

Section 922(d) of Chapter 9 of the Bankruptcy Code provides that a bankruptcy petition does not operate as a stay of "application of pledged special revenues" to the payment of indebtedness secured by such revenues in a manner consistent with other provisions of the Bankruptcy Code. Without limitation, section 928 of the Bankruptcy Code provides that special revenues acquired by the debtor after commencement of a chapter 9 case remain subject to any lien resulting from any security agreement entered into by the debtor before commencement of the case, but further provides that any such lien on special revenues (other than municipal betterment assessments) derived from a project or system shall be subject to "the necessary operating expenses of such project or system." It is not clear whether the pledge of the General Fee Revenues made by the University for the benefit of the Series 2026 Bonds would constitute "special revenues" as that term is defined in section 902(2) of the Bankruptcy Code. Moreover, the phrase "application of pledged special revenues" has given rise to arguments that the provisions of section 922(d) apply only to funds in possession and control of the debtholders, or their trustee. Therefore, it is uncertain whether or not the filing of a chapter 9 petition would affect application of General Fee Revenues for the payment of principal and interest on the Series 2026 Bonds. Similarly, it is uncertain whether section 928 of the Bankruptcy Code would control the claims of holders of the Series 2026 Bonds with respect to General Fee Revenues.

AUDITED FINANCIAL STATEMENTS

The University's financial statements for the fiscal year ended September 30, 2025, a copy of which is attached as Appendix B hereto, have been audited by the Department of Examiners of Public Accounts of the State of Alabama (the "State Department of Examiners"), as stated in its report dated May 4, 2026. The State Department of Examiners has not been engaged to perform, and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. The State Department of Examiners also has not performed any procedures relating to this Official Statement.

Historically, the University has been audited by the Department of Examiners of Public Accounts of the State of Alabama (the "State Department of Examiners"). Beginning with the 2017 fiscal year, the chair of the Finance Committee of the Board of Trustees recommended, and the Board of Trustees approved, hiring CDPA PC ("CDPCA"), a private accounting firm, to perform the University's audit for that fiscal year. That decision was made due to delays experienced in receiving timely audited financial statements from the State Department of Examiners. The University used CDPCA as its auditor for the fiscal years ended September 30, 2017 through September 30, 2022.

The University returned to having the Department of Examiners audit its financial information after improvements were made by that organization in the timeliness of its delivery of audited financial information. The State Department of Examiners audited the University's financial statements for each of the fiscal years ended

September 30, 2023 through and September 30, 2025.

UNDERWRITING

The Series 2026 Bonds are being purchased from the University by Stifel Nicolaus & Company, Incorporated (the "Underwriter"). The Underwriter has agreed to purchase the Series 2026 Bonds for an aggregate purchase price of $__________ (which represents the face amount of the Series 2026 Bonds, less an underwriters' discount of $___________, and [plus/less] [net] original issue [premium/discount] of $___________). The initial public offering price for the Series 2026 Bonds set forth on the inside cover page of this Official Statement may be changed by the Underwriter, and the Underwriter may offer and sell the Series 2026 Bonds to certain dealers (including dealers depositing the Series 2026 Bonds into investment trusts) and others at prices lower than the offering price set forth on the inside cover page of this Official Statement. The Underwriter will purchase all the Series 2026 Bonds if any are purchased.

RATINGS

Moody's Investors Service, Inc. ("Moody's") has assigned an underlying rating of "A3" (stable outlook) to the Series 2026 Bonds. S&P Global Ratings, Inc. ("S&P") is expected to assign the Series 2026 Bonds a rating of "AA" (stable outlook) with the understanding that, upon delivery of the Series 2026 Bonds, the Bond Insurer will deliver the Policy. Any explanation of the significance of such ratings may be obtained from Moody's and S&P, respectively.

The ratings are not a recommendation to buy, sell or hold Series 2026 Bonds and should be evaluated independently. Such credit ratings reflect only the view of Moody's or S&P and an explanation of the significance of such credit ratings may be obtained only from Moody's or S&P. There is no assurance that either credit rating will remain in effect for any given period of time or that either such credit rating may not be lowered or withdrawn entirely if, in the judgment of Moody's or S&P, circumstances should warrant such action. Any such downward revision or withdrawal of any credit rating assigned to the Series 2026 Bonds may have an adverse effect on the market price of the Series 2026 Bonds.

The ratings of the Series 2026 Bonds by such rating agencies reflect only the view of such agency at the time such ratings are given, and the University makes no representation as to the appropriateness of any rating.

CONTINUING DISCLOSURE UNDERTAKING

General

Under a Continuing Disclosure Agreement, dated the date of the Series 2026 Bonds (the "Continuing Disclosure Agreement"), the University has agreed to provide or cause to be provided to the Municipal Securities Rulemaking Board (the "MSRB") using its electronic municipal market access system (referred to as "EMMA"), certain updated financial information and operating data annually, and timely notice of specified events for purposes of Rule 15c2-12 under the Securities Exchange Act of 1934, as amended (the "Rule"). *See* Appendix D for a form of the Continuing Disclosure Agreement relating to the Series 2026 Bonds.

A failure by the University to comply with the Continuing Disclosure Agreement will not constitute an event of default under the Authorizing Resolution. Beneficial owners of the Series 2026 Bonds are limited to the remedies described in the Continuing Disclosure Agreement. A failure by the University to comply with the Continuing Disclosure Agreement must be reported in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Series 2026 Bonds in the secondary market.

Prior Compliance

The University has entered into other continuing disclosure agreements under the Rule in connection with the prior issuance of the Series 2018 Bonds and the Series 2020 Bonds. The University did not file notice of the incurrence of a financial obligation it had entered on January 14, 2021, until February 17, 2021.

On July 20, 2021, the University entered into a loan agreement with West Alabama Bank & Trust in the original principal amount of $3,500,000, as evidenced by the University's Series 2021 Bonds. The University did not file notice of the of the incurrence of the loan on the MSRB's EMMA system until April 5, 2022.

MISCELLANEOUS

Neither this Official Statement nor any statement herein should be construed as a contract with the registered owners of the Series 2026 Bonds. All estimates, whether or not so stated, are not to be construed as representations that they will be realized.

The University has furnished all information in this Official Statement relating to the University and has obtained all other information from sources which are considered reliable and which are customarily relied upon in the preparation of similar official statements.

THE UNIVERSITY OF WEST ALABAMA

/s/ Todd G. Fritch, PdD
President

APPENDIX A
FORM OF APPROVAL OPINION OF BOND COUNSEL TO THE UNIVERSITY

________, 2026

Board of Trustees of the
University of West Alabama
Livingston, Alabama

$____________
General Fee Revenue Bonds
Series 2026

Ladies and Gentlemen:

This opinion is rendered in connection with the issuance of the above-referenced bonds (the "Series 2026 Bonds") issued by The University of West Alabama (the "University"). The Series 2026 Bonds are issued pursuant to a resolution duly adopted at a public meeting held by the Board of Trustees of the University on ________, 2026 (the "Authorizing Resolution").

In addition to the Constitution and laws of the State of Alabama, in connection with rendering this opinion we have examined the proceedings of the Board of Trustees of the University for adoption of the Authorizing Resolution described below, a Tax Compliance Agreement and Certificate by the University (the "Tax Compliance Agreement") executed in connection with the Series 2026 Bonds pursuant to the regulations under Section 148 of the Internal Revenue Code of 1986, as amended (the "Code"), and various other agreements, certificates, documents, and proofs considered by us to be pertinent. In rendering the opinions below have relied upon and assumed the accuracy of the statements and information set forth in the Authorizing Resolution, the Tax Compliance Agreement, and said additional agreements, certificates, documents, and proofs.

The Authorizing Resolution provides that the principal of, premium, if any, and interest on the Series 2026 Bonds are payable solely from and are secured pro rata by a lien upon and pledge of certain tuition and fees payable by students attending the University defined in the Authorizing Resolution as the "General Fee Revenues", on parity of lien with the pledge thereof heretofore made by the University's for its (i) General Fee Revenue Bonds, Series 2012, dated July 13, 2012 (the "Series 2012 Bonds") (ii) General Fee Revenue Bonds, Series 2018, dated December 6, 2018 (the "Series 2018 Bonds"), (iii) General Fee Revenue Bonds, Series 2020, dated March 12, 2020 (the "Series 2020 Bonds"), and (iv) General Fee Revenue Bonds, Series 2021, dated April 20, 2021 (the "Series 2021 Bonds"), and on parity of lien with any Parity Obligations (as defined in the Authorizing Resolution) hereafter issued by the University.

Based upon the foregoing, and upon our examination of the Authorizing Resolution, the Tax Compliance Agreement, and the aforesaid additional agreements, certificates, documents, proofs and other papers submitted to us, and in reliance on the same and assuming compliance with the covenants and representations of the University therein, we are of the opinion, as of the date hereof and under existing law, that:

(1) The Series 2026 Bonds constitute and evidence the valid and binding special obligations of the University payable on a parity of lien with the Series 2012 Bonds, the Series 2018 Bonds, the Series 2020 Bonds, the Series 2021 Bonds, and with any Parity Obligations hereafter issued, from General Fee Revenues.

(2) Under the Code, as presently construed and administered, and assuming compliance by the University with its covenants pertaining to certain requirements of federal tax law that are set forth in the Authorizing Resolution and in the aforesaid Tax Compliance Agreement and Certificate respecting the Series 2026 Bonds, the interest on the Series 2026 Bonds will be excludable from gross income of the recipient thereof for federal income tax purposes

pursuant to the provisions of Section 103(a) of the Code and will not be an item of tax preference included in alternative minimum taxable income for the purpose of computing the minimum tax imposed by Section 55 of the Code. As a result of amendments to the Code enacted pursuant to the Inflation Reduction Act of 2022, interest on the Series 2026 Bonds may be taken into account for purposes of the alternative minimum tax imposed by Section 55(b)(2) of the Code on "applicable corporations", as defined in Section 59(k) of the Code.

(3) Interest on the Series 2026 Bonds is, under existing statutes and regulations as presently construed, exempt from Alabama income taxation.

We express no opinion regarding tax consequences arising with respect to the Series 2026 Bonds other than as expressly set forth herein. We express no opinion herein regarding the accuracy, adequacy or completeness of the Official Statement of the University relating to the Series 2026 Bonds. We express no opinion with respect to the federal tax consequences to the recipient of the interest on the Series 2026 Bonds under any provision of the Code not referred to above.

The rights of the holders of the Series 2026 Bonds and the enforceability of the Series 2026 Bonds and the Authorizing Resolution are subject to all applicable bankruptcy, insolvency, reorganization, sovereign immunity, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted and the exercise of judicial discretion in appropriate cases.

Neither the principal of nor the interest on the Series 2026 Bonds nor the aforesaid pledge or any other agreements contained in the Authorizing Resolution constitute an obligation of any nature whatsoever of the State of Alabama, and neither the Series 2026 Bonds nor any obligation arising from said pledge or other agreements are payable out of any moneys appropriated to the University by the State of Alabama. The Authorizing Resolution does not constitute a mortgage on any of the property of the University, and no foreclosure or sale proceedings with respect to any property of the University shall ever be had under its authority.

This opinion is given as of the date hereof, and we assume no obligation to update, revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Very truly yours,

APPENDIX B
AUDITED FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

University of West Alabama

Livingston, Alabama

October 1, 2024 through September 30, 2025

Filed: May 22, 2026

ALABAMA DEPARTMENT OF

EXAMINERS of Public Accounts

Rachel Laurie Riddle, ***Chief Examiner*** **| 334-777-0500 | www.alexaminers.gov**

State of Alabama
Department of
Examiners of Public Accounts
P.O. Box 302251, Montgomery, AL 36130-2251
401 Adams Avenue, Suite 280
Montgomery, Alabama 36104-4338
Telephone (334) 777-0500
FAX (334) 242-1775

Rachel Laurie Riddle
Chief Examiner

Honorable Rachel Laurie Riddle
Chief Examiner of Public Accounts
Montgomery, Alabama 36130

Dear Madam:

An audit was conducted on the University of West Alabama, Livingston, Alabama, for the period October 1, 2024 through September 30, 2025, by Examiners Zachary Pugh and Brooke O'Rear. I, Zachary Pugh, served as Examiner-in-Charge on the engagement, and under the authority of the ***Code of Alabama 1975***, Section 41-5A-19, I hereby swear to and submit this report to you on the results of the audit.

Respectfully submitted,

Zachary Pugh

Zachary Pugh
Examiner of Public Accounts

rb

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Table of Contents

Table of Contents

Table of Contents

Department of
Examiners of Public Accounts

SUMMARY

University of West Alabama
October 1, 2024 through September 30, 2025

University of West Alabama Foundation
October 1, 2024 through September 30, 2025

The University of West Alabama (the "University") is a comprehensive, regional, state-supported public institution of higher education accredited by the Southern Association of Colleges and Schools Commission on Colleges to award associate, baccalaureate, master's, education specialist and doctoral degrees in liberal arts, natural sciences and mathematics, nursing, technology, business and education. The University is managed by a Board of Trustees appointed by the Governor.

The University was chartered in 1835 as a church-related female academy and admitted its first students in 1839. In 1995 the school at Livingston changed its name to the University of West Alabama in recognition of its broader mission as a regional university serving the education needs of citizens of the area.

The University of West Alabama Foundation (the "Foundation") was organized as a non-profit corporation under the laws of the State of Alabama. The Foundation was organized exclusively for educational, scientific, research, and athletic purposes of the University of West Alabama.

This report presents the results of an audit, the objectives of which were to determine whether the financial statements present fairly the financial position and results of financial operations and whether the University complied with applicable laws and regulations, including those applicable to its major federal financial assistance programs. This report also presents the results of an audit of the University's component unit, the Foundation, which was audited by other auditors. The University's audit was conducted in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in ***Government Auditing Standards*** issued by the Comptroller General of the United States, as well as, the requirements of the Department of Examiners of Public Accounts under the authority of the ***Code of Alabama 1975***, Section 41-5A-12. The Foundation's audit was conducted in accordance with auditing standards generally accepted in the United States of America.

An unmodified opinion was issued on the basic financial statements of the University and its component unit, which means the financial statements present fairly, in all material respects, the financial positions and the results of its operations for the fiscal year ended September 30, 2025.

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

EXIT CONFERENCE

The following officials/employees were invited to an exit conference to discuss the results of this audit: Dr. Todd Fritch, President; Clete Beard, Vice-President of Financial Affairs; and Jennifer Nelson, Comptroller. The following individuals attended the exit conference: Dr. Todd Fritch, President; Clete Beard, Vice-President of Financial Affairs; and Jennifer Nelson, Comptroller. Representing the Department of Examiners of Public Accounts were Tiffany Mason, Audit Manager and Zachary Pugh and Brooke O'Rear, Examiners.

Independent Auditor's Report

Independent Auditor's Report

Dr. Todd G. Fritch, President – University of West Alabama
Livingston, Alabama 35470

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the University of West Alabama, a component unit of the State of Alabama, as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the University of West Alabama's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the University of West Alabama and the University of West Alabama Foundation, as of September 30, 2025, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the University of West Alabama Foundation, a discretely presented component unit, which represents 100% of the total assets, total net assets and revenues of the component unit. Those statements, which were prepared in accordance with the Financial Reporting Standards of the Financial Accounting Standards Board (FASB), were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the University of West Alabama Foundation, is based on the report of other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in ***Government Auditing Standards***, issued by the Comptroller General of the United States (***Government Auditing Standards***). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the University of West Alabama and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions. The financial statements of the University of West Alabama Foundation were not audited in accordance with ***Government Auditing Standards.***

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the University of West Alabama's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and ***Government Auditing Standards*** will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and ***Government Auditing Standards***, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- obtain an understanding of internal control relevant to the audit 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 University of West Alabama's internal control. Accordingly, no such opinion is expressed.

- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- ♦ conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the University of West Alabama's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (MD&A), the Schedule of the University's Proportionate Share of the Collective Net Pension Liability, the Schedule of the University's Contributions – Pension, the Schedule of the University's Proportionate Share of the Collective Net Other Postemployment Benefits (OPEB) Liability and the Schedule of the University's Contributions – Other Postemployment Benefits (OPEB) be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in the appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements of the University of West Alabama, taken as a whole. The accompanying Schedule of Expenditures of Federal Awards (Exhibit 10), as required by Title 2 U. S. ***Code of Federal Regulations*** Part 200, ***Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (****Uniform Guidance)*, is presented for the purpose of additional analysis and is also not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with ***Government Auditing Standards***, we have also issued our report dated May 4, 2026, on our consideration of the University of West Alabama's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the University of West Alabama's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with ***Government Auditing Standards*** in considering the University of West Alabama's internal control over financial reporting and compliance.

Rachel Laurie Riddle

Rachel Laurie Riddle
Chief Examiner
Department of Examiners of Public Accounts

Montgomery, Alabama

May 4, 2026

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Management's Discussion and Analysis
(Required Supplementary Information)

MANAGEMENT'S DISCUSSION AND ANALYSIS

Overview of the Financial Statements and Financial Analysis

The discussion and analysis of the University of West Alabama's financial statements provides an overview of the University's financial activities for the fiscal year ended September 30, 2025. The emphasis of this discussion will be on current year data. There are three financial statements presented: the Statement of Net Position; the Statement of Revenues, Expenses, and Changes in Net Position; and the Statement of Cash Flows.

Statement of Net Position

The Statement of Net Position presents the assets, liabilities, deferred outflows, deferred inflows, and net position of the University as of the end of the fiscal year. The Statement of Net Position is a point in time financial statement. The purpose of the Statement of Net Position is to present a fiscal snapshot of the University of West Alabama. The Statement of Net Position presents end-of-year data concerning Assets (current and noncurrent), Liabilities (current and noncurrent), and Net Position (Assets minus Liabilities). The difference between current and noncurrent assets will be discussed in the financial statement disclosures.

From the data presented, readers of the Statement of Net Position are able to determine the assets available to continue the operations of the institution. They are also able to determine how much the institution owes vendors, employees and lending institutions. Finally, the Statement of Net Position provides a picture of the net position (assets minus liabilities) and their availability for expenditure by the institution.

Net position is divided into three major categories. The first category, Net Investment in Capital Assets, provides the institution's equity in property, plant and equipment owned by the institution. The next asset category is Restricted Net Position and is divided into two subcategories, Permanently Non-expendable and Expendable for Capital Assets. Permanently non-expendable restricted net positions are available to the institution but must be spent for the purpose as determined by donors and/or external entities that placed time or purpose restrictions on the use of the assets. Expendable for Capital Projects are funds designated for deferred maintenance, renovations, or expenses associated with ongoing capital projects. The final category is unrestricted net position. Unrestricted assets are available to the institution for any appropriate purpose of the institution.

Statement of Net Position
(thousands of dollars)

	2025	2024
Assets:		
Current Assets	$115,068	$ 96,010
Capital Assets, Net	75,883	72,216
Other Noncurrent Assets	1,772	1,794
Total Assets	**192,723**	**170,020**
Deferred Outflows of Resources:		
Deferred Outflow – Pensions	9,093	13,649
Deferred Outflow – OPEB	33,041	15,340
Loss on Refinancing Bond	415	442
Total Deferred Outflows	**42,549**	**29,431**
Liabilities:		
Current Liabilities	28,788	25,127
Noncurrent Liabilities	125,106	113,971
Total Liabilities	**153,894**	**139,098**
Deferred Inflows of Resources		
Deferred Inflows – Pensions	8,650	2,408
Deferred Inflows – OPEB	15,971	21,839
Total Deferred Inflows	**24,621**	**24,247**
Net Position		
Net Investment in Capital Assets	24,476	18,194
Restricted:		
Nonexpendable:		
Scholarships, Fellowships and Loans	421	420
Expendable: Capital Projects	17,568	21,011
Unrestricted	14,292	(3,548)
Total Net Position	**$ 56,757**	**$ 36,106**

The total net position of the institution increased this year. A review of the Statement of Net Position will reveal that the increase in assets is due to construction and renovations. These projects are being funded by the Alabama Public School and College Authority (PSCA) bond as well as supplemental appropriations from the Education Trust Fund. In fiscal year 2025, the University received approximately $12 million dollars in supplemental appropriations which were designated for deferred maintenance, renovations, or expenses associated with ongoing capital projects. To provide more transparency, Expendable Capital Projects have been separated from Capital Assets.

Statement of Revenues, Expenses and Changes in Net Position

Changes in total net position, as presented on the Statement of Net Position, are based on the activity presented in the Statement of Revenues, Expenses, and Changes in Net Position. The purpose of this statement is to present the revenues received by the institution, both operating and non-operating, and the expenses paid by the institution, both operating and non-operating, and any other revenues, expenses, gains, and losses received or spent by the institution.

Generally speaking, operating revenues are received for providing goods and services to the various customers and constituencies of the institution. 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 institution.

Non-operating revenues are revenues received for which goods and services are not provided. For example, state appropriations are non-operating revenue because they are provided by the Legislature to the institution without the Legislature directly receiving commensurate goods and services for those revenues.

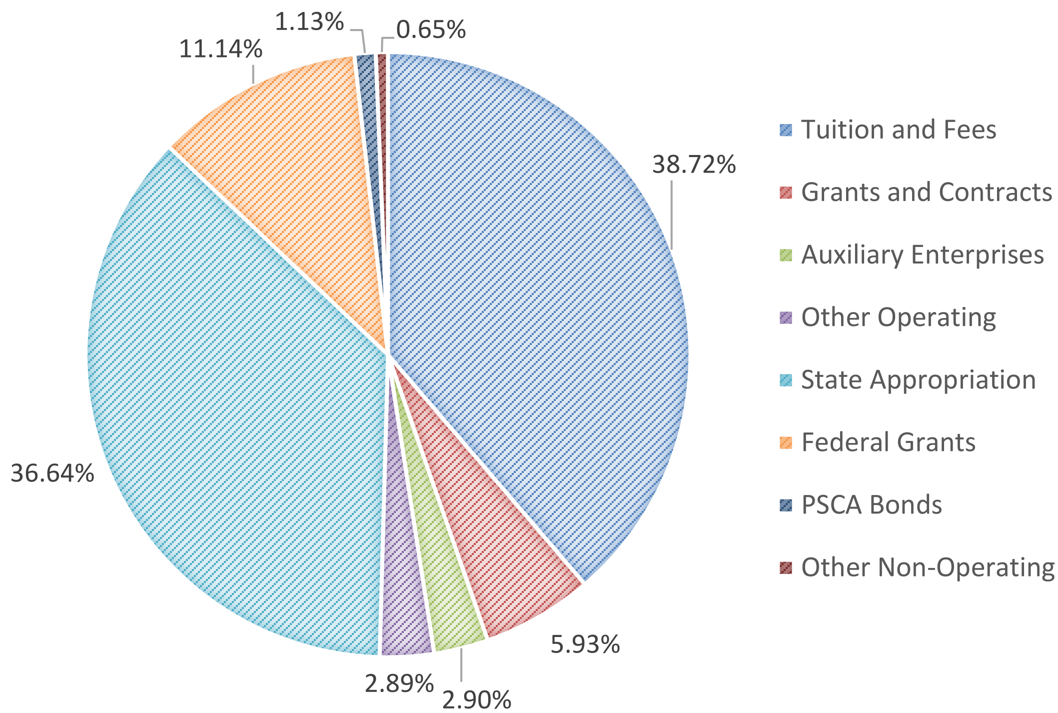
Statement of Revenues, Expenses and Changes in Net Position
(thousands of dollars)

	2025	2024
Operating Revenues	$ 60,718	$ 57,206
Operating Expenses	97,759	90,359
Operating Income (Loss)	(37,041)	(33,153)
Non-Operating Revenues and Expenses	57,686	57,988
Income Before Other Revenues, Expenses Gains or Losses	20,645	24,835
Other Revenues, Expenses, Gains or Losses	-	-
Increase (Decrease) in Net Position	20,645	24,835
Net Position at Beginning of Year, as Restated	36,112	11,271
Net Position at End of Year	$ 56,757	$ 36,106

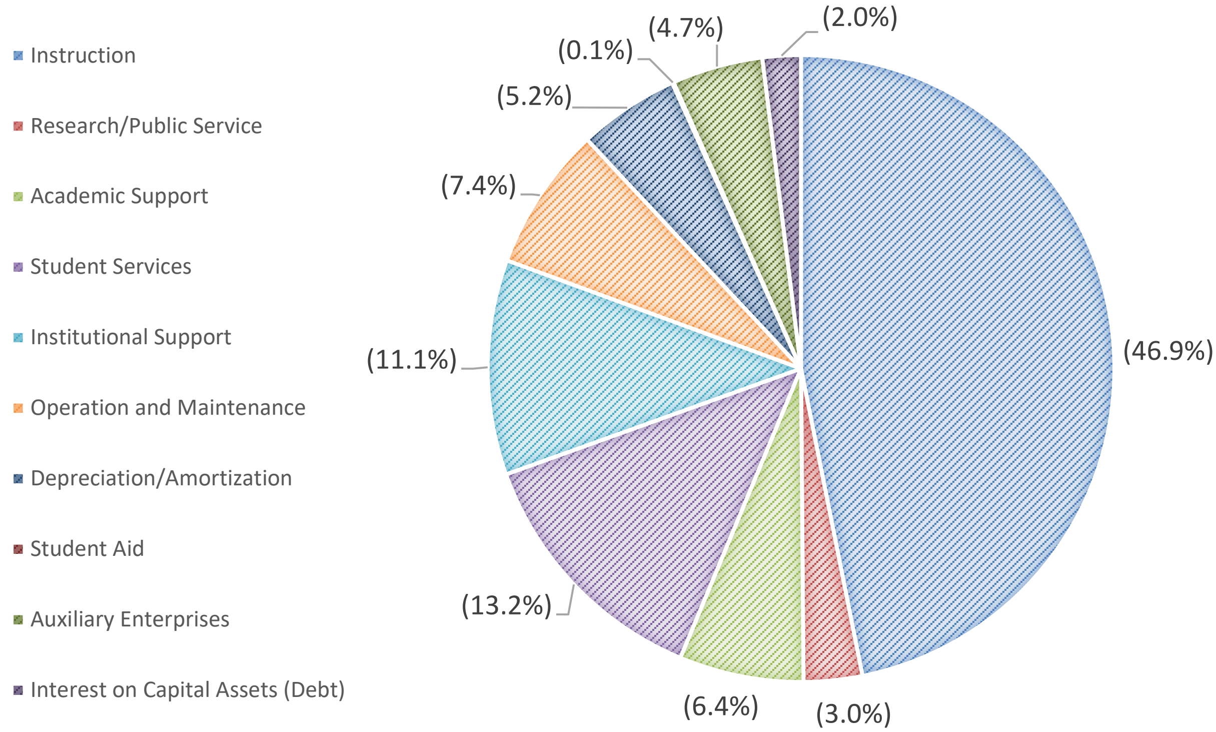
The Statement of Revenues, Expenses, and Changes in Net Position reflects an increase in net position for the year. An analysis of revenues and expenses for the fiscal year shows an increase in operating revenues generated from tuition and fees due to increased enrollment. Operating expenses also increased for the fiscal year primarily due to an increase in instructional and institutional support expenses. Increased enrollment was the primary culprit for increase in operating expenses due to our partnership with Risepoint and also increased salaries and benefits for instructional faculty.

While operating results declined slightly, non-operating revenues exceeded non-operating expenses as a result of increased state appropriations primarily for capital projects and deferred maintenance. The increase in PELL grants due to increased enrollment also aided increase in non-operating revenues. The increase in non-operating revenues led to the positive change in the institutions' net position for the year.

Some highlights of for operating and non-operating revenue sources presented on the Statement of Revenues, Expenses, and Changes in Net Position are the following:



Highlights of the expense categories, operating and non-operating, on the Statement of Revenues, Expenses, and Changes in Net Position are illustrated below:



Statement of Cash Flows

The final statement presented by The University of West Alabama is the Statement of Cash Flows. The Statement of Cash Flows presents detailed information about the cash activity of the institution during the year. The statement is divided into five parts. The first part deals with operating cash flows and shows the net cash used for the operating activities of the institution. The second section reflects cash flows from noncapital financing activities. This section reflects the cash received and spent for non-operating, non-investing, and non-capital financing purposes. The third section reflects cash flows from capital and related financing activities. This section deals with the cash used for the acquisition and construction of capital projects and related items. The fourth section reflects the cash flows from investing activities and shows the purchases, proceeds, and interest received from investing activities. The fifth section reconciles the net cash used to the operating income or loss reflected on the Statement of Revenues, Expenses, and Changes in Net Position.

Statement of Cash Flows
(thousands of dollars)

	2025	2024
Cash Provided (Used) by:		
Operating Activities	$ (26,504)	$(24,226)
Noncapital Financing Activities	57,513	57,138
Capital and Related Financing Activities	(10,308)	(11,807)
Investing Activities	(115)	(116)
Net Change in Cash	20,586	20,988
Cash, Beginning of Year	80,589	59,601
Cash, End of Year	$101,175	$ 80,589

Economic Outlook

The University continues to monitor the economic climate of the State as budgeting plans are considered. Salary compression, deferred maintenance, and increased costs will continue to affect the University's ongoing operational needs in the coming year.

Overall enrollment has increased with a majority of students online. The University's per credit hour tuition rate was frozen for an eighth consecutive year and continues to explore solutions for increasing enrollment, particularly in the area of retention. The University did see an increase in both on-campus and online students this past year. The partnership with Risepoint for online students is designed to provide a heightened focus on innovative and proven strategies to increase marketing, recruitment, and retention. This collaborative effort has helped the University more than double enrollment in online programs since the launch of that partnership.

The University experienced increased dorm occupancy and meal plan participation as well this past year. With residence halls filling up and more students opting for campus dining options, the institution benefits from a stronger sense of engagement and student life, while also facing the need to expand resources, enhance services, and ensure that facilities keep pace with growing demand.

The University continues to receive supplemental appropriations for capital projects, deferred maintenance, technology and equipment. These funds will be used for a multitude of projects across campus including a renovated student recreation center, dorm upgrades, academic building renovations, and enhanced athletic facilities.

The University is not aware of any other known facts, decisions, or conditions that are expected to have a significant effect on the financial position or results of operations during this fiscal year beyond those unknown variations having a global effect on virtually all types of business operations.

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Basic Financial Statements

Statement of Net Position
September 30, 2025

ASSETS	
Current Assets	
Cash and Cash Equivalents	$ 101,175,217.73
Accounts Receivable, Net	9,569,318.00
Deposit with Trustee	61,632.44
Short-Term Investments	4,261,399.04
Total Current Assets	115,067,567.21
Noncurrent Assets	
Long-Term Investments	1,100,000.00
Endowment Investments	420,532.70
Loans Receivable, Net	26,862.82
Other Noncurrent Assets	224,839.83
Capital Assets:	
Land	519,025.59
Buildings and Improvements	108,036,903.15
Automotive Equipment	2,101,331.94
Equipment and Furniture	6,395,336.00
Library Books	1,461,186.87
IT Subscriptions	5,831,007.74
Construction in Progress	5,440,634.52
Less: Accumulated Depreciation	(53,902,386.97)
Total Capital Assets, Net of Depreciation	75,883,038.84
Total Noncurrent Assets	77,655,274.19
Total Assets	192,722,841.40
Deferred Outflows of Resources	
Defined Benefit Pension Plans	9,093,359.44
Other Postemployment Benefit (OPEB)	33,040,647.00
Loss on Bond Refunding	414,687.82
Total Deferred Outflows of Resources	$ 42,548,694.26

The accompanying Notes to the Financial Statements are an integral part of this statement.

LIABILITIES	
Current Liabilities	
Accounts Payable and Accrued Liabilities	$ 7,349,055.67
Accrued Interest Payable	552,262.78
Unearned Revenue	15,991,795.20
Compensated Absences	796,849.17
IT Subscription Liability	1,238,880.44
Bonds Payable	1,920,061.27
Note Payable	217,503.00
Other Liabilities	722,074.69
Total Current Liabilities	28,788,482.22
Noncurrent Liabilities	
Deposit Liabilities	3,915.00
Note Payable	2,459,808.81
Bonds Payable	45,213,828.70
Compensated Absences	1,939,755.93
IT Subscription Liability	556,332.41
Net Pension Liability	43,680,000.00
Net OPEB Liability	31,251,849.00
Total Noncurrent Liabilities	125,105,489.85
Total Liabilities	153,893,972.07
Deferred Inflows of Resources	
Defined Benefit Pension Plans	8,650,000.00
Other Postemployment Benefit (OPEB)	15,970,961.00
Total Deferred Inflows of Resources	24,620,961.00
NET POSITION	
Net Investment in Capital Assets	24,476,106.80
Restricted for:	
Nonexpendable:	
Scholarships and Fellowships	420,532.70
Expendable:	
Capital Projects	17,567,812.34
Unrestricted	14,292,150.75
Total Net Position	$ 56,756,602.59

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Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended September 30, 2025

OPERATING REVENUES	
Student Tuition and Fees (Net of Scholarship Allowances of $19,265,179.85)	$ 46,602,612.38
Federal Grants and Contracts	5,701,403.09
State and Local Grants and Contracts	993,378.90
Nongovernmental Grants and Contracts	463,522.40
Other Operating Revenues	3,461,879.07
Auxiliary Enterprises:	
Sales and Services of Auxiliary (Net of Scholarship Allowances of $3,918,910.01)	3,495,104.34
Total Operating Revenues	60,717,900.18
OPERATING EXPENSES	
Instruction	46,727,465.35
Research	551,703.92
Public Service	2,458,376.91
Academic Support	6,401,398.56
Student Services	13,190,731.19
Institutional Support	11,062,975.06
Operation and Maintenance	7,405,090.95
Scholarships and Financial Aid	78,857.79
Depreciation	5,204,365.91
Auxiliary Enterprises	4,677,854.85
Total Operating Expenses	97,758,820.49
Operating Income (Loss)	(37,040,920.31)
NONOPERATING REVENUES (EXPENSES)	
State Appropriations	44,101,279.00
Federal Grants and Contracts	13,412,245.53
PSCA Bond Revenue	1,365,497.19
Investment Income	3,264.54
Interest on Capital Asset Related Debt	(1,970,175.22)
Other Nonoperating Revenues/(Expenses)	773,278.38
Net Nonoperating Revenues	57,685,389.42
Changes in Net Position	20,644,469.11
Net Position - Beginning of Year, as Previously Reported	36,106,175.82
Prior Period Adjustment	5,957.66
Net Position - End of Year, as Restated (Note 12)	36,112,133.48
Total Net Position - End of Year	$ 56,756,602.59

The accompanying Notes to the Financial Statements are an integral part of this statement.

Statement of Cash Flows
For the Year Ended September 30, 2025

CASH FLOWS FROM OPERATING ACTIVITIES	
Tuition and Fees	$ 48,838,448.10
Federal Grants and Contracts	6,668,972.38
State and Local Grants and Contracts	1,460,913.31
Nongovernmental Grants and Contracts	463,522.40
Auxiliary Activities	(1,182,750.51)
Other Receipts	2,553,856.84
Payments to Employees	(34,460,438.15)
Payments for Benefits	(15,177,440.99)
Payments to Suppliers	(31,095,898.66)
Payments for Utilities	(1,262,978.10)
Payments for Scholarships	(78,857.79)
Other Receipts (Payments)	(3,231,621.71)
Net Cash Provided (Used) by Operating Activities	(26,504,272.88)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
State Appropriations	44,101,279.00
Federal Grants and Contracts	13,412,245.53
Direct Loan Receipts	67,776,477.00
Direct Loan Disbursements	(67,776,477.00)
Net Cash Provided (Used) by Noncapital Financing Activities	57,513,524.53
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchases of Capital Assets	(8,871,072.82)
Capital Grants	1,365,497.19
Deposits with Trustees	6,475.10
Principal Paid on Capital Debt	(2,022,436.56)
Interest Paid on Capital Debt	(1,961,486.53)
Other Receipts (Payments)	1,175,063.47
Net Cash Provided (Used) by Capital and Related Financing Activities	(10,307,960.15)
CASH FLOWS FROM INVESTING ACTIVITIES	
Proceeds from Sales and Maturities of Investments	(118,615.02)
Investment Income (Loss)	3,264.54
Net Cash Provided (Used) by Investing Activities	(115,350.48)
Net Increase (Decrease) in Cash and Cash Equivalents	20,585,941.02
Cash and Cash Equivalents - Beginning of Year	80,589,276.71
Cash and Cash Equivalents - End of Year	$ 101,175,217.73

The accompanying Notes to the Financial Statements are an integral part of this statement.

Reconciliation of Net Operating Revenues (Expenses) to Net Cash Provided (Used) by Operating Activities:	
Operating Income (Loss)	$ (37,040,920.31)
Adjustments to Reconcile Net Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:	
Depreciation Expense	5,204,365.91
Changes in Assets, Deferred Outflows, Liabilities, and Deferred Inflows:	
(Increase)/Decrease in Receivables, Net	1,643,126.86
(Increase)/Decrease in Deferred Outflows	(13,144,610.00)
Increase/(Decrease) in Accounts Payable	766,448.15
Increase/(Decrease) in Unearned Revenue	1,119,790.33
Increase/(Decrease) in Compensated Absences	75,925.14
Increase/(Decrease) in Other Liabilities	(487,636.96)
Increase/(Decrease) in Net Pension and OPEB Liability	14,985,164.00
Increase/(Decrease) in Deferred Inflows	374,074.00
Net Cash Provided (Used) by Operating Activities	$ (26,504,272.88)

Consolidated Statement of Financial Position
University of West Alabama Foundation
September 30, 2025

ASSETS		
Current Assets		
Cash	$	4,101,173
Certificates of Deposit		30,479
Prepaid Expenses		16,363
Lease Receivable		2,594,922
Unconditional Promises to Give, Less Allowance for Uncollectible Promises to Give		386,937
Total Current Assets		7,129,874
Noncurrent Assets		
Long-Term Unconditional Promises to Give, Less Allowance for Uncollectible Promises to Give of Present Value Discount		592,221
Investments		10,338,115
New Markets Tax Credit Leverage Loan Receivable		5,400,338
Right-Of-Use Finance Lease, Net		19,678,838
Land and Buildings, Net		3,736,424
Total Noncurrent Assets		39,745,936
Total Assets		46,875,810
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts Payable and Accrued Expenses		25,321
Finance Lease Liability, Current Portion		24,649
Total Current Liabilities		49,970
Long-Term Liabilities		
Finance Lease Liability, Long-Term Portion		2,473,636
New Markets Tax Credit Loans Payable		23,932,000
Total Long-Term Liabilities		26,405,636
Net Assets		
Without Donor Restrictions		6,695,324
With Donor Restrictions		13,724,880
Total Net Assets		20,420,204
Total Liabilities and Net Assets	$	46,875,810

See Notes to Consolidated Financial Statements.

Consolidated Statement of Activities
University of West Alabama Foundation
For the Year Ended September 30, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue			
Contributions	$ 452,204	$ 1,649,368	$ 2,101,572
Lease Income	938,857	-	938,857
Rebates and Program	-	50,438	50,438
Grant Revenue	-	144,197	144,197
Investment Return	965,394	10,663	976,057
Other Revenue	44,883	578,687	623,570
Net Assets Released from Restrictions	3,415,200	(3,415,200)	-
Total Support and Revenue	5,816,538	(981,847)	4,834,691
Expenses			
Program Services:			
Alumni	58,098	-	58,098
Athletic	1,527,397	-	1,527,397
Academic	64,056	-	64,056
University	792,559	-	792,559
Scholarship	539,635	-	539,635
Grants	520,757	-	520,757
New Markets Tax Credits	615,245	-	615,245
Support Services:			
Management and General	270,158	-	270,158
Fundraising Expenses	13,478	-	13,478
Total Expenses	4,401,383	-	4,401,383
Change in Net Assets	1,415,155	(981,847)	433,308
Net Assets - Beginning of Year, as Previously Reported	4,317,582	14,706,727	19,024,309
Prior Period Adjustment	962,587	-	962,587
Net Assets - Beginning of Year, as Restated	5,280,169	14,706,727	19,986,896
Net Assets - Ending	$ 6,695,324	$ 13,724,880	$ 20,420,204

See Notes to Consolidated Financial Statements.

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Note 1 – Summary of Significant Accounting Policies

The financial statements of the University of West Alabama (the "University") are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies of the University are described below.

A. Reporting Entity

The University is a component unit of the State of Alabama. A component unit is a legally separate organization for which the elected officials of the primary government are financially accountable. The Governmental Accounting Standards Board (GASB) in Statement Number 14, "The Financial Reporting Entity," states that a primary government is financially accountable for a component unit if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. In this case, the primary government is the State of Alabama, and the Governor appoints the University's Board of Trustees and the Alabama Senate ratifies the appointments. In addition, the University receives a substantial portion of its funding from the State of Alabama (potential to impose a specific financial burden). Based on these criteria, the University is considered for financial reporting purposes to be a component unit of the State of Alabama.

B. Component Unit

The University of West Alabama Foundation (the "Foundation") is organized exclusively for charitable, scientific and educational purposes for the benefit of the University. Because of the significance of the relationship between the University and the Foundation, the Foundation is considered a component unit of the University. The Foundation's financial statements and accompanying notes are reported separately because of the difference in the reporting model for the Foundation. The Foundation follows the Financial Accounting Standards Board (FASB) rather than the Governmental Accounting Standards Board (GASB). As a result, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. No modifications have been made to the Foundation's financial statements for these differences.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The financial statements of the University have been prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

It is the policy of the University to first apply restricted resources when an expense is incurred and then apply unrestricted resources when both restricted and unrestricted resources are available.

The Statement of Revenues, Expenses and Changes in Net Position distinguishes between operating and nonoperating revenues. Operating revenues, such as tuition and fees, result from exchange transactions associated with the principal activities of the University. Exchange transactions are those in which each party to the transactions receives or gives up essentially equal values. Nonoperating revenues arise from exchange transactions not associated with the University's principal activities, such as investment income and from all non-exchange transactions, such as state appropriations.

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position

1. Cash, Cash Equivalents and Investments

Cash and cash equivalents include cash on hand, demand deposits and short-term investments with maturities of twelve months or less from the date of acquisition.

Statutes authorize the University to invest in the same type of instruments as allowed by Alabama law for domestic life insurance companies. This includes a wide range of investments, such as direct obligations of the United States of America, obligations issued or guaranteed by certain federal agencies, and bonds of any state, county, city, town, village, municipality, district or other political subdivision of any state or any instrumentality or board thereof or of the United States of America that meet specified criteria.

Investments are reported at fair value based on a recurring basis. Recurring fair value measurements are those that Governmental Accounting Standards Board (GASB) Statements require or permit in the Statement of Net Position at the end of each reporting period.

2. Receivables

Accounts receivable relate to amounts due from students for tuition and fees, federal grants and state grants. The receivables are shown net of allowance for doubtful accounts.

3. Capital Assets

Capital assets, other than intangibles, with a unit cost of over $5,000 and an estimated useful life in excess of one year, and all library books, are recorded at historical cost. The capitalization threshold for intangible assets (other than software) is $1 million and $100,000 for easements and land use rights and patents, trademarks and copyrights. In addition, works of art, historical treasures and similar assets are recorded at their historical cost. Donated capital assets are recorded at fair market value at the date of donation. Land and Construction In Progress are the only capital assets that are not depreciated. Depreciation is not allocated to a functional expense category. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend its life are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction period is expensed.

Maintenance and repairs are charged to operations when incurred. Betterments and major improvements which significantly increase values, change capacities or extend useful lives are capitalized. Upon the sale or retirement of fixed assets being depreciated using the straight-line method, the cost and related accumulated depreciation are removed from the respective accounts, and any resulting gain or loss is included in the results of operation.

The method of depreciation and useful lives of the capital assets are as follows:

Assets	Depreciation Method	Useful Lives
Buildings and Improvements	Straight-Line	50 years
Improvements Other Than Buildings	Straight-Line	25 years
Equipment	Straight-Line	5 – 10 years
Library Material	Straight-Line	10 years
Easements and Land Use Rights	Straight-Line	20 years
Patents, Trademarks and Copyrights	Straight-Line	20 years
IT Subscriptions	Amortized	Over the life of the Subscription

4. Deferred Outflows of Resources

Deferred outflows of resources are reported in the Statement of Net Position. Deferred outflows of resources are defined as a consumption of net assets by the government that is applicable to a future reporting period. Deferred outflows of resources increase net position, similar to assets.

5. Long-Term Obligations

Long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position. Bonds are reported net of applicable premiums and discounts. Bond premiums and discounts are amortized over the life of the bonds.

6. Compensated Absences

The Board of Trustees determines annual and sick leave policies for the University's employees. Staff and department-head employees earn and accumulate annual leave at the following rates:

Years of Employment	Number of Days Each Year	Maximum Days Accumulation
0 – 5 Years	13 days	60 days
6 – 10 Years	16.25 days	60 days
After 10 Years	19.5 days	60 days

Sick leave is earned and accumulated at a rate of one working day per month.

In accordance with GASB Statement Number 101, a liability is recognized for the employees' unused portion of annual and sick leave. Payment is not made to employees for unused sick leave at termination or retirement.

7. Deferred Inflows of Resources

Deferred inflows of resources are reported in the Statement of Net Position. Deferred inflows of resources are defined as an acquisition of net assets by the government that is applicable to a future reporting period. Deferred inflows of resources decrease net position, similar to liabilities.

8. Unearned Tuition and Fee Revenue

Tuition and fee revenues received but related to the period after September 30, 2025, have been disclosed as unearned revenues.

Fall term tuition and fees and corresponding expenses relating to the portion of the term that is within the current fiscal year are recognized as tuition revenue and operating expense. The portion of the sessions falling into the next fiscal year are recorded as unearned revenue in the statement of net position and will be recognized in the following fiscal year.

9. Net Position

Net position is required to be classified for accounting and reporting purposes into the following categories:

- ***Net Investment in Capital Assets*** – Capital assets, net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction or improvement of those assets. Any significant unspent related debt proceeds at year-end related to capital assets are not included in this calculation.

- ***Restricted:***

    - ✓ ***Nonexpendable*** – Net position subject to externally imposed stipulations that it be maintained permanently by the University. Such net position would include permanent endowment funds.

    - ✓ ***Expendable*** – Net position whose use by the University is subject to externally imposed stipulations that can be fulfilled by actions of the University pursuant to those stipulations or that expire with the passage of time. These include funds designated for deferred maintenance, renovations, and/or expenses associated with ongoing capital projects.

- ***Unrestricted*** – Net positions that are not subject to externally imposed stipulations. Unrestricted resources may be designated for specific purposes by action of management or the Board of Trustees.

10. Federal Financial Assistance Programs

The University participates in various federal programs. Federal programs are audited in accordance with Title 2 U. S. ***Code of Federal Regulations*** Part 200, ***Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards*** (*Uniform Guidance*).

11. Scholarship Allowances and Student Aid

Student tuition and fees are reported net of scholarship allowances and discounts. The amount for scholarship allowances and discounts is the difference between the stated charge for goods and services provided by the University and the amount that is paid by the student and/or third parties making payments on behalf of the student. The University uses the case-by-case method as prescribed by the National Association of College and University Business Officers (NACUBO) in their Advisory Report 2000-05 to determine the amount of scholarship allowances and discounts.

12. Pensions

The Teachers' Retirement System of Alabama (the "Plan") financial statements are prepared using the economic resources measurement focus and accrual basis of accounting. Contributions are recognized as revenues when earned, pursuant to plan requirements. Benefits and refunds are recognized as revenues when due and payable in accordance with the terms of the Plan. Expenses are recognized when the corresponding liability is incurred, regardless of when the payment is made. Investments are reported at fair value. Financial statements are prepared in accordance with requirements of the Governmental Accounting Standards Board (GASB). Under these requirements, the Plan is considered a component unit of the State of Alabama and is included in the State's Annual Comprehensive Financial Report.

13. Postemployment Benefits Other Than Pensions (OPEB)

The Alabama Retired Education Employees' Health Care Trust (the "Trust") financial statements are prepared by using the economic resources measurement focus and accrual basis of accounting. This includes for purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Trust and additions to/deductions from the Trust's fiduciary net position. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions are recognized when due pursuant to plan requirements. Benefits are recognized when due and payable in accordance with the terms of the plan. Subsequent events were evaluated by management through the date the financial statements were issued.

14. Classification of Revenues

The University has classified its revenue as either operating or nonoperating according to the following criteria:

- ***Operating Revenue*** – 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 discounts and allowance, most federal, state, local, private grants and contracts, and interest on institutional student loans.

- ***Nonoperating Revenues*** – Nonoperating revenues include activities that have the characteristics of nonexchange transactions, such as gifts and contributions, and other revenue sources that are defined as nonoperating revenues. In accordance with GASB Statement Number 35, certain significant revenues on which the University relies to support its operational mission are required to be recorded as nonoperating revenues. These revenues include state appropriations, private gifts, federal Pell grants and investments income, including realized and unrealized gains and losses on investments.

Grants and Contracts Revenue

The University receives sponsored funds from governmental and private sources. Revenues from these projects are recognized in accordance with GASB Statement Number 33, ***Accounting and Financial Reporting for Nonexchange Transactions***, based on the terms of the individual grant or contract. Pell grants are recorded as nonoperating revenues in the accompanying Statement of Revenues, Expenses, and Changes in Net Position.

Auxiliary Revenues

Sales and services of auxiliary enterprises primarily consist of revenues generated by housing, dining, printing and motor pool operations which are substantially self-supporting activities that primarily provide services to students, faculty, administrative and professional employees and staff.

Note 2 – Deposits and Investments

A. Deposits

The University's deposits at year-end were held by financial institutions in the State of Alabama's Security for Alabama Funds Enhancement (SAFE) Program. The SAFE Program was established by the Alabama Legislature and is governed by the provisions contained in the ***Code of Alabama 1975***, Sections 41-14A-1 through 41-14A-14. Under the SAFE Program, all public funds are protected through a collateral pool administered by the Alabama State Treasurer's Office. Under this program, financial institutions holding deposits of public funds must pledge securities as collateral against those deposits. In the event of failure of a financial institution, securities pledged by that financial institution would be liquidated by the State Treasurer to replace the public deposits not covered by the Federal Deposit Insurance Corporation (FDIC). If the securities pledged fail to produce adequate funds, every institution participating in the pool would share the liability for the remaining balance. The Statement of Net Position classification "cash and cash equivalents" includes all readily available cash such as petty cash and demand deposits.

B. Investments

Investments, as shown on the Statement of Net Position, include non-negotiable certificates of deposit and savings accounts in the amount of $5,781,931.74. However, they are considered deposits in the context of this disclosure and are not subject to risk categorization. Certificates of deposit and commercial paper are measured using cost-based measures as provided by GASB Statement Number 31.

C. Deposits with Trustees

At September 30, 2025, the University held $61,632.44 on deposit with the trustee, invested in the trustee's interest-bearing construction demand deposit account with The Bank of New York Mellon, in connection with the Series 2018 bond.

The Funds are consistently rated AA by Standard and Poor's and A3 by Moody's.

Note 3 – Receivables

Receivables are reported net of uncollectible amounts and are summarized as follows:

Accounts Receivable:	
Student	$11,146,090.70
Federal	1,319,165.69
State	226,709.86
Other	908,022.23
Less: Allowance for Doubtful Accounts	(4,030,670.48)
Total Accounts Receivable	9,569,318.00
Student Loans Receivables:	
Noncurrent	26,862.82
Total Student Loans Receivables	26,862.82
Total Receivables, Net	$ 9,596,180.82

Note 4 – Capital Assets

Capital asset activity for the year ended September 30, 2025, was as follows:

	Beginning Balance	Additions	Deductions	Reclassification/ Adjustments	Ending Balance
Land	$ 519,025.59	$	$	$	$ 519,025.59
Buildings	94,815,467.14	3,511.70	(9,245.94)	13,227,170.25	108,036,903.15
Automotive Equipment	2,148,944.90	186,877.50	(234,490.46)		2,101,331.94
Equipment	6,192,482.00	475,367.00	(272,513.00)		6,395,336.00
Construction in Progress	11,425,283.77	7,242,521.00		(13,227,170.25)	5,440,634.52
Library Collections	2,196,714.65	23,425.86	(758,953.64)		1,461,186.87
IT Subscriptions	4,868,212.12	962,795.62			5,831,007.74
Total	122,166,130.17	8,894,498.68	(1,275,203.04)		129,785,425.81
Less: Accumulated Depreciation:					
Buildings	38,587,129.14	2,944,295.40	(9,245.94)		41,522,178.60
Automotive Equipment	1,899,051.51	111,283.28	(234,490.46)		1,775,844.33
Equipment	4,643,725.22	738,537.88	(272,513.00)		5,109,750.10
Library Collections	2,181,012.82	9,265.69	(758,953.64)		1,431,324.87
IT Subscriptions	2,638,879.55	1,424,409.52			4,063,289.07
Total Accumulated Depreciation	49,949,798.24	5,227,791.77	(1,275,203.04)		53,902,386.97
Capital Assets, Net	$ 72,216,331.93	$3,666,706.91	$	$	$ 75,883,038.84

Note 5 – Defined Benefit Pension Plan

A. Plan Description

The Teacher's Retirement System of Alabama (TRS), a cost-sharing multiple-employer public employee retirement plan (the "Plan"), was established as of September 15, 1939, pursuant to the ***Code of Alabama 1975***, Section 16-25-1 through Section 16-25-34 (Act Number 419, Acts of Alabama), for the purpose of providing retirement allowances and other specified benefits for qualified persons employed by State-supported educational institutions. The responsibility for the general administration and operation of the TRS is vested in its Board of Control which consists of 15 trustees. The Plan is administered by the Retirement Systems of Alabama (RSA). The ***Code of Alabama 1975***, Section 16-25-2, grants the authority to establish and amend the benefit terms to the TRS Board of Control. The Plan issues a publicly available financial report that can be obtained at www.rsa-al.gov.

B. Benefits Provided

State law establishes retirement benefits as well as death and disability benefits and any ad hoc increase in postretirement benefits for the TRS. Benefits for TRS members vest after 10 years of creditable service. TRS members who retire after age 60 with 10 years or more of creditable service or with 25 years of service (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 a formula method, with the member receiving payment under the method that yields the highest monthly benefit. Under the formula method, members of the TRS are allowed 2.0125% of their average final compensation (highest 3 of the last 10 years) for each year of service.

Act Number 2012-377, Acts of Alabama, 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 62 with 10 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 formula method. Under the formula method, Tier 2 members of the TRS are allowed 1.65% of their average final compensation (highest 5 of the last 10 years) for each year of service up to 80% of their average final compensation.

Act Number 2022-222, Acts of Alabama, provides that any Tier 2 member who withdraws from service after the completion of at least 30 years of creditable service is entitled to an annual retirement benefit.

Act Number 2019-316, Acts of Alabama, established the Partial Lump Sum Option Plan (PLOP) in addition to the annual service retirement benefit payable for life for Tier 1 and Tier 2 members of the TRS and ERS. A member can elect to receive a one-time lump sum distribution at the time that they receive their first monthly retirement benefit payment. The member's annual retirement benefit is then actuarially reduced based on the amount of the PLOP distribution which is not to exceed the sum of 24 months of the maximum monthly retirement benefit that the member could receive. Members are eligible to receive a PLOP distribution if they are eligible for a service retirement benefit as defined above from the TRS or ERS on or after October 1, 2019. A TRS or ERS member who receives an annual disability retirement benefit or who has participated in the Deferred Retirement Option Plan (DROP) is not eligible to receive a PLOP distribution.

Members are eligible for disability retirement if they have 10 years of creditable service, are currently in-service, and determined by the RSA Medical Board to be permanently incapacitated from further performance of duty. Preretirement death benefits, equal to the annual earnable compensation of the member as reported to the Plan for the preceding year ending June 30th, are paid to a qualified beneficiary.

C. Contributions

Covered Tier 1 members of the TRS contributed 5% of earnable compensation to the TRS as required by statute until September 30, 2011. From October 1, 2011 to September 30, 2012, covered members of the TRS were required by statute to contribute 7.25% of earnable compensation. Effective October 1, 2012, covered members of the TRS are required by statute to contribute 7.50% of earnable compensation. Certified law enforcement, correctional officers, and firefighters of the TRS contributed 6% of earnable compensation as required by statute until September 30, 2011. From October 1, 2011 to September 30, 2012, certified law enforcement, correctional officers, and firefighters of the TRS were required by statute to contribute 8.25% of earnable compensation. Effective October 1, 2012, certified law enforcement, correctional officers, and firefighters of the TRS are required by statute to contribute 8.50% of earnable compensation.

Effective October 1, 2021, the covered Tier 2 members contribution rate increased from 6.0% to 6.2% of earnable compensation to the TRS as required by statute. Effective October 1, 2021, the covered Tier 2 certified law enforcement, correctional officers, and firefighters' contribution rate increased from 7.0% to 7.2% of earnable compensation to the TRS as required by statute. These Tier 2 members contribution rate increases were a result of Act Number 2021-537, Acts of Alabama, which allows sick leave conversion for Tier 2 members.

Participating employers' contractually required contribution rate for the year ended September 30, 2024, was 13.57% of annual pay for Tier 1 members and 12.60% of annual pay for Tier 2 members. These required contribution rates are a percent of annual payroll, actuarially determined as an amount that, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, with an additional amount to finance any unfunded accrued liability. Total employer contributions to the pension plan from the University were $4,105,686.03 for the year ended September 30, 2025.

D. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At September 30, 2025, the University reported a liability of $43,680,000.00 for its proportionate share of the collective net pension liability. The collective net pension liability was measured as of September 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of September 30, 2023. The University's proportion of the collective net pension liability was based on the employers' shares of contributions to the pension plan relative to the total employer contributions of all participating TRS employers. At September 30, 2024, the University's proportion was 0.335793%, which was a decrease of 0.000421% from its proportion measured as of September 30, 2023.

For the year ended September 30, 2025, the University recognized a pension expense of $4,984,000.00. At September 30, 2025 the University reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$4,344,000	$ 315,000
Changes of assumptions	670,000	
Net difference between projected and actual earnings on pension plan investments		7,163,000
Changes in proportion and differences between Employer contributions and proportionate share of contributions		1,184,000
Employer contributions subsequent to the measurement date	4,106,000	
Total	$9,120,000	$8,662,000

The $4,106,000.00 reported as deferred outflows of resources related to pensions resulting from the University contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending September 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ending:	
September 30, 2026	$ (595,000)
2027	$ 1,623,000
2028	$(2,438,000)
2029	$(2,238,000)
2030	$ 0
Thereafter	$ 0

E. Actuarial Assumptions

The total pension liability as of September 30, 2024, was determined by an actuarial valuation as of September 30, 2023, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Investment Rate of Return (*)	7.45%
Projected Salary Increases	3.25%-5.00%

(*) Net of pension plan investment expense

The actuarial assumptions used in actuarial valuation as of September 30, 2023, were based on the results of an investigation of the economic and demographic experience for the TRS based upon participant data as of September 30, 2020. The Board of Control accepted and approved these changes in September 2021, which became effective at the beginning of fiscal year 2021.

Mortality rates were based on the Pub-2010 Teachers tables with the following adjustments, projected generationally using scale MP-2020 adjusted by 66-2/3% beginning with year 2019:

Group	Membership Table	Set Forward (+)/ Setback (-)	Adjustment to Rates
Service Retirees	Teacher Retiree – Below Median	Male: +2, Female: +2	Male: 108% ages <63, 96% ages > 67; Phasing down 63-67 Female: 112% ages <69, 98%>age 74; Phasing down 69-74
Beneficiaries	Contingent Survivor Below Median	Male: +2, Female: None	None
Disabled Retirees	Teacher Disability	Male: +8, Female: +3	None

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimates of geometric real rates of return for each major asset class are as follows:

Asset Class	Target Allocation	Long-Term Expected Rate of Return (*)
Fixed Income	15.00%	2.80%
U. S. Large Stocks	32.00%	8.00%
U. S. Mid Stocks	9.00%	10.00%
U. S. Small Stocks	4.00%	11.00%
International Developed Market Stocks	12.00%	9.50%
International Emerging Market Stocks	3.00%	11.00%
Alternatives	10.00%	9.00%
Real Estate	10.00%	6.50%
Cash Equivalents	5.00%	1.50%
Total	100.00%	

(*) Includes assumed rate of inflation of 2.00%.

F. Discount Rate

The discount rate used to measure the total pension liability was 7.45%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that the employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, components of the pension plan's fiduciary net position were projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

G. Sensitivity of the University's Proportionate Share of the Collective Net Pension Liability to Changes in the Discount Rate

The following table presents the University's proportionate share of the collective net pension liability calculated using the discount rate of 7.45%, as well as what the University's proportionate share of the collective net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.45%) or 1-percentage point higher (8.45%) than the current rate:

	1% Decrease (6.45%)	Current Discount Rate (7.45%)	1% Increase (8.45%)
University's Proportionate Share of Collective Net Pension Liability	$60,734,000	$43,680,000	$29,326,000

H. Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued RSA Annual Comprehensive Financial Report for the fiscal year ended September 30, 2024. The supporting actuarial information is included in the GASB Statement Number 67 Report for the TRS prepared as of September 30, 2024. The auditor's report on the Schedule of Employer Allocations and Pension Amounts by Employer and accompanying notes detail by employer and in aggregate information needed to comply with GASB Statement Number 68. The additional financial and actuarial information is available at http://www.rsa-al.gov/index.php/employers/financial-reports/gasb-68-reports/.

Note 6 – Other Postemployment Benefits (OPEB)

A. Plan Description

The Alabama Retired Education Employees' Health Care Trust (the "Trust") is a cost-sharing multiple-employer defined benefit postemployment healthcare plan that administers healthcare benefits to the retirees of participating state and local educational institutions. The Trust was established under the Alabama Retiree Health Care Funding Act of 2007 which authorized and directed the Public Education Employees' Health Insurance Board (PEEHIB) to create an irrevocable trust to fund postemployment healthcare benefits to retirees participating in the Public Education Employee's Health Insurance Plan (PEEHIP). Active and retiree health insurance benefits are paid through PEEHIP. In accordance with GASB, the Trust is considered a component unit of the State of Alabama (the "State") and is included in the State's Annual Comprehensive Financial Report.

The PEEHIP was established in 1983 pursuant to the provisions of the ***Code of Alabama 1975***, Section 16-25A-4, (Act Number 83-455, Acts of Alabama) to provide a uniform plan of health insurance for active and retired employees of state and local educational institutions which provide instruction at any combination of grades K-14 (collectively, eligible employees), and to provide a method for funding the benefits related to the plan. The four-year universities participate in the plan with respect to their retired employees and are eligible and may elect to participate in the plan with respect to their active employees. Responsibility for the establishment of the health insurance plan and its general administration and operations is vested in the PEEHIB. The PEEHIB is a corporate body for purposes of management of the health insurance plan. The ***Code of Alabama 1975***, Section 16-25A-4, provides the PEEHIB with the authority to amend the benefit provisions in order to provide reasonable assurance of stability in future years for the plan. All assets of the Trust are held in trust for the payment of health insurance benefits. The Teachers' Retirement System of Alabama (TRS) has been appointed as the administrator of the PEEHIP and, consequently, serves as the administrator of the Trust.

B. Benefits Provided

PEEHIP offers a basic hospital medical plan to active members and non-Medicare eligible retirees. Benefits include inpatient hospitalization for a maximum of 365 days without a dollar limit, inpatient rehabilitation, outpatient care, physician services, and prescription drugs.

Active employees and non-Medicare eligible retirees who do not have Medicare eligible dependents can enroll in a health maintenance organization (HMO) in lieu of the basic hospital medical plan. The HMO includes hospital medical benefits, dental benefits, vision benefits, and an extensive formulary. However, participants in the HMO are required to receive care from a participating physician in the HMO plan.

The PEEHIP offers four optional plans (Hospital Indemnity, Cancer, Dental, and Vision) that may be selected in addition to or in lieu of the basic hospital medical plan or HMO. The Hospital Indemnity Plan provides a per-day benefit for hospital confinement, maternity, intensive care, cancer, and convalescent care. The Cancer Plan covers cancer disease only and benefits are provided regardless of other insurance. Coverage includes a per-day benefit for each hospital confinement related to cancer. The Dental Plan covers diagnostic and preventative services, as well as basic and major dental services. Diagnostic and preventative services include oral examinations, teeth cleaning, x-rays, and emergency office visits. Basic and major services include fillings, general aesthetics, oral surgery not covered under a Group Medical Program, periodontics, endodontics, dentures, bridgework, and crowns. Dental services are subject to a maximum of $1,250 per year for individual coverage and $ 1,000 per person per year for family coverage. The Vision Plan covers annual eye examinations, eyeglasses, and contact lens prescriptions.

PEEHIP members may opt to elect the PEEHIP Supplemental Plan as their hospital medical coverage in lieu of the PEEHIP Hospital Medical Plan. The PEEHIP Supplemental Plan provides secondary benefits to the member's primary plan provided by another employer. Only active and non-Medicare retired members and covered dependents are eligible to enroll in the PEEHIP Supplemental Medical Plan. There is no premium required for this plan, and the plan covers most out-of-pocket expenses not covered by the primary plan. Members who are enrolled in the PEEHIP Hospital Medical Plan (Group 14000), VIVA Health Plan (offered through the Public Education Employee’s Health Insurance Fund (PEEHIF)), Marketplace (Exchange) Plans, Alabama State Employees Insurance Board (SEIB), Local Government Health Insurance Board (LGB), Medicare, Medicaid, ALL Kids, Tricare, or Champus as their primary coverage, or are enrolled in a Health Savings Account (HSA) or Health Reimbursement Arrangement (HRA), are not eligible to enroll in the PEEHIP Supplemental Plan. The Plan cannot be used as a supplement to Medicare. Retired members who become eligible for Medicare are eligible to enroll in the PEEHIP Group Medicare Advantage (PPO) Plan or the Optional Coverage Plans.

Effective January 1, 2023, United Health Care (UHC) Group replaced the Humana contract for Medicare eligible retirees and Medicare eligible dependents of retirees. The Medicare Advantage and Prescription Drug Plan (MAPDP) is fully insured by UHC, and members are able to have all of their Medicare Part A (hospital insurance), Part B (medical insurance), and Part D (prescription drug coverage) in one convenient plan. With the UHC plan for PEEHIP, retirees can continue to see their same providers with no interruption and see any doctor who accepts Medicare on a national basis. Retirees have the same benefits in and out-of-network and there is no additional retiree cost share if a retiree uses an out-of-network provider and no balance billing from the provider.

C. Contributions

The ***Code of Alabama 1975***, Section 16-25A-8 and the ***Code of Alabama 1975***, Section 16-25A-8.1, provide the PEEHIB with the authority to set the contribution requirements for plan members and the authority to set the employer contribution requirements for each required class, respectively. Additionally, the PEEHIB is required to certify to the Governor and the Legislature, the amount, as a monthly premium per active employee, necessary to fund the coverage of active and retired member benefits for the following fiscal year. The Legislature then sets the premium rate in the annual appropriation bill.

For employees who retired after September 30, 2005, but before January 1, 2012, the employer contribution of the health insurance premium set forth by the PEEHIB for each retiree class is reduced by 2% for each year of service less than 25 and increased by 2% for each year of service over 25 subject to adjustment by the PEEHIB for changes in Medicare premium costs required to be paid by a retiree. In no case does the employer contribution of the health insurance premium exceed 100% of the total health insurance premium cost for the retiree.

For employees who retired after December 31, 2011, the employer contribution to the health insurance premium set forth by the PEEHIB for each retiree class is reduced by 4% for each year of service less than 25 and increased by 2% for each year over 25, subject to adjustment by the PEEHIB for changes in Medicare premium costs required to be paid by a retiree. In no case does the employer contribution of the health insurance premium exceed 100% of the total health insurance premium cost for the retiree. For employees who retired after December 31, 2011, who are not covered by Medicare, regardless of years of service, the employer contribution to the health insurance premium set forth by the PEEHIB for each retiree class is reduced by a percentage equal to 1% multiplied by the difference between the Medicare entitlement age and the age of the employee at the time of retirement as determined by the PEEHIB. This reduction in the employer contribution ceases upon notification to the PEEHIB of the attainment of Medicare coverage.

D. OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At September 30, 2025, the University reported a liability of $31,251,849.00 for its proportionate share of the collective net OPEB liability. The collective net OPEB liability was measured as of September 30, 2024 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of September 30, 2023. The University’s proportion of the collective net OPEB liability was based on the University’s share of contributions to the OPEB plan relative to the total employer contributions of all participating PEEHIP employers. At September 30, 2024, the University’s proportion was 0.33993510%, which was an increase of 0.01250573% from its proportion measured as of September 30, 2023.

For the year ended September 30, 2025, the University recognized OPEB income of $2,049,124.00 with no special funding situations. At September 30, 2025 the University reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$14,574,585	$ 6,745,008
Changes of assumptions	10,762,909	4,421,631
Net difference between projected and actual earnings on OPEB plan investments		771,035
Changes in proportion and differences between Employer contributions and proportionate share of contributions	7,043,657	4,033,287
Employer contributions subsequent to the measurement date	659,496	
Total	$33,040,647	$15,970,961

The $659,496.00 reported as deferred outflows of resources related to OPEB resulting from the University's contributions subsequent to the measurement date will be recognized as a reduction of the Net OPEB liability in the year ending September 30, 2026.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the OPEB will be recognized in OPEB expense as follows:

Year Ending:	
September 30, 2026	$3,644,422
2027	$2,856,751
2028	$1,220,957
2029	$2,959,093
2030	$4,402,781
Thereafter	$1,326,186

E. Actuarial Assumptions

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

Inflation	2.50%
Projected Salary Increases (1)	3.25% - 5.00%
Long-Term Investment Rate of Return (2)	7.00%
Municipal Bond Index Rate at the Measurement Date	3.89%
Municipal Bond Index Rate at the Prior Measurement Date	4.53%
Year Fiduciary Net Position (FNP) is Projected to be Depleted	2040
Single Equivalent Interest Rate at Measurement Date	4.32%
Single Equivalent Interest Rate at Prior Measurement Date	7.00%
Healthcare Cost Trend Rate:	
Pre-Medicare Eligible	6.75%
Medicare Eligible	(**)
Ultimate Trend Rate:	
Pre-Medicare Eligible	4.50% in 2033 FYE
Medicare Eligible	4.50% in 2033 FYE

(1) Includes 2.75% wage inflation.
(2) Compounded annually, net of investment expense, and including inflation.
(**) Initial Medicare claims are set based on renewal premium rates through calendar year 2025 with an assumed 0% increase for the upcoming 2026-2028 negotiation period.

The rates of mortality are based on the Pub-2010 Public Mortality Plans Mortality Tables, adjusted generationally based on scale MP-2020, with an adjustment of 66-2/3% to the table beginning in year 2019. The mortality rates are adjusted forward and/or back depending on the plan and group covered, as shown in the table below.

Group	Membership Table	Set Forward (+)/ Setback (-)	Adjustment to Rates
Active Members	Teacher Employee – Below Median	None	65%
Service Retirees	Teacher – Below Median	Male: +2 Female: +2	Male: 108% ages < 63, 96% ages > 67; Phasing down 63 - 67 Female: 112% ages < 69 98% > age 74 Phasing down 69-74
Disabled Retirees	Teacher Disability	Male: +8 Female: +3	None
Beneficiaries	Teacher Contingent Survivor Below Median	Male: +2 Female: None	None

The decremental assumptions used in the valuation were selected based on the actuarial experience study prepared as of September 30, 2020, submitted to and adopted by the Teachers' Retirement System of Alabama Board on September 13, 2021.

The remaining actuarial assumptions (e.g., initial per capita costs, health care cost trends, rate of plan participation, rates of plan election, etc.) were based on the September 30, 2023, valuation.

The long-term expected return on plan assets is to be reviewed as part of regular experience studies prepared every five years, in conjunction with similar analysis for the Teachers' Retirement System of Alabama. Several factors should be considered in evaluating the long-term rate of return assumption, including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation), as developed for each major asset class. These ranges should be combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The assumption is intended to be a long-term assumption and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

The long-term expected rate of return on the OPEB plan investments is determined based on the allocation of assets by asset class and by the mean and variance of real returns.

The target asset allocation and best estimates of expected geometric real rates of return for each major asset class is summarized below:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (*)
Fixed Income	30.00%	4.40%
U. S. Large Stocks	38.00%	8.00%
U. S. Mid Stocks	8.00%	10.00%
U. S. Small Stocks	4.00%	11.00%
International Developed Market Stocks	15.00%	9.50%
Cash	5.00%	1.50%
Total	100.00%	

(*) Geometric mean, includes 2.5% inflation.

F. Discount Rate

The discount rate, also known as the Single Equivalent Interest Rate (SEIR), as described by GASB Statement Number 74, used to measure the total OPEB liability at September 30, 2024, was 4.32%. Premiums paid to the Public Education Employees' Health Insurance Board for active employees shall include an amount to partially fund the cost of coverage for retired employees. The projection of cash flows used to determine the discount rate assumed that plan contributions will be made at the current contribution rates. Each year, the State specifies the monthly employer rate that participating school systems must contribute for each active employee. Currently, the monthly employer rate is $800 per non-university active member. Approximately, 9.751% of the employer contributions were used to assist in funding retiree benefit payments in 2024, and it is assumed that the 9.751% will increase or decrease at the same rate as expected benefit payments for the closed group with a cap of 20.00%. It is assumed the $800 rate will remain flat until, based on budget projections, it increases to $904 in fiscal year 2026, $1,114 in fiscal year 2027, and then will increase with inflation at 2.50% starting in 2028. Retiree benefit payments for University members are paid by the Universities and are not included in the cash flow projections. The discount rate determination will use a municipal bond rate to the extent the trust is projected to run out of money before all benefits are paid. Therefore, the projected future benefit payments for all current plan members are projected through 2122.

G. Sensitivity of the University's Proportionate Share of the Collective Net OPEB Liability to Changes in the Healthcare Cost Trend Rates and in the Discount Rates

The following table presents the University's proportionate share of the collective net OPEB liability of the Trust calculated using the current healthcare trend rate, as well as what the collective net OPEB liability would be if calculated using one percentage point lower or one percentage point higher than the current rate:

	1% Decrease (5.57% Decreasing to 3.50% for Pre-Medicare and Known Decreasing to 3.50% for Medicare Eligible)	Current Healthcare Trend Rate (6.75% Decreasing to 4.50% for Pre-Medicare and Known Decreasing to 4.50% for Medicare Eligible)	1% Increase (7.75% Decreasing to 5.50% for Pre-Medicare and Known Decreasing to 5.50% for Medicare Eligible)
University's proportionate share of the collective net OPEB liability	$25,139,470	$31,251,849	$39,133,769

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

	1% Decrease (3.32%)	Current Discount Rate (4.32%)	1% Increase (5.32%)
University's proportionate share of the collective net OPEB liability	$37,963,783	$31,251,849	$25,888,279

H. OPEB Plan Fiduciary Net Position

Detailed information about the OPEB plan's Fiduciary Net Position is located in the Trust's financial statements for the fiscal year ended September 30, 2024. The supporting actuarial information is included in the GASB Statement Number 74 Report for PEEHIP prepared as of September 30, 2024. Additional financial and actuarial information is available at www.rsa-al.gov.

Note 7 – Construction and Other Significant Commitments

As of September 30, 2025, the University had been awarded approximately $5,623,237.14 in contracts and grants on which performance had not been accomplished, and funds had not been received. These awards, which represent commitments of sponsors to provide funds for specific purposes, have not been reflected in the financial statements.

The University has several construction projects, as shown on the table below, which were not completed or final payment made as of September 30, 2025.

Project	Estimated Construction Costs	Current Expenditures	Amounts Remaining
Homer Fieldhouse	$ 4,301,000.00	$3,259,576.83	$ 1,041,423.17
Foust Hall	1,535,000.00	154,273.68	1,380,726.32
Paving Projects	1,750,691.03		1,750,691.03
Student Rec	20,037,450.83		20,037,450.83
Campus School Reroof	294,000.00		294,000.00
Total	$27,918,141.86	$3,413,850.51	$24,504,291.35

Note 8 – Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities represent amounts due at September 30, 2025, for goods and services received prior to the end of the fiscal year.

Accounts Payable	$4,523,651.52
Grant Scholarships Payable	22,657.50
Salaries and Wages	1,865,761.71
Benefits	601,541.93
Other Accrued Liability	335,443.01
Total Accounts Payable and Accrued Liabilities	$7,349,055.67

Note 9 – Long-Term Liabilities

Long-term liabilities activity for the year ended September 30, 2025, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Bonds Payable:					
2012 Series	$ 19,550,000.00	$	$ 755,000.00	$ 18,795,000.00	$ 790,000.00
2018 Series	6,105,000.00		215,000.00	5,890,000.00	235,000.00
2020 Series	20,545,000.00		840,000.00	19,705,000.00	870,000.00
Bond Premiums	2,910,443.74		166,553.77	2,743,889.97	25,061.27
Total Bonds Payable	49,110,443.74		1,976,553.77	47,133,889.97	1,920,061.27
Other Liabilities:					
Notes Payable	2,889,748.37		212,436.56	2,677,311.81	217,503.00
IT Subscription Liability	2,282,849.81	981,398.62	1,469,035.58	1,795,212.85	1,238,880.44
Compensated Absences	2,660,679.96	75,925.14		2,736,605.10	796,849.17
Net Pension Liability	53,653,000.00		9,973,000.00	43,680,000.00	
Net OPEB Liability	6,293,685.00	24,958,164.00		31,251,849.00	
Total Other Liabilities	67,779,963.14	26,015,487.76	11,654,472.14	82,140,978.76	2,253,232.61
Total Long-Term Liabilities	$116,890,406.88	$26,015,487.76	$13,631,025.91	$129,274,868.73	$4,173,293.88

The General Fee Revenue Bonds were issued July 2012 by the Board of Trustees to provide funds for the construction and/or renovation of various administrative, office and classroom facilities.

The General Fee Revenue Bonds were issued December 2018 by the Board of Trustees to provide funds for an energy service project to reduce the energy and operational cost for the University.

The General Fee Revenue Bonds were issued March 2020 by the Board of Trustees to refinance the General Fee Revenue Bond Series 2010B and provide funds for deferred maintenance cost for the University.

A trustee holds sinking fund deposits, including earnings on investments of these deposits. Revenue from student tuition and fees sufficient to pay the annual debt service are pledged to secure the bonds.

Principal and interest maturity requirements on bond debt are as follows:

	Revenue Bonds		
Fiscal Year	Principal	Interest	Total
2025-2026	$ 1,895,000.00	$ 1,841,575.00	$ 3,736,575.00
2026-2027	1,995,000.00	1,757,050.00	3,752,050.00
2027-2028	2,105,000.00	1,659,275.00	3,764,275.00
2028-2029	2,215,000.00	1,563,125.00	3,778,125.00
2029-2030	2,330,000.00	1,481,105.00	3,811,105.00
2030-2031	2,450,000.00	1,378,405.00	3,828,405.00
2031-2032	2,560,000.00	1,273,592.50	3,833,592.50
2032-2033	2,680,000.00	1,166,505.00	3,846,505.00
2033-2034	2,805,000.00	1,055,830.00	3,860,830.00
2034-2035	2,955,000.00	949,012.00	3,904,012.00
2035-2036	3,090,000.00	825,912.00	3,915,912.00
2036-2037	3,235,000.00	694,312.00	3,929,312.00
2037-2038	3,385,000.00	559,012.00	3,944,012.00
2038-2039	3,550,000.00	414,712.00	3,964,712.00
2039-2040	3,025,000.00	275,112.00	3,300,112.00
2040-2041	3,150,000.00	146,112.00	3,296,112.00
2041-2042	965,000.00	52,933.00	1,017,933.00
Total	$44,390,000.00	$17,093,579.50	$61,483,579.50

During fiscal year 2021, the University entered into a note payable in order to renovate Tiger Stadium. The note is financed with West Alabama Bank at an interest rate of 2.19%. The note payable requires annual payments of $276,930.19 and matures in April 2036. At September 30, 2025, the principal balance on this note was $2,677,311.81.

Principal and interest maturity requirements on notes payable are as follows:

	Notes Payable		
Fiscal Year	Principal	Interest	Total
2025-2026	$ 217,503.08	$ 59,427.11	$ 276,930.19
2026-2027	222,332.56	54,597.63	276,930.19
2027-2028	227,133.21	49,796.98	276,930.19
2028-2029	232,312.57	44,617.62	276,930.19
2029-2030	237,470.88	39,459.31	276,930.19
2030-2031	242,743.72	34,186.47	276,930.19
2031-2032	248,054.75	28,875.44	276,930.19
2032-2033	253,641.49	23,288.70	276,930.19
2033-2034	259,273.39	17,656.80	276,930.19
2034-2035	265,030.34	11,899.85	276,930.19
2035-2036	271,815.82	6,031.55	277,847.37
Total	$2,677,311.81	$369,837.46	$3,047,149.27

Bond Premiums, Prepaid Insurance, and Loss

The University has a bond premium and prepaid insurance costs in connection with the issuance of its Series 2018 General Fee Revenue Bonds. The University has a bond premium, prepaid insurance costs, as well as a loss on refinancing in connection with the issuance of its Series 2020 General Fee Revenue Bonds. The bond premiums, prepaid insurance costs, and loss on refinancing are being amortized using the straight-line method over the life of the bonds.

Pledged Revenues

The University has pledged General Fee Revenue for the payment of debt service on the General Fee Revenue Bonds, Series 2012. The approximate amount of the pledge is $26,858,567.00. The debt was issued to provide funds for the construction and/or renovation of various administrative offices and classroom facilities. The pledged revenue will not be available for other purposes until January 1, 2042. The principal and interest payments made during the period were $1,582,100.00. Therefore, of the $46,602,612.38 general fee revenue recognized by the University during fiscal year 2025, 3.39% of total tuition and fees revenue pledged was needed for debt service on the Series 2012 Bonds.

The University has pledged General Fee Revenue for the payment of debt service on the General Fee Revenue Bonds, Series 2018. The approximate amount of the pledge is $7,810,787.50. The debt was issued for an energy service project to reduce the energy and operational cost for the University. The pledged revenue will not be available for other purposes until January 1, 2039. The principal and interest payments made during the period were $452,875.00. Therefore, of the $46,602,612.38 general fee revenue recognized by the University during fiscal year 2025, 0.97% of total tuition and fees revenue pledged was needed for debt service on the Series 2018 Bonds.

The University has pledged General Fee Revenue for the payment of debt service on the General Fee Revenue Bonds, Series 2020. The approximate amount of the pledge is $26,814,225.00. The debt was issued to refinance the General Fee Revenue Bond Series 2010B and provide funds for deferred maintenance cost for the University. The pledged revenue will not be available for other purposes until January 1, 2041. The principal and interest payments made during the period were $1,693,150.00. Therefore, of the $46,602,612.38 general fee revenue recognized by the University during fiscal year 2025, 3.63% of total tuition and fees revenue pledged was needed for debt service on the Series 2020 Bonds.

Subscription Based Information Technology Arrangements

The University has entered into Subscription Based Information Technology Arrangements (SBITA) that meet the capitalization criteria as determined by GASB Statement 96. A SBITA is defined as a contract that conveys control of the right-to-use another party's information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction. The term, annual cost, and accumulated amortization at September 30, 2025, are as follows:

Software Product	Description	Agreement Term (Years)	Agreement Amount	Accumulated Amortization	Net Subscription Asset	Principal Paid	Subscription Liability
Ellucian	Colleague Administrative System	5	$2,284,187	$1,685,941	$ 598,246	$1,631,779	$ 652,408
Zoom	Phone System	3	504,311	168,104	336,207	168,104	336,207
Ad Astra	Scheduling and Forecasting Software	3	204,022	136,014	68,008	131,103	72,919
Explorance	(Blue) Course Evaluation Software	3	90,834	45,417	45,417	59,214	31,620
Elsevier	Interfolio Human Resource Software	3	246,639	164,426	82,213	159,592	87,047
Technolutions	Slate Admission Software	5	187,500	152,301	35,199	155,753	31,747
Softdocs	eTrieve Document Management	5	424,731	121,352	303,379	162,400	262,331
AMSimpkins	S.A.F.E Application Fraud Software	3	80,187	26,729	53,458	28,850	51,337
Ellucian	Student Cost Calculator	5	78,773	15,755	63,018	14,256	64,517
Grammarly	Writing Guidance Software	3	59,600	19,867	39,733	16,000	43,600
Path Education	Generative AI Chatbot	3	94,575	31,525	63,050	30,000	64,575
LinkedIn	Full Campus Learning Software	3	145,350	48,450	96,900	48,450	96,900
Totals			$4,400,709	$2,615,881	$1,784,828	$2,605,501	$1,795,208

Note 10 – Risk Management

The University is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The University has insurance for its buildings and contents through the State Insurance Fund (SIF), part of the State of Alabama, Department of Finance; Division of Risk Management which operates as a common risk management and insurance program for state owned properties. The University pays an annual premium based on the amount of coverage requested. The SIF provides coverage up to $2 million per occurrence and is self-insured up to a maximum of $6 million in aggregate claims. The SIF purchases commercial insurance for claims which in the aggregate exceed $6 million. The University purchases commercial insurance for its automobile coverage, general liability, and professional legal liability coverage. In addition, the University has fidelity bonds on the University's President, Vice-President of Financial Affairs, as well as on all other University personnel who handle funds.

Employee health insurance is provided through Blue Cross and Blue Shield. The employee pays a monthly premium for health insurance.

Settled claims resulting from these risks have not exceeded the University's coverage in any of the past three fiscal years.

Claims which occur as a result of employee job-related injuries may be brought before the State of Alabama Board of Adjustment. The Board of Adjustment serves as an arbitrator and its decision is binding. If the Board of Adjustment determines that a claim is valid, it decides the proper amount of compensation (subject to statutory limitations) and the funds are paid by the University.

Note 11 – Component Units

During the year ended September 30, 2025, the Foundation, a discretely presented component unit, contributed $2,067,101.14 to the University. This organization is included in the financial statements as a component unit of the University because it operates almost exclusively for the benefit of the University. Separate financial statements of the Foundation can be obtained from the Foundation's auditors Rea, Shaw, Giffin & Stuart LLP, 2415 Ninth Street, P.O. Box 2090, Meridian, Mississippi 39301.

Note 12 – Restatements

During fiscal year 2025, the University identified several prior-period reporting matters that required correction in accordance with generally accepted accounting principles. These corrections resulted in a restatement of the beginning net position. The restatement consisted of the following adjustments:

1. Correction of Construction in Progress Balances:

   A review of prior-year capital project activity determined that certain costs previously recorded as construction in progress did not meet the criteria for capitalization and should have been expensed in the periods incurred. The removal of these amounts reduced previously reported capital asset and increased prior-year expenditures.

2. Adjustment of Subscription-Based IT Arrangement (SBITA) Liabilities and Payments:

   As part of the continued implementation of GASB Statement Number 96, the University corrected the measurement of certain SBITA subscription liabilities and related amortization and payments. These adjustments ensured proper recognition of right-to-use subscription assets, liabilities, and subscription expenses in accordance with GASB standards.

The net effect of these adjustments was an increase of $5,957.66 to beginning fund balance for the fiscal year ended September 30, 2025. The restatement has been reflected in the accompanying financial statements. These corrections had no impact on current-year revenues, expenditures, or changes in fund balance.

Prior period adjustments have been made as outlined below:

Net Position September 30, 2024	$36,106,175.82
To Adjust Subscription-Based IT Arrangements	24,652.00
To Correct Construction in Progress Balances	(18,694.34)
Net Position October 1, 2024, as Restated	$36,112,133.48

Note 1 – Summary of Significant Accounting Policies

Nature of Activities

The University of West Alabama Foundation (the "Foundation"), a not-for-profit corporation established under the laws of the State of Alabama, operates to support the development of educational excellence at The University of West Alabama (the "University"). The Foundation fulfills its mission by attracting leaders from among the University's alumni and friends and involving them in the goal of supporting the University. The Foundation's primary efforts are directed toward attracting, receiving, investing and expending gifts and other resources designated for the education and support of programs of the University and for service to the West Alabama area.

In 2023, the University Charter School entered into a transaction under the New Markets Tax Credit ("NMTC") Program under the United States Department of Treasury and, as of September 30, 2025, has been awarded through Community Development Entities $23,932,000 in NMTC allocations to UWAF QALICB, LLC to support the costs of developing and constructing a new public charter facility in Livingston, Alabama. To assist in administering the NMTC Program, the Foundation formed two wholly owned Alabama limited liability companies, UWAF QALICB, LLC and UWAF Leverage Lender, LLC, to administer this transaction under the terms of the NMTC Program. The Foundation is the managing member of each LLC.

Financial Statements Presentation

The consolidated financial statements of the Foundation have been prepared on the accrual basis of accounting. The Foundation reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

- *Net Assets without Donor Restrictions* – Net assets that are not subject to or are no longer subject to donor imposed stipulations.

- *Net Assets with Donor Restrictions* – Net assets whose use is limited by donor-imposed time and/or purpose restrictions.

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expirations of donor restrictions of the net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Foundation considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Contributions and Promises to Give

Contributions received are recorded as with or without donor restrictions support depending on the existence and nature of any donor restrictions. Unconditional promises to give due in the next year are reflected as current promises to give and are recorded at their net realizable value. Unconditional promises to give due in subsequent years are reflected as long-term promises to give and are recorded at the present value of their net realizable value, using risk-free interest rates applicable to the years which the promises are received to discount the amounts. The discount on unconditional promises to give received during 2025 is computed using the annual blended rate of 0.45%. Promises to give receivables are stated at unpaid balances, less an allowance for uncollectible accounts. The Foundation provides for losses on promises to give receivables using the allowance method. The allowance is based on historical experience. It is the Foundation's policy to charge-off uncollectible receivables when management determines the receivable will not be collected.

Revenue Recognition

Revenues are recognized when control of the promised goods or services is transferred to the customer in an amount that reflects the consideration the Foundation expects to be entitled to receive in exchange for those goods and services. The Foundation applies the five-step model under FASB ASC 606, *Revenue from Contracts with Customers*, to determine when revenue is earned and recognized.

Lease Revenue and Receivable

The Foundation accounts for lease revenue in accordance with ASU Number 2016-02, *Leases,* (Topic 842). Rent is recognized on a straight-line basis over the term of the lease. Lease Receivable is stated at the amount due from the lessee based on terms outlined in the lease agreement.

Investments

The Foundation's investments consist of marketable equity and debt securities that are reported at their fair values in the consolidated statement of financial position. Unrealized gains and losses are included in the change in net assets.

Accounting Standards Codification (ASC) 820 defines fair value and establishes a framework for measuring fair value in U. S. generally accepted accounting principles and expands disclosures about fair value measurements. ASC 820 applies only to fair value measurements that are already required or permitted by other accounting standards and is expected to increase the consistency of those measurements. The definition of fair value focuses on the exit price, i.e., the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, not the entry price, i.e., the price that would be paid to acquire the asset or received to assume the liability at the measurement date. ASC 820 emphasizes fair value is a market-based measurement; not an entity specific measurement. Therefore, the fair value measurement should be determined based on the assumptions that market participants would use in pricing the asset or liability.

In accordance with ASC 820, the Foundation groups its assets measured at fair value in three levels, based on the markets in which such assets are traded and the reliability of the assumptions used to determine fair value. This hierarchy requires the Foundation to maximize the use of observable market data, when available, and to minimize the use of unobservable inputs when determining fair value.

Each fair value measurement is placed into the proper level based on the lowest level of significant input. These levels are:

- ***Level 1*** – inputs to the valuation methodology are based upon quoted prices for identical instruments traded in active markets. This level of the fair value hierarchy provides the most reliable evidence of fair value and is used to measure fair value whenever available.

- ***Level 2*** – inputs to the valuation methodology are based upon quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-based valuation techniques for which all significant assumptions are observable in the market.

- ***Level 3*** – inputs to the valuation methodology are generated from model-based techniques that use significant assumptions not observable in the market. These unobservable assumptions reflect our own estimates of assumptions that market participants would use in pricing the asset.

Marketable equity and debt securities are the Foundation's only assets carried at fair value. The Foundation has no liabilities carried at fair value.

Investment Pool

Some net assets with donor restrictions participate in an investment pool that operates under the market value method. Under this method, each account is assigned a number of the units based on the relationship of the individual investments to the total investments at the time the investments are pooled. Periodically, the pooled assets are valued and new unit values are assigned.

The new unit value is used to determine the number of units allocated to new accounts entering the pool or to calculate the equity of accounts withdrawing from the pool. Investment pool income, gains, and losses are allocated quarterly to participating accounts based on the number of units held during the period.

Fees

The Foundation assesses an administrative fee on individual funds based on the average fund balance during the year. Total administrative fees assessed on individual funds during the year ended September 30, 2025, were $14,650. There is no written policy for assessing administrative fees and investment pool participants. Fees are assessed at the discretion of the Executive Secretary of the Foundation. Total administrative fees assessed on investment pool participants during the year ended September 30, 2025 were $25,561.

Property and Equipment

The Foundation's policy is to capitalize property and equipment over $1,000. Lesser amounts are expensed when acquired. Purchased property and equipment are recorded at cost. Donated property and equipment are recorded at estimated fair value when received. Depreciation is provided over the estimated useful lives of the related assets using the straight-line method.

Income Taxes

The Foundation is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. The Foundation has also been classified as a publicly supported organization and not a private foundation under the Internal Revenue Code.

The Foundation adopted the provisions of FASB ASC 740-10, Accounting for Uncertainty in Income Taxes. The Foundation's status as a 501(c)(3) not-for-profit has been determined to be valid and the adoption of FASB ASC 740-10 did not result in a change to net assets. The Foundation files Federal Form 990 and is generally no longer subject to examination by the Internal Revenue Service for years prior to 2022.

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 certain reported amounts of assets and liabilities and disclosures. Accordingly, actual results could differ from those estimates.

Leases

In accordance with ASU Number 2016-02, *Leases* (Topic 842), the Foundation recognizes right-of-use (ROU) lease assets and lease liabilities for the rights and obligations created by leases that extend more than twelve months on the statement of financial position. ROU assets represent the Foundation's right to use an underlying asset for the lease term, and lease liabilities represent the Foundation's obligation to make lease payments. Finance and operating ROU assets and liabilities are recognized at the lease commencement date based on the present value of the lease payments over the lease term. The Foundation uses the implicit rate when it is readily determinable. Since the Foundation's leases do not provide an implicit rate, to determine the present value of the lease payments, management uses the Foundation's incremental borrowing rate based on the information available at lease commencement. Lease expense for lease payments is recognized on a straight-line basis over the lease term. The Foundation's lease terms may include options to extend or terminate the lease when it is reasonable certain the Foundation will exercise the option. The Foundation had no operating leases at September 30, 2025.

Expense Allocation

Expenses that are directly identifiable are charged to program services. Support services include those expenses that are not directly identifiable with any other specific function but provide overall support and direction of the Foundation.

Subsequent Events

Management has evaluated subsequent events through April 6, 2026, the date on which the consolidated financial statements were available to be issued.

Risks and Uncertainties

The Foundation invests or holds marketable equity and debt securities. These investments are exposed to interest rate, market, credit, and other risks depending upon the nature of the investment. Accordingly, it is reasonably possible that these factors will result in changes in the value of the Foundation's investments which could materially affect the amounts reported in the consolidated financial statements.

Note 2 – Promises to Give

Unconditional promises to give at September 30, 2025, are summarized as follows:

Receivable in Less than One Year	$ 490,770
Receivable in One Year to Five Years	723,120
Receivable Over Five Years	-
Total Unconditional Promises to Give	1,213,890
Less Present Value Discount	174,042
Less Allowance for Uncollectible Promises	60,690
Net Unconditional Promises to Give	$ 979,158

Net unconditional promises to give are presented as follows:

	Current	Long-Term	Total
Net Unconditional Promises to Give	$386,937	$592,221	$979,158

Note 3 – Investments

Investments consist of the following at September 30, 2025:

	Fair Value	Cost
Cash and Equivalents	$ 45,529	$ 45,529
Domestic Small-Mid Cap	1,548,741	1,101,887
Marketable Securities	90,546	81,561
International Funds	1,626,546	1,248,230
Fixed Income Funds	2,889,758	2,963,541
Alternative Investments	1,587,215	1,372,935
Domestic Large Cap	2,549,780	1,350,235
Total	$10,338,115	$8,163,918

The fair values above were determined using only Level 1 inputs.

The components of investment income and expenses are reflected in the following schedule:

Net Realized Gain from Sale of Securities	$ 39,569
Net Unrealized Appreciation in Value of Securities	394,044
Interest, Dividends, and Other Investment Income	263,140
Other Interest Income	279,304
	976,057
Investment Fees	$ 60,408

Note 4 – Land and Buildings

Land and Buildings consist of the following at September 30, 2025:

Land	$2,975,810
Furniture and Fixtures	3,155
Equipment	36,774
Buildings	838,883
	3,854,622
Less: Accumulated Depreciation	118,198
Land and Buildings, Net	$3,736,424

Note 5 – Right-of-Use Asset

Right-of-use asset consists of the following at September 30, 2025:

Right-of-Use Asset – Finance Lease	$20,487,558
Less Accumulated Amortization	808,720
Right-of-Use Asset, Net	$19,678,838

Note 6 – New Markets Tax Credit Loans and Leveraged Loan Receivable

New Market Tax Credit Loans Payable

The Foundation entered into an agreement with the University Charter School (UCS) to fund the costs of developing and constructing a new public charter facility in Livingston, Alabama (collectively, the "Project"). In order to partially fund the renovation and operation of the Project, UCS determined that the New Markets Tax Credit program (the "NMTC Program") under section 45D of the Internal Revenue Code provided UCS with the best opportunity to realize completion of the Project and fund the operating costs of UCS. The NMTC loans mature on April 26, 2053, and the principal is payable in quarterly installments commencing May 1, 2031. Interest is payable quarterly, commencing August 1, 2023 at the following interest rates:

	Principal Amounts	Interest Rates
UCS/NCF SUB-CDE, LLC – Note A	$12,832,500	1.00%
UCS/NCF SUB-CDE, LLC – Note B	4,219,500	1.00%
PNC CDE 158, LLC – Note A	707,500	1.00%
PNC CDE 158, LLC – Note B	292,500	1.00%
UBCD SUB-CDE Admiral Frank Fletcher, LLC – Note A	4,425,000	1.00%
UBCD SUB-CDE Admiral Frank Fletcher, LLC – Note B	1,455,000	1.00%
	$23,932,000	

New Markets Tax Credit Leverage Loan Receivable

The Foundation expects to receive quarterly interest payments of 1.11% on the NMTC leveraged loans from May 10, 2023 through April 27, 2030. The NMTC loans mature on April 26, 2053, and principal is payable in quarterly installments, commencing May 1, 2031. The NMTC loan receivable balance was $5,400,338 as of September 30, 2025.

Note 7 – Endowments

The Foundation's endowment pool consists of several individual funds established for a variety of purposes, including both donor-restricted endowment funds and funds designated by the Board of Directors to function as endowments. In accordance with generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

As of September 30, 2025, the Board of Directors of the Foundation has not adopted a formal interpretation of the Alabama Uniform Prudent Management of Institutional Funds Act (UPMIFA). However, standard practice at the Foundation is to preserve the original gifts as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. The Foundation classifies as net assets with donor restrictions (a) the original value of contributions to the permanent endowment, (b) the value of the subsequent contributions to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund is also classified in net assets with donor restrictions until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund;
- The purposes of the Foundation and the donor-restricted endowment fund;
- General economic conditions;
- The possible effect of inflation and deflation;
- The expected total return from income and the appreciation of investments;
- Other resources of the Foundation;
- The investment policies of the Foundation.

Endowment activities for the year ended September 30, 2025 are reflected in the following schedules:

	With Donor Restrictions	Total
Endowment Funds	$4,386,704	$4,386,704
Total Endowment Funds	$4,386,704	$4,386,704

Changes in endowment net assets for the year ended September 30, 2025 are shown in the following table:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment Net Assets September 30, 2024	$ -	$3,925,746	$3,925,746
Investment Income	-	104,543	104,543
Net Appreciation (Realized and Unrealized)	-	295,130	295,130
Contributions	-	406,571	406,571
Appropriations for Expenditure	(345,286)	-	(345,286)
Net Assets Released	345,286	(345,286)	-
Endowment Net Assets September 30, 2025	$ -	$4,386,704	$4,386,704

Endowment Fund with Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the value of the initial and subsequent donor gift amounts (deficiency). When donor endowment deficiencies exist, they are classified as a reduction of net assets without donor restrictions. There are no deficiencies of this nature as reported in net assets without donor restrictions as of September 30, 2025. Any deficiencies resulted from unfavorable market declines that occurred in prior years and authorized appropriations that were deemed prudent. Subsequent gains that restore the fair value of the assets of the endowment fund to the required level will be classified as an increase in net assets without donor restrictions.

Return Objectives and Risk Parameters

The Foundation has adopted an endowed investment policy that attempts to provide a favorable long-term total return that preserves and increases the purchasing power of the Foundation's assets, while generating sufficient income to support the Foundation's activities that support the University of West Alabama.

Endowment assets include funds to support donor(s) purposes in perpetuity as well as board-designated funds. Under this policy, based on the investment objectives and risk tolerance, the assets are allocated among stocks, fixed income securities, cash reserves, and other prudent investments.

The tolerable range of asset mix is as follows:

	Minimum	Maximum
Equities	40%	75%
Fixed Income	25%	60%
Cash and Cash Equivalents	2%	10%
Alternative Investments	0%	10%

Strategies Employed for Achieving Objectives

To satisfy its long term rate-of-return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation targets a diversified asset allocation that places a greater emphasis on equity based investments to achieve its long-term objectives within prudent constraints.

Endowment Spending Allocation and Relationship of Spending Policy to Investment Objectives

The Foundation's spending policy states that each year a distribution will be made available for the purpose of the endowment fund. The Foundation's board determines the amount of funds available for annual distribution from each designated endowment fund in keeping with the investment objectives described in the investment policy statement. This distribution is calculated as 3% to 6% of the 12-quarter rolling average as of December 31. The spending policy is reviewed annually by the board. The board may adjust the spending rate percentage as it deems appropriate in order to fulfill the purposes of the endowment fund, but in no event shall the spending rate percentage be lower than 3% or higher than 6% unless authorized by a two-thirds majority of the board. Any portion of the annual distributable funds not distributed in any given year will be retained in the endowment fund for expenditure in future years. It is the University's responsibility to approve scholarship applications and appropriate endowment funds for expenditure when sufficient funds are available for use in the Foundation.

Note 8 – Lease Income

The Foundation leases property to the University Charter School. The lease term is July 1, 2023 through June 30, 2053. Future minimum rent payments at September 30, 2025 are as follows:

Fiscal Year Ending	
2026	$ 275,000
2027	275,000
2028	275,000
2029	275,000
2030 and Thereafter	29,160,000
Total	$30,260,000

Note 9 – Finance Lease Liability

The Foundation's wholly owned LLC, UWAF QALICB, LLC, recorded a right-of-use asset and a related financing lease liability in an amount equal to the present value of the future lease payments. The lease has a term of 57-years. The Foundation (UWAF QALICB, LLC) will make monthly lease payments for the remaining term of the lease which ends June 30, 2080.

The Foundation's finance lease liability (UWAF QALICB, LLC) consists of the following at September 30, 2025:

	Current	Long-Term	Total
Finance Lease Liability	$24,649	$2,473,636	$2,498,285

The Foundation's leasing costs (UWAF QALICB, LLC) consist of the following for the year ended September 30, 2025:

Finance Lease Cost	
Amortization of Right-of-Use Asset	$359,431
Interest on Finance Lease Liability	49,946
	$409,377

Other lease information (UWAF QALICB, LLC) as of and for the year ended September 30, 2025 is as follows:

Finance Lease	
Right-of-Use Asset Obtained in Exchange for Lease Liability	$0
Weighted Average Remaining Lease Term-Finance Lease	672 months
Weighted Average Discount Rate	3.00%

At September 30, 2025, minimum lease payments under finance leases (UWAF QALICB, LLC) in excess of one year are due as follows:

Fiscal Year Ending	
2026	$ 24,649
2027	25,139
2028	25,638
2029	26,148
2030 and thereafter	2,396,711
Total	$2,498,285

Note 10 – Net Assets Released from Restrictions

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors during the year. A summary of net assets released from restrictions for the year ended September 30, 2025, is as follows:

Program Services:	
Alumni	$ 58,098
Athletic	1,527,397
Academic	64,056
University	705,257
Scholarship	539,635
Grants	520,757
Total	$3,415,200

Note 11 – Restricted Net Assets

At September 30, 2025, net assets with donor restrictions are available for the following purposes:

Restricted:	
Alumni	$ 200,309
Athletic	1,310,428
Academic	2,170,747
Scholarship	4,411,451
Grants	175,695
New Market Tax Credits	5,456,250
Total	$13,724,880

Note 12 – Concentrations

At September 30, 2025, the carrying amount of the Foundation's deposits in the bank was $4,101,173, and the bank balance was $4,166,772. The Foundation's deposits at year end were entirely covered by federal depository insurance or by the Security for Alabama Funds Enhancement Program (SAFE Program). The SAFE Program was established by the Alabama Legislature and is governed by the provisions contained in the ***Code of Alabama 1975***, Sections 41-14A-1 through 41-14A-14. Under the SAFE program all public funds are protected through a collateral pool administered by the Alabama State Treasurer's Office.

Under this program, financial institutions holding deposits of public funds must pledge securities as collateral against those deposits. In the event of failure of a financial institution, securities pledged by that financial institution would be liquidated by the State Treasurer to replace the public deposits not covered by the Federal Depository Insurance Corporation (FDIC). If the securities pledged fail to produce adequate funds, every institution participating in the pool would share the liability for the remaining balance.

The Foundation places its cash with financial institutions and at times has deposits in excess of federal insurance limits. The Foundation does not believe it is subject to any unusual credit risk beyond the customary credit risk related to conducting its nonprofit activities.

Note 13 – Liquidity and Availability of Resources

The following reflects the Foundation's financial assets as of the statement of financial position date, reduced by amounts not available for general use within one year of the statement of financial position date because of contractual or donor-imposed restrictions or internal designations. Amounts available include donor-restricted amounts that are available for expenditure in the following year. Amounts not available include amounts set aside for operating and other reserves that could be drawn upon if the Foundation or the Foundation's Board approves that action. The Foundation's financial assets available within one year of the statement of financial position for general expenditures are as follows for September 30, 2025:

Financial Assets Available Within One Year	
Cash and Cash Equivalents	$4,101,173
Certificates of Deposit	30,479
Lease Receivable	2,594,922
Unconditional Promises to Give, Net	386,937
Total Financial Assets	7,113,511
Contractual or Donor-Imposed Restrictions	
Amounts Unavailable for General Expenditures Within One Year Due to Donor Restrictions	4,203,050
Total Financial Assets Available to Management for General Expenditure Within One Year	$2,910,461

Note 14 – Prior Period Adjustment

During the fiscal year ended September 30, 2025, the Foundation identified an error in the calculation of lease income that resulted in an error correction consisting of a credit to unrestricted net assets and a debit to lease receivable.

Required Supplementary Information

Schedule of the University's Proportionate Share of the Collective Net Pension Liability
For the Year Ended September 30, 2025
(Dollar amounts in thousands)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
University's proportion of the collective net pension liability	0.335793%	0.336214%	0.343762%	0.358288%	0.359259%	0.352114%	0.363205%	0.362248%	0.354922%	0.346260%
University's proportionate share of the collective net pension liability	$ 43,680	$ 53,653	$ 53,423	$ 33,752	$ 44,439	$ 38,933	$ 36,112	$ 35,603	$ 38,424	$ 36,238
University's covered payroll during the measurement period (*)	$ 29,072	$ 27,911	$ 26,884	$ 25,655	$ 25,553	$ 25,028	$ 24,443	$ 24,126	$ 22,725	$ 21,992
University's proportionate share of the collective net pension liability as a percentage of its covered payroll	150.25%	192.23%	198.72%	131.56%	173.91%	155.56%	147.74%	147.57%	169.08%	164.78%
Plan fiduciary net position as a percentage of the total collective pension liability	71.41%	63.57%	62.21%	76.44%	67.72%	69.85%	72.29%	71.50%	67.93%	67.51%

(*) University's covered payroll during the measurement period is the total covered payroll (see GASB Statement Number 82).
For fiscal year 2025, the measurement period for covered payroll is October 1, 2023 through September 30, 2024.

Schedule of the University's Contributions - Pension
For the Year Ended September 30, 2025
(Dollar amounts in thousands)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	$ 4,106	$ 3,540	$ 3,390	$ 3,183	$ 3,083	$ 3,099	$ 3,036	$ 2,916	$ 2,837	$ 2,668
Contributions in relation to the contractually required contribution	$ 4,106	$ 3,540	$ 3,390	$ 3,183	$ 3,083	$ 3,099	$ 3,036	$ 2,916	$ 2,837	$ 2,668
Contribution deficiency (excess)	$	$	$	$	$	$	$	$	$	$
University's covered payroll	$ 31,282	$ 29,072	$ 27,911	$ 26,884	$ 25,655	$ 25,553	$ 25,028	$ 24,443	$ 24,126	$ 22,725
Contributions as a percentage of covered payroll	13.13%	12.18%	12.15%	11.84%	12.02%	12.13%	12.13%	11.93%	11.76%	11.74%

Schedule of the University's Proportionate Share of the Collective Net Other Postemployment Benefits (OPEB) Liability
Alabama Retired Education Employees' Health Care Trust
For the Year Ended September 30, 2025
(Dollar amounts in thousands)

	2025	2024	2023	2022	2021	2020	2019	2018
University's proportion of the collective net OPEB liability	0.339935%	0.327429%	0.239693%	0.282739%	0.355789%	0.202863%	0.229573%	0.225736%
University's proportionate share of the collective net OPEB liability (asset)	$ 31,252	$ 6,294	$ 4,177	$ 14,609	$ 23,090	$ 7,654	$ 18,868	$ 16,766
University's covered-employee payroll during the measurement period (*)	$ 29,072	$ 27,911	$ 26,884	$ 25,655	$ 25,553	$ 25,028	$ 24,443	$ 24,126
University's proportionate share of the collective net OPEB liability (asset) as a percentage of its covered-employee payroll	107.50%	22.55%	15.54%	56.94%	90.36%	30.58%	77.19%	69.49%
Plan fiduciary net position as a percentage of the total collective OPEB liability	20.41%	49.42%	48.39%	27.11%	19.80%	28.14%	14.81%	15.37%

(*) University's covered-employee payroll during the measurement period is the total covered payroll.
For fiscal year 2025, the measurement period is October 1, 2023 through September 30, 2024.

This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Schedule of the University's Contributions - Other Postemployment Benefits (OPEB)
Alabama Retired Education Employees' Health Care Trust
For the Year Ended September 30, 2025
(Dollar amounts in thousands)

	2025	2024	2023	2022	2021	2020	2019	2018
Contractually required contribution	$ 659	$ 487	$ 510	$ 458	$ 488	$ 579	$ 529	$ 567
Contributions in relation to the contractually required contribution	$ 659	$ 487	$ 510	$ 458	$ 488	$ 579	$ 529	$ 567
Contribution deficiency (excess)	$	$	$	$	$	$	$	$
University's covered-employee payroll	$ 31,282	$ 29,072	$ 27,911	$ 26,884	$ 25,655	$ 25,553	$ 25,028	$ 24,443
Contributions as a percentage of covered-employee payroll	2.11%	1.68%	1.83%	1.70%	1.90%	2.27%	2.11%	2.31%

This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Changes in Actuarial Assumptions

In fiscal year 2024, assumptions regarding aging factors were adjusted to reflect actual and anticipated experience more closely. Additionally, future healthcare trend rates for the Medicare Advantage Plan were updated.

In fiscal year 2022, rates of plan participation and tobacco usage assumptions were adjusted to reflect actual experience more closely.

In 2021, rates of withdrawal, retirement, disability, and mortality were adjusted to reflect actual experience more closely. In 2021, economic assumptions and the assumed rates of salary increases were adjusted to reflect actual and anticipated experience more closely.

In fiscal year 2019, the anticipated rates of participation, spouse coverage, and tobacco use were adjusted to reflect actual experience more closely.

Recent Plan Changes

The September 30, 2022, valuation reflects the impact of Act Number 2022-222, Acts of Alabama.

Beginning in plan year 2021, the Medicare Advantage Plan with Prescription Drug Coverage (MAPD) plan premium rates exclude the Affordable Care Act (ACA) Health Insurer Fee which was repealed on December 20, 2019.

Effective January 1, 2017, Medicare eligible medical and prescription drug benefits are provided through the Medicare Advantage Plan with Prescription Drug Coverage (MAPD) plan.

The Health Plan is changed each year to reflect the Affordable Care Act (ACA) maximum annual out-of-pocket amounts.

Method and Assumptions Used in Calculations of Actuarially Determined Contributions

The actuarially determined contribution rates in the Schedule of Employer's Contributions-Other Postemployment Benefits (OPEB) were calculated as of September 30, three years prior to the end of the fiscal year in which contributions are reported. Therefore, the actuarially determined employer contribution for fiscal year ending September 30, 2024, is determined based on the actuarial valuation as of September 30, 2021. The following actuarial methods and assumptions were used to determine the most recent contribution rate reported in that schedule:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level percent of pay
Remaining Amortization Period	20 years, closed
Asset Valuation Method	Market Value of Assets
Inflation	2.50%
Healthcare Cost Trend Rate:	
Pre-Medicare Eligible	6.50%
Medicare Eligible	(*)
Ultimate Trend Rate:	
Pre-Medicare Eligible	4.50%
Medicare Eligible	4.50%
Year of Ultimate Trend Rate	2031 for Pre-Medicare Eligible 2027 for Medicare Eligible
Optional Plans Trend Rate	2.00%
Investment Rate of Return	5.00%, including inflation

(*) Initial Medicare claims are set based on scheduled increases through plan year 2025.

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Supplementary Information

Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2025

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Provided to Subrecipient	Total Federal Expenditures
Student Financial Assistance Cluster				
U. S. Department of Education				
Direct Programs				
Federal Pell Grant Program	84.063		$	$ 13,474,006.00
Federal Supplemental Educational Opportunity Grants	84.007			180,251.00
Federal Work-Study Program	84.033			634,960.00
Federal Direct Student Loans	84.268			67,776,477.00
U. S. Department of Health and Human Services				
Direct Program				
Scholarships for Health Professions Students from Disadvantaged Backgrounds	93.925			131,908.00
Total Student Financial Assistance Cluster				82,197,602.00
Research and Development Cluster				
National Science Foundation				
Direct Program				
STEM Education	47.076			629,120.00
Passed Through Auburn University				
STEM Education	47.076	17-COSAM-200634-UWA		9,030.00
Sub-Total STEM Education				638,150.00
Passed Through Battelle Memorial Institute				
Biological Sciences	47.074	US001-0000770114		2,522.00
Passed Through Emory University				
Integrative Activities	47.083	A1268837		24,006.00
U. S. Department of Education				
Direct Program				
Strengthening Minority-Serving Institutions	84.382A			944,615.00
U. S. Department of Agriculture				
Passed Through Alabama Department of Agriculture and Industries				
Specialty Crop Block Grant Program - Farm Bill	10.170	AM22SCBPAL1124-00		13,671.00
Total Research and Development Cluster			$	$ 1,622,964.00

Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2025

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Provided to Subrecipient	Total Federal Expenditures
TRIO Cluster				
U. S. Department of Education				
Direct Programs				
TRIO Student Support Services	84.042A		$	$ 389,011.00
TRIO Upward Bound	84.047A			294,904.00
Total TRIO Cluster				683,915.00
WIOA Cluster				
U. S. Department of Labor				
Passed Through Alabama Department of Commerce				
WIOA Adult Program	17.258	2807773		3,236.00
Other Federal Awards				
U. S. Department of Agriculture				
Direct Programs				
Capacity Building for Non-Land Grant Colleges of Agriculture (NLCGA)	10.326			158,019.00
Environmental Quality Incentives Program	10.912			84,949.00
Community Facilities Loans and Grants	10.766			74,620.00
Passed Through Sumter County Soil and Water Conservation District				
Feral Swine Eradication and Control Pilot Program	10.934	N.A.		4,241.00
U. S. Department of Education				
Direct Programs				
Higher Education Institutional Aid	84.031P			338,974.00
Teacher Quality Partnership Grants	84.336S			414,089.00
Passed Through Transcend Inc.				
Education Innovation and Research	84.411	N.A.		93,036.00
U. S. Department of Commerce				
Direct Program				
Connecting Minority Communities Pilot Program	11.028			545,647.00
U. S. Department of The Interior				
Direct Program				
Heritage Partnership	15.939		$	$ 44,550.00

Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2025

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Provided to Subrecipient	Total Federal Expenditures
U. S. Department of Justice				
Direct Program				
Public Safety Partnership and Community Policing Grants	16.710		$	$ 37,016.00
U. S. Department of Treasury				
Passed Through Impact Alabama				
Volunteer Income Tax Assistance (VITA) Matching Grant Program	21.009	N.A.		2,540.00
U. S. General Services Administration				
Passed Through Alabama Department of Economic and Community Affairs				
Donation of Federal Surplus Personal Property (N)	39.003	N.A.		53,382.00
National Endowment for the Humanities				
Passed Through Alabama Humanities Alliance				
Promotion of the Humanities Federal/State Partnership	45.129	0624_3064MD		14,366.00
Small Business Administration				
Passed Through The University of Alabama				
Small Business Development Centers	59.037	A24-0096-S001		4,405.00
Small Business Development Centers	59.037	A25-0153-S003		18,257.00
Total Small Business Development Centers				22,662.00
Environmental Protection Agency				
Passed Through Alabama Department of Environmental Management				
Performance Partnership Grants	66.605	J5HEW3JBUPE5		16,863.00
U. S. Department of Health and Human Services				
Passed Through The University of Alabama at Birmingham				
Area Health Education Centers	93.107	000544411-SC002		151,420.00
Total Federal Awards			$	$ 86,564,091.00

N.A. - Not Available/Not Applicable
(N) - Non-Cash Assistance

The accompanying Notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule.

Note 1 – Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal award activity of the University of West Alabama (the "University") under programs of the federal government for the year ended September 30, 2025. The information in this Schedule is presented in accordance with the requirements of Title 2 U. S. ***Code of Federal Regulations*** Part 200, ***Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards*** (*Uniform Guidance*). Because the Schedule presents only a selected portion of the operations of the University, it is not intended to and does not present the financial position, changes in net position, or cash flows of the University.

Note 2 – Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the *Uniform Guidance*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3 – Indirect Cost Rate

The University has elected to use the 15-percent de minimis indirect cost rate as allowed in the *Uniform Guidance*.

Note 4 – Federal Perkins Loan Program (84.038)

The Federal Perkins Loan Program is administered directly by the University. There were no current year student advances under this program. Outstanding loan balances from the previous year's activity are included in the University's basic financial statements. The balances of loans outstanding on September 30, 2025, totaled $26,862.82, which is not reflected on the Schedule.

Note 5 – Federal Direct Student Loan Program (84.268)

The Direct Loan program enables an eligible student or parent to obtain a loan to pay for the student's cost of attendance directly through the University rather than through private lenders. As a university qualified to originate loans, the University is responsible for handling the complete loan origination process, including funds management and promissory note functions. The University is not responsible for the collection of these loans.

During the program year, the University processed approximately $67.7 million of student loans under the Direct Loan program.

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Additional Information

Board Members and Officials
October 1, 2024 through September 30, 2025

Board Members		**Term Expires**
Hon. Kay Ivey, Governor	Ex-Officio, President	
Hon. Eric Mackey, State Superintendent of Education	Ex-Officio Member	
Hon. Jennifer Agee	Member	2025
Hon. Matthew Lavender	Member	2027
Hon. Michael Maddox	Member	2027
Hon. Tom Perry	Member	2027
Hon. Randall I. Hillman	Member	2023
Hon. Victor H. Vernon	Member	2023
Hon. Jody Wise	Member	2023
Hon. Joseph Brown	Member	2027
Hon. Sheila S. Cloud	Member	2021
Hon. Scott Stadthagen	Member	2027
Hon. Hal Bloom, Jr.	Member	2019
Hon. Jerry W. Groce	Member	2025

Officials

Dr. Todd G. Fritch	President (Effective January 2, 2025)
Dr. Ken Tucker	President (Until December 31, 2024)
Clete Beard	Vice-President of Financial Affairs
Jennifer Nelson	Comptroller

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Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards

Independent Auditor's Report

Dr. Todd Fritch, President – University of West Alabama
Livingston, Alabama 35470

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in ***Government Auditing Standards***, issued by the Comptroller General of the United States (***Government Auditing Standards***), the financial statements of the University of West Alabama, a component unit of the State of Alabama, as of and for the year ended September 30, 2025, and related notes to the financial statements, which collectively comprise the University of West Alabama's basic financial statements, and have issued our report thereon dated May 4, 2026. Our report includes a reference to other auditors who audited the financial statements of the University of West Alabama Foundation as described in our report on the University of West Alabama's financial statements. The financial statements of the University of the West Alabama Foundation were not audited in accordance with ***Government Auditing Standards***, and accordingly, this report does not include reporting on internal control over financial reporting or compliance and other matters associated with the University of West Alabama Foundation or that are reported on separately by those auditors who audited the financial statements of the University of West Alabama Foundation.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the University of West Alabama's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the University of West Alabama's internal control. Accordingly, we do not express an opinion on the effectiveness of the University of West Alabama's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the University of West Alabama's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under ***Government Auditing Standards***.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with ***Government Auditing Standards*** in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Rachel Laurie Riddle

Rachel Laurie Riddle
Chief Examiner
Department of Examiners of Public Accounts

Montgomery, Alabama

May 4, 2026

Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance

Independent Auditor's Report

Dr. Todd Fritch, President – University of West Alabama
Livingston, Alabama 35470

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the University of West Alabama's, a component unit of the State of Alabama, compliance with the types of compliance requirements identified as subject to audit in the ***OMB Compliance Supplement*** that could have a direct and material effect on each of the University of West Alabama's major federal programs for the year ended September 30, 2025. The University of West Alabama's major federal programs are identified in the Summary of Examiner's Results Section of the accompanying Schedule of Findings and Questioned Costs. The financial statements of the University of West Alabama Foundation were not audited in accordance with the *Uniform Guidance*, and accordingly, this report does not extend to the University of West Alabama Foundation.

In our opinion, the University of West Alabama complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in ***Government Auditing Standards*** issued by the Comptroller General of the United States (***Government Auditing Standards***); and the audit requirements of Title 2 U. S. ***Code of Federal Regulations*** Part 200, ***Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards*** (*Uniform Guidance*). Our responsibilities under those standards and the *Uniform Guidance* are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the University of West Alabama and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the University of West Alabama's compliance with the compliance requirements referred to above.

Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the University of West Alabama's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the University of West Alabama's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, ***Government Auditing Standards***, and the *Uniform Guidance* will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the University of West Alabama's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, ***Government Auditing Standards***, and the *Uniform Guidance*, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.

- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the University of West Alabama's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- obtain an understanding of the University of West Alabama's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the *Uniform Guidance*, but not for the purpose of expressing an opinion on the effectiveness of the University of West Alabama's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the *Uniform Guidance*. Accordingly, this report is not suitable for any other purpose.

Rachel Laurie Riddle
Rachel Laurie Riddle
Chief Examiner
Department of Examiners of Public Accounts

Montgomery, Alabama

May 4, 2026

Section I – Summary of Examiner's Results

Financial Statements

Type of report the auditor issued on whether the audited financial statements were prepared in accordance with GAAP:	Unmodified	
Internal control over financial reporting:		
Material weakness(es) identified?	______ Yes	__X__ No
Significant deficiency(ies) identified?	______ Yes	__X__ None reported
Noncompliance material to financial statements noted?	______ Yes	__X__ No

Federal Awards

Internal control over major federal programs:		
Material weakness(es) identified?	______ Yes	__X__ No
Significant deficiency(ies) identified?	______ Yes	__X__ None reported
Type of auditor's report issued on compliance for major federal programs:	Unmodified	
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a) of the *Uniform Guidance*?	______ Yes	__X__ No

Identification of major federal programs:

Assistance Listing Numbers	Name of Federal Program or Cluster
84.007, 84.033, 84.063, 84.268 and 93.925	Student Financial Assistance Cluster

Dollar threshold used to distinguish between Type A and Type B programs:	$1,000,000.00	
Auditee qualified as low-risk auditee?	__X__ Yes	______ No

Section II – Financial Statement Findings (GAGAS)

No matters were reportable.

Section III – Federal Awards Findings and Questioned Costs

No matters were reportable.

APPENDIX C
BOOK-ENTRY ONLY SYSTEM

General

DTC will serve as initial Securities Depository under a Book-Entry System for the Series 2026 Bonds with no physical distribution of Series 2026 Bonds made to any owner of any Series 2026 Bond. The ownership of one fully registered Series 2026 Bond of each maturity will be registered in the name of Cede & Co., as initial Securities Depository Nominee. Except as provided below, so long as the Securities Depository or the Securities Depository Nominee is the registered owner of the Series 2026 Bonds, references herein to the holders, owners or registered owners of the Series 2026 Bonds shall mean the Securities Depository or the Securities Depository Nominee and shall not mean the Beneficial Owners of the Series 2026 Bonds.

DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking corporation" under the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934, as amended. DTC was created to hold securities of its participants (the "Direct Participants") and to facilitate the clearance and settlement of securities transactions, such as transfers and pledges, among Direct Participants in such securities through electronic computerized book-entry changes in accounts of the Direct Participants, thereby eliminating the need for physical movement of securities certificates. Direct Participants include securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is owned by a number of Direct Participants and by the New York Stock Exchange, Inc., the American Stock Exchange, Inc., and the National Association of Securities Dealers, Inc. Access to the Book-Entry System of DTC is also available to others such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (the "Indirect Participants"). The rules applicable to DTC and the Direct Participants are on file with the Securities and Exchange Commission.

Beneficial ownership interests in the Series 2026 Bonds may be purchased by or through Direct Participants. The holders of these beneficial ownership interests are hereinafter referred to as the "Beneficial Owners." Such Direct Participants and the persons for whom they acquire interests in the Series 2026 Bonds as nominees will not receive a bond certificate, but each Direct Participant will receive a credit balance in the records of the Securities Depository in the amount of such Direct Participant's interest in the Series 2026 Bonds, which will be confirmed in accordance with standard procedures of the Securities Depository. Beneficial Owners of Series 2026 Bonds will not receive certificates representing their beneficial ownership interests in the Series 2026 Bonds, unless use of the Book-Entry System is discontinued as described below. Beneficial Owners will be treated in all respects as the owners of the Series 2026 Bonds. The deposit of Series 2026 Bonds with the Securities Depository and their registration in the name of the Securities Depository Nominee effect no change in beneficial ownership. The Securities Depository has no knowledge of the actual Beneficial Owners of the Series 2026 Bonds; the records of the Securities Depository reflect only the identity of the Direct Participants to whose accounts such Series 2026 Bonds are credited, which may or may not be the Beneficial Owners. The Direct Participants will remain responsible for keeping account of their holdings on behalf of their customers as Beneficial Owners.

Transfers of beneficial interests in the Series 2026 Bonds which are registered in the name of the Securities Depository Nominee will be accomplished by book entries made by the Securities Depository and in turn by the Direct Participants and Indirect Participants who act on behalf of the Beneficial Owners of the Series 2026 Bonds. For every transfer and exchange of beneficial ownership in the Series 2026 Bonds, the Beneficial Owners may be charged a sum sufficient to cover any tax, fee or other governmental charge that may be imposed in relation thereto.

During the period in which the Book-Entry System is in effect for the Series 2026 Bonds the University and the Depository shall treat the Securities Depository and the Securities Depository Nominee as the only registered owner of the Series 2026 Bonds for all purposes under the Authorizing Resolution, including receipt of all principal of, premium, if any, and interest on the Series 2026 Bonds, receipt of notices, voting, and requesting or directing the Depository to take or not to take, or consenting to, certain actions under the Authorizing Resolution.

The Securities Depository may be expected to assign the consent or voting rights of the Securities Depository Nominee to those Direct Participants to whose accounts the Series 2026 Bonds are credited on the record date specified by the Securities Depository thereof. In the event of such assignment, the University and the Depository shall treat the assignees as the only registered owners of the Series 2026 Bonds for purposes of exercising such rights. Neither DTC nor Cede & Co. will consent or vote with respect to the Series 2026 Bonds. Under its usual procedures, DTC mails an Omnibus Proxy to the University, as soon as possible after the said record date, for purposes of assigning such consent and voting rights to the Direct Participants.

Conveyance of notices and other communications by the Securities Depository to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners of the Series 2026 Bonds, will be governed by arrangements among the Securities Depository, Direct Participants, Indirect Participants and the Beneficial Owners, subject to any statutory and regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to the Securities Depository Nominee and redemption of Series 2026 Bonds shall be effected as provided in the Authorizing Resolution and described herein and as provided in the Letter of Representation.

Principal, redemption prices, and interest payments on, the Series 2026 Bonds will be made by the University or the Depository to the Securities Depository or the Securities Depository Nominee, as registered owner of the Series 2026 Bonds. Payment of interest due on each interest payment date will be made for the account of the persons who are Beneficial Owners on the Record Date for such interest payment date. Disbursement of such payments by the Securities Depository or the Securities Depository Nominee to Direct Participants shall be solely the responsibility of the Securities Depository and subsequent disbursements of such payments to the Beneficial Owners shall be solely the responsibility of the Direct Participants and, where appropriate, Indirect Participants. Upon receipt of moneys, the Securities Depository will credit immediately the accounts of the Direct Participants in accordance with their respective holdings shown on the records of the Securities Depository. Payments by Direct Participants and Indirect Participants to Beneficial Owners will be governed by standing instructions of the Beneficial Owners and customary practices, as is now the case with municipal securities held for the accounts of customers in bearer form or registered in "street name." Such payments to the Beneficial Owners will be the sole responsibility of such Direct Participant or Indirect Participant and not of the University or the Depository, subject to any statutory and regulatory requirements as may be in effect from time to time.

The University and the Depository cannot and do not give any assurances that the Direct Participants or the Indirect Participants will distribute to the Beneficial Owners of the Series 2026 Bonds (1) payments of principal or redemption price, premium, if any, or interest on, the Series 2026 Bonds, (2) certificates representing an ownership interest or other confirmation of Beneficial Ownership interests in Series 2026 Bonds, or (3) redemption or other notices sent to the Securities Depository or the Securities Depository Nominee, as the registered owner of the Series 2026 Bonds, or that they will do so on a timely basis or that the Securities Depository or the Securities Depository Nominee, the Direct Participants or Indirect Participants will serve and act in the manner described in this Official Statement. All such payments to the Securities Depository or the Securities Depository Nominee of principal, interest, or redemption price on behalf of the University and the Depository shall be valid and effectual to satisfy and discharge the liability of the University and the Depository to the extent of the amounts so paid, and the University and the Depository shall not be responsible or liable for payment to any Beneficial Owner by the Securities Depository or any Direct Participant or any Indirect Participant.

The University and the Depository will not have any responsibility or obligation to any Direct Participant, Indirect Participant or any Beneficial Owner or any other person with respect to: (1) the accuracy of any records maintained by the Securities Depository or any Direct Participant or Indirect Participant; (2) the payment by the Securities Depository, any Direct Participant or Indirect Participant, of any amount due to any Beneficial Owner in respect of the principal or redemption price, premium, if any, and interest on the Series 2026 Bonds; (3) the delivery or timeliness of delivery by the Securities Depository, any Direct Participant or Indirect Participant of any notice to any Beneficial Owner which is required or permitted under the terms of the Authorizing Resolution to be given to Beneficial Owners; or (4) any consent given or other action taken by the Securities Depository or the Securities Depository Nominee, as owner.

In the event that (a) the Securities Depository determines not to continue to act as securities depository for the Series 2026 Bonds or (b) the University determines that the continuation of the Book-Entry System would adversely affect its interests or the interests of the Beneficial Owners of the Series 2026 Bonds, the University may appoint another qualified securities depository to administer the Book-Entry System or the University may discontinue the Book-Entry System. If the University appoints another securities depository to administer the Book-Entry System, the rules and procedures of such securities depository may differ from those described herein. If the University fails to identify another qualified securities depository, the University will cause the Depository to authenticate and deliver fully registered Series 2026 Bonds to each Beneficial Owner. See "Discontinuation of Book-Entry System; Transfer, Exchange and Registration."

In the event of an insolvency of the Securities Depository or if the Securities Depository has insufficient securities in its custody (e.g., due to theft or loss) to satisfy the claims of its Direct Participants or Indirect Participants with respect to deposited securities and is unable by application of (i) cash deposits and securities pledged to the Securities Depository to protect the Securities Depository against losses and liabilities; (ii) the proceeds of insurance maintained by the Securities Depository or its Direct Participants or Indirect Participants; or (iii) other resources, to obtain securities necessary to eliminate the insufficiency, no assurances can be given that Direct Participants or Indirect Participants will be able to obtain all of their deposited securities.

The information in this appendix concerning the Securities Depository and the Book-Entry System has been obtained from sources that the University believes to be reliable, but the University takes no responsibility for the accuracy thereof.

Discontinuation of Book-Entry System; Transfer, Exchange and Registration

The Securities Depository may determine to discontinue the Book-Entry System with respect to the Series 2026 Bonds at any time upon notice to the University and the Depository and upon discharge of its responsibilities with respect thereto under applicable law. Upon such notice, the Book-Entry System for the Series 2026 Bonds will be discontinued unless a successor securities depository is appointed by the University. In addition, the University may discontinue the Book-Entry System for the Series 2026 Bonds at any time by reasonable notice to the Securities Depository.

In the event the Book-Entry System for the Series 2026 Bonds is discontinued, Series 2026 Bonds in certificated form in authorized denominations will be physically distributed to the owners of beneficial interests in the Series 2026 Bonds, the Series 2026 Bonds will be registered in the names of the owners thereof on the registration books of the Depository pertaining thereto, the Depository shall make payments of principal of, premium (if any) and interest on the Series 2026 Bonds to the registered owners thereof as provided in the Series 2026 Bonds and the Authorizing Resolution, and the following provisions with respect to registration, transfer and exchange of the Series 2026 Bonds by the registered owners thereof shall apply, subject to the further conditions set forth in the Authorizing Resolution with respect thereto:

(a) The Series 2026 Bonds may be transferred by the registered owner in person or by authorized attorney, only on the Bond Register maintained by the Depository and only upon surrender of the Bond to the Depository for cancellation with a written instrument of transfer acceptable to the Depository executed by the registered owner or his duly authorized attorney, and upon any such transfer, a new Bond of like tenor shall be issued to the transferee in exchange thereof.

(b) The registered owner of any Series 2026 Bond in a face amount of more than $5,000 may surrender the same in exchange for more than one Series 2026 Bond, each in the principal amount which is an integral multiple of $5,000, having the same year of maturity as the Series 2026 Bond so surrendered and the same aggregate principal amount. The registered owner of two or more Series 2026 Bonds having the same principal maturity may surrender the same in exchange for a single Series 2026 Bond in the aggregate principal amount of the Series 2026 Bonds so surrendered.

(c) The Depository shall not be required to transfer or exchange any Series 2026 Bond during the period from the Record Date and the then next succeeding interest payment date; and in the event that any Series 2026 Bond (or any part thereof) is duly called for redemption, the Depository shall not be required to register or transfer any such Series 2026 Bond during the period of forty-five (45) days next preceding the date fixed for such redemption. No charge shall be made for the privilege of transfer or exchange, but the registered owner of any Series 2026 Bond requesting any such transfer or exchange shall pay any tax or other governmental charge required to be paid with respect thereto. The registered owner of any Series 2026 Bond will be required to pay any expenses incurred in connection with the replacement of a mutilated, lost, stolen or destroyed Bond.

The Authorizing Resolution provides that each registered owner of the Series 2026 Bonds, by receiving or accepting the Series 2026 Bond, consents and agrees and is estopped to deny that, insofar as the University and the Depository are concerned, the Series 2026 Bond may be transferred only in accordance with the provisions of the Authorizing Resolution.

APPENDIX D
FORM OF CONTINUING DISCLOSURE AGREEMENT

THIS CONTINUING DISCLOSURE AGREEMENT is entered into by **THE UNIVERSITY OF WEST ALABAMA**, a public corporation under the laws of the State of Alabama (the "Obligated Entity"), for the benefit of the holders of the Obligated Entity's $_________ General Fee Revenue Bonds, Series 2026, dated of even date herewith (the "Series 2026 Bonds").

Recitals

A. The Series 2026 Bonds are being issued pursuant to a resolution adopted by the Board of Trustees of the Obligated Entity on June 6, 2026, as amended by a resolution adopted by the Board of Trustees of the Obligated Entity on September 14, 2026.

B. An Official Statement dated _____________ (the "Official Statement") has been prepared for distribution to prospective purchasers of the Series 2026 Bonds.

C. The Series 2026 Bonds are subject to the provisions of Rule 15c2-12 of the United States Securities and Exchange Commission (the "Rule"). This Agreement is being entered into pursuant to the continuing disclosure requirements of the Rule.

NOW, THEREFORE, for and in consideration of the premises, the Obligated Entity hereby covenants, agrees and binds itself as follows:

1. **Definitions**.

(a) Capitalized terms not otherwise defined in this Agreement shall have the meaning assigned in the Rule or, to the extent not in conflict with definitions in the Rule, in the Official Statement.

(b) The terms set forth below shall have the following meanings in this Agreement, unless the context clearly otherwise requires:

"**EMMA**" means the MSRB's Electronic Municipal Market Access system, as provided by the Rule.

"**MSRB**" means the Municipal Securities Rulemaking Board.

"**Repository**" means the MSRB and its EMMA system.

2. **Financial Information**.

(a) The Obligated Entity will provide to the Repository financial information and operating data with respect to the Obligated Entity of the type that is presented in the Official Statement (collectively referred to as "Annual Financial Information") consisting of a report (the "Annual Report") containing the audited financial statements of the University (the "Audited Financial Statements"). The Annual Report will also include, if not included within the Audited Financial Statements, for the fiscal year reported (except as described in item (ii)(f) below), the following financial and operating data shown in the Official Statement:

(i) the total of General Fee Revenues and the fiscal year debt service schedule for all then-outstanding Bonds (as such term is defined in the Official Statement),

(ii) under the section entitled "THE UNIVERSITY" (a) the enrollment data for undergraduate and graduate students (both full-time and on-line) as shown in the charts under the subsection entitled "Enrollment", (b) the State of Alabama appropriations to the University, and, as shown in the subsection entitled "Major Sources of Revenues of the University" under the column heading "Total Revenues", the total revenues of the University, and (c) the financial information of the University in the chart under the subsection entitled "Historical Statement of Activities".

(b) The Obligated Entity may omit or modify any part of the annual information required by this section if the operations to which it relates have been discontinued or materially changed. The Obligated Entity will include an explanation to that effect as part of the annual information for the year in which such event first occurs.

(c) Such Annual Financial Information will be provided to the Repository within 270 days following the close of each fiscal year of the Obligated Entity, commencing with the fiscal year ending September 30, 2026.

(d) The Obligated Entity will provide, or cause to be provided, to the Repository not later than 270 days following the close of each fiscal year its audited financial statements (the "Audited Financial Statements"), if any, commencing with the fiscal year ending September 30, 2026. The Audited Financial Statements of the Obligated Entity so provided will be prepared pursuant to generally accepted accounting principles as applicable to it.

3. **Event Notices**.

(a) In a timely manner not in excess of 10 business days after the occurrence of the event, the Obligor shall file with the MSRB notice of the occurrence of any of the following events affecting the Series 2026 Bonds:

(1) Principal and interest payment delinquencies;

(2) Non-payment related defaults, if material;

(3) Unscheduled draws on debt service reserves reflecting financial difficulties;

(4) Unscheduled draws on credit enhancements reflecting financial difficulties;

(5) Substitution of credit or liquidity providers, or their failure to perform;

(6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security;

(7) Modifications to rights of Series 2026 Bondholders, if material;

(8) Bond calls, if material, and tender offers;

(9) Defeasances;

(10) Release, substitution, or sale of property securing repayment of the Series 2026 Bonds, if material;

(11) Rating changes;

(12) Bankruptcy, insolvency, receivership or similar event of the Obligor;

(13) The consummation of a merger, consolidation, or acquisition involving the Obligor or the sale of all or substantially all of the assets of the Obligor, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an or the termination of a definitive agreement relating to any such actions, other than action pursuant to its terms, if material;

(14) Appointment of a successor or additional trustee or the change of name of a trustee, of material;

(15) Incurrence of a financial obligation of the Obligor, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a

financial obligation of the Obligor, any of which affect Series 2026 Bondholders, if material; and

(16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Obligor, any of which reflect financial difficulties.

(b) The Obligated Entity may from time to time choose to provide notice of the occurrence of certain other events, in addition to those listed above, if, in the judgment of such Obligated Entity, such other event is material with respect to the Series 2026 Bonds, but the Obligated Entity does not undertake to.

(c) If the Obligated Entity fails to post any of the required information by the due date, a failure to file notice conforming to MSRB standards will be timely filed.

4. **Limitation of Remedies Hereunder**. The Obligated Entity shall never be subject to money damages in any sum or amount, whether compensatory, punitive or otherwise, for its failure to comply with its obligations contained herein. The only remedy available to the holders of the Series 2026 Bonds for breach by the Obligated Entity of its obligations hereunder shall be the remedy of specific performance or mandamus against the appropriate officials of the Obligated Entity to obtain performance of the Obligated Entity's obligations hereunder. Any action for such specific performance or mandamus may be filed only in Sumter County, State of Alabama. Any failure by the Obligated Entity to comply with the provisions of this Agreement shall not be an event of default with respect to the Series 2026 Bonds under the Authorizing Resolution.

5. **Responsibility for Compliance**.

(a) No person other than the Obligated Entity shall have any liability or responsibility for compliance by the Obligated Entity with its obligations under this Agreement. The Trustee has undertaken no responsibility with respect to any reports, notices or disclosures required by this Agreement or the Rule.

(b) The Obligated Entity will pay all costs incurred in connection with the performance of its obligations under this Agreement, including without limitation the fees and expenses of any consultants, advisers, accountants, legal counsel or other persons that may be retained by the Obligated Entity to assist in the performance of the Obligated Entity's obligations.

6. **Modification and Termination**.

(a) The provisions of this Agreement may be modified at any time by the Obligated Entity as long as such modification is done in a manner consistent with the Rule.

(b) The Obligated Entity reserves the right to terminate its obligation hereunder if and when (i) the Series 2026 Bonds are retired, or an escrow for the retirement of all Series 2026 Bonds is established pursuant to the defeasance provisions of the Authorizing Resolution, or (ii) the Obligated Entity ceases to be obligated with respect to the Series 2026 Bonds within the meaning of the Rule.

7. **Dissemination Agent**. The Obligated Entity may, from time to time, appoint or engage a dissemination agent to assist it in carrying out its obligations under this Agreement, and may discharge any such dissemination agent, with or without appointing a successor dissemination agent. Any such dissemination agent shall be designated as such in writing by the Obligated Entity, and any such dissemination agent shall file with the Obligated Entity a written acceptance of such designation.

8. **Beneficiaries**. This Agreement is being entered into pursuant to the continuing disclosure requirements of the Rule in order to assist participating underwriters in complying with the Rule; however, this Agreement shall inure solely to the benefit of the Obligated Entity, the dissemination agent, if any, and the beneficial owners of the Series 2026 Bonds, and shall create no rights in any other person or entity.

9. **MSRB; EMMA**. Documents submitted to the MSRB, including EMMA, pursuant to this Agreement shall be in electronic format and accompanied by identifying information as prescribed by the MSRB, in accordance with the Rule.

11. **Governing Law**. This Agreement shall be governed by the laws of the State of Alabama.

[Signature page follows.]

IN WITNESS WHEREOF, this Agreement has been duly authorized by the Obligated Entity and has been executed by and on behalf of the Obligated Entity by its duly authorized officer, all as of the ________ day of ________, 2026.

THE UNIVERSITY OF WEST ALABAMA

By:____
Its President

APPENDIX E
SPECIMEN MUNICIPAL BOND INSURANCE POLICY

MUNICIPAL BOND INSURANCE POLICY

ISSUER: [NAME OF ISSUER]

Policy No: _____

MEMBER: [NAME OF MEMBER]

BONDS: $__________ in aggregate principal amount of [NAME OF TRANSACTION] [and maturing on]

Effective Date: _________

Risk Premium: $__________
Member Surplus Contribution: $_________
Total Insurance Payment: $_________

BUILD AMERICA MUTUAL ASSURANCE COMPANY ("BAM"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") for the Bonds named above (as set forth in the documentation providing for the issuance and securing of the Bonds), for the benefit of the Owners or, at the election of BAM, directly to each Owner, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

On the later of the day on which such principal and interest becomes Due for Payment or the first Business Day following the Business Day on which BAM shall have received Notice of Nonpayment, BAM will disburse (but without duplication in the case of duplicate claims for the same Nonpayment) to or for the benefit of each Owner of the Bonds, the face amount of principal of and interest on the Bonds that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by BAM, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of such principal or interest then Due for Payment and (b) evidence, including any appropriate instruments of assignment, that all of the Owner's rights with respect to payment of such principal or interest that is Due for Payment shall thereupon vest in BAM. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by BAM is incomplete, it shall be deemed not to have been received by BAM for purposes of the preceding sentence, and BAM shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, any of whom may submit an amended Notice of Nonpayment. Upon disbursement under this Policy in respect of a Bond and to the extent of such payment, BAM shall become the owner of such Bond, any appurtenant coupon to such Bond and right to receipt of payment of principal of or interest on such Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under such Bond. Payment by BAM either to the Trustee or Paying Agent for the benefit of the Owners, or directly to the Owners, on account of any Nonpayment shall discharge the obligation of BAM under this Policy with respect to said Nonpayment.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer's Fiscal Agent (as defined herein) are authorized or required by law or executive order to remain closed. "Due for Payment" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity (unless BAM shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration) and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. "Nonpayment" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment made to an Owner by or on behalf of the Issuer of principal or interest that is Due for Payment, which payment has been recovered from such Owner pursuant to the United States Bankruptcy Code in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means delivery to BAM of a notice of claim and certificate, by certified mail, email or telecopy as set forth on the attached Schedule or other acceptable electronic delivery, in a form satisfactory to BAM, from and signed by an Owner, the Trustee or the Paying Agent, which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount, (d) payment instructions and (e) the date such claimed amount becomes or became Due for Payment. "Owner" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the Issuer, the Member or any other person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

BAM may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy by giving written notice to the Trustee, the Paying Agent, the Member and the Issuer specifying the name and notice address of the Insurer's Fiscal Agent. From and after the date of receipt of such notice by the Trustee, the Paying Agent, the Member or the Issuer (a) copies of all notices required to be delivered to BAM pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to BAM and shall not be deemed received until received by both and (b) all payments required to be made by BAM under this Policy may be made directly by BAM or by the Insurer's Fiscal Agent on behalf of BAM. The Insurer's Fiscal Agent is the agent of BAM only, and the Insurer's Fiscal Agent shall in no event be liable to the Trustee, Paying Agent or any Owner for any act of the Insurer's Fiscal Agent or any failure of BAM to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, BAM agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to BAM to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy. This Policy may not be canceled or revoked.

This Policy sets forth in full the undertaking of BAM and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW. THIS POLICY IS ISSUED WITHOUT CONTINGENT MUTUAL LIABILITY FOR ASSESSMENT.

In witness whereof, BUILD AMERICA MUTUAL ASSURANCE COMPANY has caused this Policy to be executed on its behalf by its Authorized Officer.

BUILD AMERICA MUTUAL ASSURANCE COMPANY

By: ____
Authorized Officer