

University of Alabama at Birmingham

**Report on Federal Awards In Accordance With OMB
Circular A-133**

For the Year Ended September 30, 2013

EIN: 63-6005396

University of Alabama at Birmingham
Report on Federal Awards in Accordance with OMB Circular A-133
September 30, 2013

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Part I
Federal Award Programs



Independent Auditor's 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*

To the Board of Trustees of The University of Alabama:

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, the financial statements of The University of Alabama at Birmingham ("UAB"), a campus of The University of Alabama System, which is a component unit of the State of Alabama, and of Southern Research Institute ("SRI"), its discretely presented component unit, as of and for the year ended September 30, 2013, and the related notes to the financial statements, which collectively comprise UAB's basic financial statements, and have issued our report thereon dated January 27, 2014. The financial statements of Triton Health Systems, L.L.C. and UAB Research 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 instances of reportable noncompliance associated with Triton Health Systems, L.L.C. or UAB Research Foundation. Our report includes an emphasis of a matter regarding the presentation of the financial statements as discussed in Note 1 and an emphasis of a matter regarding the retrospective application of new accounting standards adopted during 2013 as discussed in Note 3 to the financial statements.

Our report includes a reference to other auditors who audited the financial statements of SRI, as described in our report on UAB's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered UAB's internal control over financial reporting ("internal control") to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of UAB's internal control. Accordingly, we do not express an opinion on the effectiveness of UAB'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 a 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.

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 may exist that have not been identified.



Compliance and Other Matters

As part of obtaining reasonable assurance about whether UAB’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 determination of financial statement amounts. 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.

PricewaterhouseCoopers LLP

January 27, 2014



**Independent Auditor's Report on Compliance with Requirements
That Could Have a Direct and Material Effect on Each Major Program and on
Internal Control Over Compliance in Accordance with OMB Circular A-133**

To the Board of Trustees of The University of Alabama:

Report on Compliance for Each Major Federal Program

We have audited the compliance of the University of Alabama at Birmingham ("UAB"), a campus of The University of Alabama System, which is a component unit of the State of Alabama, with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of UAB's major federal programs for the year ended September 30, 2013. UAB's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

We did not audit Southern Research Institute's ("SRI"), a discretely presented component unit of UAB, compliance with the terms and conditions of its federal grants, contracts, and agreements with the federal government; and its subgrants received from UAB. Compliance with these requirements was audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to SRI's compliance with those requirements, is based solely on the report of the other auditors.

The University's basic financial statements include the operations of Triton Health Systems, L.L.C. and UAB Research Foundation, which did not receive federal awards during the year ended September 30, 2013. Accordingly, our audit, described below, did not include the operations of these component units.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of UAB's major federal programs based on our audit of the types of compliance requirements referred to above. We did not audit UAB's compliance with the requirements governing maintaining repayment records, monitoring the timing and amount of collections and the performance of due diligence related to campus-based student loans, compliance requirements specified by the Federal Perkins Loan, Health Professional Student Loan, Nurse Faculty Loan Program, and Loans for Disadvantaged Students Programs and described in the *OMB Circular A-133 Compliance Supplement*. Compliance with these requirements was audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to UAB's compliance with those requirements, is based solely on the report of the other auditors. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal



program occurred. An audit includes examining, on a test basis, evidence about UAB's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of UAB's compliance.

Opinion on Each Major Federal Program

In our opinion, based on our audit and the report of other auditors, UAB complied, in all material respects, with the types of 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, 2013.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items 2013-001. Our opinion on each major federal program is not modified with respect to these matters.

UAB's response to the noncompliance findings identified in our audit is described in the accompanying Management Views and Corrective Action Plan. UAB's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Management of UAB is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, except as noted in the following paragraphs, we considered UAB's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly we do not express an opinion on the effectiveness of UAB's internal control over compliance.

We did not consider internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to the federal programs of SRI. Internal control over these compliance requirements was considered by other auditors; and our report, insofar as it relates to UAB's internal control over those compliance requirements, does not include SRI.

The University's basic financial statements include the operations of Triton Health Systems, L.L.C. and UAB Research Foundation, which did not receive federal awards during the year ended September 30, 2013. Accordingly, we did not consider internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs for these component units.



We did not consider internal control over compliance with the requirements governing maintaining repayment records, monitoring the timing and amount of collections and the performance of due diligence related to campus-based student loans, which are specified by the Federal Perkins Loan, Health Professional Student Loan, Nurse Faculty Loan Program, and Loans for Disadvantaged Students Programs and described in the OMB *Circular A-133 Compliance Supplement*. Internal control over these compliance requirements was considered by the other auditors referred to above; and our report, insofar as it relates to UAB's internal control over those compliance requirements, is based solely upon the report of the other auditors.

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 and the other auditor's consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. Also, the report of other auditors associated with student loans referred to above did not identify and deficiencies in internal control over compliance that they consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

We have audited the financial statements that collectively comprise UAB's basic financial statements as of and for the year ended September 30, 2013, and have issued our report thereon dated January 27, 2014, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is 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 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.



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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

PricewaterhouseCoopers LLP

June 27, 2014, except for our report on the Schedule of Expenditures of Federal Awards, for which the date is January 27, 2014.

University of Alabama at Birmingham
Schedule of Expenditures of Federal Awards
Year Ended September 30, 2013

Federal Grantor	Pass-Through Grantor	Contract/Award or Pass-Through Num	CFDA Number	Total Expenditures
RESEARCH AND DEVELOPMENT CLUSTER				
<u>Department of Agriculture</u>				
Direct				
Agricultural Research_Basic and Applied Research			10.001	\$ 6,796
Total Direct				6,796
Total Department of Agriculture				6,796
<u>Department of Defense</u>				
Direct				
Basic and Applied Scientific Research			12.300	305,207
Military Medical Research and Development			12.420	3,976,857
Basic Scientific Research			12.431	404,691
Basic, Applied, and Advanced Research in Science and Engineering			12.630	77,483
Uniformed Services University Medical Research Projects			12.750	186,018
Research and Technology Development			12.910	388,587
Contract #FA8650-13-C-7339			12.	372,723
Contract #FA9201-09-C-0207			12.	299,335
Contract #DOD - IPA - Meakin			12.	236,335
Contract #DOD - IPA - Ward			12.	229,215
Contract #FA8651-11-C-0291			12.	66,276
Contract #W91CRB-11-C-0023			12.	42,449
Contract #FA4819-09-C-0038			12.	32,353
Contract #FA9451-10-C-0254			12.	28,944
Contract #W912HZ10C0106			12.	9,935
Total Direct				6,656,408
Pass-Through				
Basic and Applied Scientific Research	North Carolina A&T State University	N00014-09-1-0842	12.300	20,002
Basic and Applied Scientific Research	MEDICAL UNIVERSITY OF SOUTH CAROLINA	N00014-08-1-0341	12.300	5,786
				25,788
Military Medical Research and Development	THE CURATORS OF THE UNIVERSITY OF MISSOURI	W81XWH-11-2-0155	12.420	422,673
Military Medical Research and Development	HENRY M JACKSON FOUNDATION	W81XWH-08-2-0700	12.420	153,303
Military Medical Research and Development	NATIONAL TRAUMA INSTITUTE	W81XWH-11-1-0841	12.420	32,572
Military Medical Research and Development	University of Texas Health Science Ctr at Houston	W81XWH-11-1-0240	12.420	12,881

See accompanying notes to schedule of expenditures of federal awards.

University of Alabama at Birmingham
Schedule of Expenditures of Federal Awards
Year Ended September 30, 2013

Federal Grantor	Pass-Through Grantor	Contract/Award or Pass-Through Num	CFDA Number	Total Expenditures
RESEARCH AND DEVELOPMENT CLUSTER, CONTINUED				
<u>Department of Defense, continued</u>				
Military Medical Research and Development	HENRY FORD HEALTH SYSTEM	W81XWH-11-1-0671	12.420	2,368
Military Medical Research and Development	University of California in San Francisco	W81XWH-10-1-0509	12.420	19
				623,816
Basic Scientific Research	Texas A&M University	W911NF-07-1-0197	12.431	91,030
Basic, Applied, and Advanced Research in Science and Engineering	Alabama State University	5-522776-12	12.630	52,055
Air Force Defense Research Sciences Program	REGENTS OF THE UNIVERSITY OF MINNESOTA	FA9550-12-1-0319	12.800	105,895
Research and Technology Development	Northern Illinois University	W15QKN-12-1-0001	12.910	258,394
Contract	CHENEGA FEDERAL SYSTEMS LLC	GST0407DB0305	12.	399,149
Contract	High Performance Technologies Inc	GS04T09DBC0017	12.	364,163
Contract	CHENEGA FEDERAL SYSTEMS LLC	GS04T13DBC0006	12.	363,597
Contract	low a State University	HR0011-12-C-0075	12.	185,158
Contract	Advanced Technology Institute	2004-611	12.	136,373
Contract	POLARIS GROUP	W9113M-10-C-0054	12.	130,074
Contract	Sentar	FA8750-11-C-0250	12.	109,302
Contract	C LOGIC DEFENSE	W15QKN-09-9-1001 BRG-057	12.	83,567
Contract	High Performance Technologies Inc	GS01T09DBC0017	12.	37,944
Contract	SCIENTIFIC SYSTEMS CO	N00014-11-M-0300	12.	19,988
Contract	The Geneva Foundation	HU001-10-1TS05	12.	9,745
Contract	High Performance Technologies Inc	PP-CFD-KY 03-018-P3	12.	5,072
Contract	Advanced Technology Institute	W15QKN-07-C-0066	12.	1,396
Contract	AMERICAN FOUNDRY SOCIETY	W15QKN-11-2-0001	12.	714
Contract	SARC/SARCOMA ALLIANCE FOR RESEARCH	SARC 006	12.	354
Contract	High Performance Technologies Inc	HPTI-PETTT-UAB	12.	247
Contract	Advanced Technology Institute	W15QKN-10-2-0001	12.	(1,571)
Total Pass-Through				3,002,250
Total Department of Defense				9,658,658
<u>Department of Interior</u>				
Direct				
Conservation Grants Private Stewardship for Imperiled Species			15.632	38,402
Marine Turtle Conservation Fund			15.645	8,562
Total Direct				46,964

See accompanying notes to schedule of expenditures of federal awards.

University of Alabama at Birmingham
Schedule of Expenditures of Federal Awards
Year Ended September 30, 2013

Federal Grantor	Pass-Through Grantor	Contract/Award or Pass-Through Num	CFDA Number	Total Expenditures
RESEARCH AND DEVELOPMENT CLUSTER, CONTINUED				
<u>Department of Interior, continued</u>				
Pass-Through				
Assistance to State Water Resources Research Institutes	Auburn University	G11AP20063	15.805	11,540
Total Pass-Through				<u>11,540</u>
Total Department of Interior				58,504
<u>Department of Transportation</u>				
Direct				
University Transportation Centers Program			20.701	75,559
Contract #DTFT60-04-Z-7001			20.	<u>137,853</u>
Total Direct				213,412
Pass-Through				
University Transportation Centers Program	GEORGIA INSTITUTE OF TECHNOLOGY	DTRT12-G-UTC12	20.701	327,507
University Transportation Centers Program	University of Florida	TASK ORDER # 2	20.701	41,210
University Transportation Centers Program	University of Florida	TASK ORDER #1	20.701	20,512
University Transportation Centers Program	University of Florida	TASK ORDER # 005	20.701	20,248
University Transportation Centers Program	University of Alabama in Tuscaloosa	DTRT06-G-0047	20.701	<u>11,622</u>
				421,099
Contract	University of Florida	DTRT12-G-UTC04	20.	58,984
Contract	Alabama Dept of Transportation	930-607B	20.	22,557
Contract	University of Florida	UF-EIES-1200009-UAB	20.	2,249
Unknown	Alabama Dept of Transportation	930-842	20.	164,797
Unknown	Alabama Dept of Transportation	930-843	20.	<u>120,593</u>
Total Pass-Through				790,279
Total Department of Transportation				1,003,691
<u>National Aeronautics and Space Administration</u>				
Direct				
Science			43.001	2,156,221
Contract #NNJ10HB16B			43.	7,162,468
Contract #NNM07AA05A			43.	41,501

See accompanying notes to schedule of expenditures of federal awards.

University of Alabama at Birmingham
Schedule of Expenditures of Federal Awards
Year Ended September 30, 2013

Federal Grantor	Pass-Through Grantor	Contract/Award or Pass-Through Num	CFDA Number	Total Expenditures
RESEARCH AND DEVELOPMENT CLUSTER, CONTINUED				
<u>National Aeronautics and Space Administration, continued</u>				
Contract #NNX09AV81G			43.	35,488
Unknown #NNX11AC61G			43.	264,197
Unknown #NNX09AI28G			43.	55,072
Total Direct				<u>9,714,947</u>
Pass-Through				
Contract	University of Alabama in Huntsville	NNX10AJ80H	43.	70,555
Contract	NATIONAL INSTITUTE OF AEROSPACE ASSOCIATES INC	NNL09AA00A	43.	66,458
Contract	NATIONAL INSTITUTE OF AEROSPACE ASSOCIATES INC	T12-6300-UAB	43.	13,696
Unknown	The Center for the Advancement of Science in Space, Inc	NNH11CD70A	43.	206,458
Total Pass-Through				<u>357,167</u>
Total National Aeronautics and Space Administration				10,072,114
<u>National Science Foundation</u>				
Direct				
Engineering Grants			47.041	711,438
Mathematical and Physical Sciences			47.049	793,730
Computer and Information Science and Engineering			47.070	425,305
Biological Sciences			47.074	883,904
Social, Behavioral, and Economic Sciences			47.075	363,010
Education and Human Resources			47.076	2,226,141
Polar Programs			47.078	92,218
International Science and Engineering (OISE)			47.079	12,212
Office of Cyberinfrastructure			47.080	250
Contract #PLR-1342923			47.	47,616
Unknown #MCB-1321557			47.	4,800
Total Direct				<u>5,560,624</u>
Pass-Through				
Engineering Grants	Alabama State University	HRD-0734232	47.041	217
Mathematical and Physical Sciences	Florida State University	NSF#DMR-1229217/FSU 22700-520-031355	47.049	45,671
Biological Sciences	University of Florida	IOS-1051890	47.074	43,929

See accompanying notes to schedule of expenditures of federal awards.

University of Alabama at Birmingham
Schedule of Expenditures of Federal Awards
Year Ended September 30, 2013

Federal Grantor	Pass-Through Grantor	Contract/Award or Pass-Through Num	CFDA Number	Total Expenditures
RESEARCH AND DEVELOPMENT CLUSTER, CONTINUED				
<u>National Science Foundation, continued</u>				
Biological Sciences	low a State University	IOS-1257857	47.074	22,071
				66,000
Education and Human Resources	Tuskegee University	DUE-1102997	47.076	224,252
Education and Human Resources	Tuskegee University	HRD-1137681	47.076	54,841
Education and Human Resources	STEVENS INSTITUTE OF TECHNOLOGY	0833076	47.076	147
				279,240
Office of Experimental Program to Stimulate Competitive Research Contract	Tuskegee University Sioux Manufacturing Corporation	EPS-1158862 IIP-1058155	47.081 47.	776,677 51
Total Pass-Through				1,167,856
ARRA Direct				
ARRA - 0838773			47.082	143,205
ARRA - 0906316			47.082	8,857
ARRA - 0838844			47.082	3,207
Total ARRA Direct				155,269
ARRA Pass-Through				
ARRA - UAH 2011-017	University of Alabama in Huntsville	EPS-1006661	47.082	5,594
Total ARRA Pass-Through				5,594
Total National Science Foundation				6,889,343
<u>Department of Veterans Affairs</u>				
Direct				
Contract - Intergovernmental Personnel Agreements			64.	3,119,097
Contract #VA247-13-C-0156			64.	145,557
Contract #VA247-P-0675			64.	131,609
Contract #VA247-12-P-5068			64.	50,463
Total Direct				3,446,726
Total Department of Veterans Affairs				3,446,726

See accompanying notes to schedule of expenditures of federal awards.

University of Alabama at Birmingham
Schedule of Expenditures of Federal Awards
Year Ended September 30, 2013

Federal Grantor	Pass-Through Grantor	Contract/Award or Pass-Through Num	CFDA Number	Total Expenditures
RESEARCH AND DEVELOPMENT CLUSTER, CONTINUED				
<u>Department of Energy</u>				
Direct				
Fossil Energy Research and Development			81.089	379,920
Stewardship Science Grant Program			81.112	182,208
Total Direct				562,128
Pass-Through				
Office of Science Financial Assistance Program	University of Alabama in Huntsville	DE-SC0006652	81.049	169,119
Office of Science Financial Assistance Program	University of Alabama in Tuscaloosa	DE-FG02-08ER46537	81.049	88,305
				257,424
Conservation Research and Development	Caterpillar Inc	DEEE0005980	81.086	149,829
Fossil Energy Research and Development	ADVANCED RESOURCED INTERNATIONAL	EP-P28631/C13564	81.089	74,481
Fossil Energy Research and Development	MONTANA STATE UNIV-BOZEMAN	DE-FE0004478	81.089	66,688
				141,169
Stewardship Science Grant Program	Carnegie Institute of Washington	DE-FC52-08NA285544	81.112	33,448
Stewardship Science Grant Program	Carnegie Institute of Washington	DE-NA002006	81.112	12,514
				45,962
Contract	University of California Law ren Livermore Natl Lab	DE-AC52-07NA27344	81.	42,624
Contract	UT-Battelle, LLC	DE-AC05-00OR22725	81.	5,685
Contract	UT-Battelle, LLC	DE-AC05-00OR22726	81.	1,210
Unknow n	Sandia National Laboratories	1198675	81.	249,741
Unknow n	Sandia National Laboratories	PO# 1330625	81.	68,805
Total Pass-Through				962,449
ARRA Direct				
ARRA - DE-FE0002224			81.133	44,904
Total ARRA Direct				44,904
Total Department of Energy				1,569,481

See accompanying notes to schedule of expenditures of federal awards.

**University of Alabama at Birmingham
Schedule of Expenditures of Federal Awards
Year Ended September 30, 2013**

Federal Grantor	Pass-Through Grantor	Contract/Award or Pass-Through Num	CFDA Number	Total Expenditures
RESEARCH AND DEVELOPMENT CLUSTER, CONTINUED				
<u>Department of Education</u>				
Direct				
National Institute on Disability and Rehabilitation Research			84.133	3,574,180
Graduate Assistance in Areas of National Need			84.200	57,298
Special Ed - Personnel Dev't to Improve Services and Results for Children			84.325	88,301
Total Direct				<u>3,719,779</u>
Pass-Through				
National Institute on Disability and Rehabilitation Research	Rehabilitation Institute of Chicago	H133E120010	84.133	87,587
National Institute on Disability and Rehabilitation Research	THE INSTITUTE FOR REHABILITATION AND RESEARCH	H133B090023	84.133	38,071
National Institute on Disability and Rehabilitation Research	University of Washington	H133A060107A; UW-341166	84.133	17,339
National Institute on Disability and Rehabilitation Research	Craig Hospital	H133G090013	84.133	1,500
National Institute on Disability and Rehabilitation Research	The University of Montana	H133B080023-11	84.133	868
Total Pass-Through				<u>145,365</u>
Total Department of Education				3,865,144
<u>Department of Health and Human Services</u>				
Direct				
Chronic Diseases: Research, Control, and Prevention			93.068	73,285
Family Smoking Prevention and Tobacco Control Act Regulatory Rsrch			93.077	69,487
Food and Drug Administration_Research			93.103	8,371
Environmental Health			93.113	1,099,395
Oral Diseases and Disorders Research			93.121	9,010,749
Centers for Res. and Demo. for Health Promotion and Disease Prevention			93.135	994,166
Coord. Serv.and Access to Res. for Women, Infants, Children and Youth			93.153	724,726
Research Related to Deafness and Communication Disorders			93.173	340,561
Research and Training in Complementary and Alternative Medicine			93.213	98,305
National Research Service Awards_Health Services Research Training			93.225	291,032
Research on Healthcare Costs, Quality and Outcomes			93.226	1,829,843
National Center on Sleep Disorders Research			93.233	335,771
Mental Health Research Grants			93.242	5,884,649
Geriatric Academic Career Awards			93.250	137,845
Occupational Safety and Health Program			93.262	1,714,259
Alcohol Research Programs			93.273	1,187,790

See accompanying notes to schedule of expenditures of federal awards.

**University of Alabama at Birmingham
Schedule of Expenditures of Federal Awards
Year Ended September 30, 2013**

Federal Grantor	Pass-Through Grantor	Contract/Award or Pass-Through Num	CFDA Number	Total Expenditures
RESEARCH AND DEVELOPMENT CLUSTER, CONTINUED				
<u>Department of Health and Human Services, continued</u>				
Drug Abuse and Addiction Research Programs			93.279	799,901
Mental Health Research Career/Scientist Development Awards			93.281	96,467
Mental Health National Research Service Awards for Research Training			93.282	66,095
The Affordable Care Act: CDC and Prevention Investigations			93.283	1,046,764
Discovery/Applied Res. for Tech. Innovations to Improve Human Health			93.286	365,187
Minority Health and Health Disparities Research			93.307	3,332,409
Trans-NIH Research Support			93.310	1,636,321
National Center for Advancing Translational Sciences			93.350	5,361,449
Nursing Research			93.361	1,338,963
National Center for Research Resources			93.389	121,262
Cancer Construction			93.392	32
Cancer Cause and Prevention Research			93.393	4,550,108
Cancer Detection and Diagnosis Research			93.394	2,074,007
Cancer Treatment Research			93.395	4,416,776
Cancer Biology Research			93.396	1,994,662
Cancer Centers Support Grants			93.397	13,223,953
Cancer Research Manpower			93.398	1,434,621
The Patient Protection and Affordable Care Act of 2010 (ACA)			93.541	147,197
Cardiovascular Diseases Research			93.837	15,205,228
Lung Diseases Research			93.838	5,968,481
Blood Diseases and Resources Research			93.839	2,528,288
Arthritis, Musculoskeletal and Skin Diseases Research			93.846	9,605,428
Diabetes, Digestive, and Kidney Diseases Extramural Research			93.847	17,968,659
Extramural Res. Programs in Neurosciences and Neurological Disorders			93.853	15,246,764
Allergy, Immunology and Transplantation Research			93.855	30,858,002
Biomedical Research and Research Training			93.859	6,675,221
Population Research			93.864	244,060
Child Health and Human Development Extramural Research			93.865	14,097,196
Aging Research			93.866	6,246,052
Vision Research			93.867	3,782,628
International Research and Research Training			93.989	172,313
Contract #HHSN268200900047C OPTION 1			93.	2,885,663
Contract #HHSN266200400073C			93.	2,351,627
Contract #HHSN268201100025C			93.	1,579,222

See accompanying notes to schedule of expenditures of federal awards.

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Federal Grantor	Pass-Through Grantor	Contract/Award or Pass-Through Num	CFDA Number	Total Expenditures
RESEARCH AND DEVELOPMENT CLUSTER, CONTINUED				
<u>Department of Health and Human Services, continued</u>				
Contract #HHSN263201200010C			93.	942,643
Contract #HHSN272201100016I			93.	940,829
Contract #N01-HC-95095 OP#2			93.	914,141
Contract #N01-AI-30025			93.	736,126
Contract #N01-CN-75022-70			93.	733,965
Contract #HHSN268200900047C			93.	677,918
Contract #HHSN261201200021I			93.	643,861
Contract #HHS-N-260-2005-0008-C			93.	592,257
Contract #HHSN272201100037C			93.	569,065
Contract #N01-HC-95095 OPTION #3			93.	568,298
Contract #HHSN272201100038C			93.	530,414
Contract #HHSN268200736191C			93.	473,450
Contract #HHSN272201100034C			93.	417,375
Contract #HHSN272201100036C			93.	344,752
Contract #HHSN272201100035C			93.	337,171
Contract #N01-HC-48047 OPTION 2			93.	330,731
Contract #HHSN272201000023C			93.	254,983
Contract #HHSN261200433001C-521958			93.	179,532
Contract #200-2007-23684			93.	166,838
Contract #200-2011-42023-0002			93.	158,036
Contract #N01HC48047			93.	155,658
Contract #HHSN268201300026C			93.	112,477
Contract #N01-AI-30021			93.	51,700
Contract #10IPA 1003334			93.	50,167
Contract #N01-HC-48047			93.	42,588
Contract #IPA BRAY MOLLY S			93.	18,251
Contract #200-2011-39419			93.	8,081
Contract #HHSN272201000027			93.	2,366
Contract #HHSN272201300012I			93.	218
Contract #HHSN311201200193P			93.	43
Contract #HHSN268200682278C			93.	(103)
Unknown #OAR			93.	55,149
Total Direct				212,230,220

See accompanying notes to schedule of expenditures of federal awards.

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Federal Grantor	Pass-Through Grantor	Contract/Award or Pass-Through Num	CFDA Number	Total Expenditures
RESEARCH AND DEVELOPMENT CLUSTER, CONTINUED				
<u>Department of Health and Human Services, continued</u>				
Pass-Through				
Global AIDS	University of North Carolina at Chapel Hill	5U2GP5001421-05	93.067	171,418
Global AIDS	University of North Carolina at Chapel Hill	7U2GPS001421-04	93.067	36,402
Global AIDS	CIDRZ FOUNDATION	1R01AI099601-01	93.067	25,458
				233,278
Comp. Comm. Mental Hlth Serv. for Children w/ Emotional Disorders	University of Alabama in Tuscaloosa	1U79SM059049-01	93.104	141
Environmental Health	Indiana University	1R01ES021735-01	93.113	79,820
Environmental Health	YALE UNIV	1R21ES022875-01	93.113	50,898
Environmental Health	YALE UNIV	5U01ES015674-07	93.113	27,892
Environmental Health	Vivo Biosciences Inc	2R44ES018004-02A1	93.113	23,159
Environmental Health	Wayne State University	5R01ES005823	93.113	21,440
				203,209
Oral Diseases and Disorders Research	The Research Foundation of SUNY	3U01DE18902-04S1	93.121	178,125
Oral Diseases and Disorders Research	Vista Engineering Inc.	2R42DE019335-03A1	93.121	175,527
Oral Diseases and Disorders Research	AGILE SCIENCES INC	2R44DE021312-02	93.121	63,868
Oral Diseases and Disorders Research	University of Texas Health Center at San Antonio	2R01DE015857-05A1	93.121	33,018
Oral Diseases and Disorders Research	UNIVERSITY AT BUFFALO	1RD1DE02267301	93.121	19,568
Oral Diseases and Disorders Research	The Research Foundation of SUNY	DE018902	93.121	13
				470,119
Human Genome Research	University of Washington	5 R01HG005115-03	93.172	291,824
Human Genome Research	HUDSON ALPHA INSTITUTE FOR BIOTECHNOLOGY	1UM1HG007301-01	93.172	20,485
Human Genome Research	University of North Carolina at Chapel Hill	5 U01 HG004803-03	93.172	5,961
				318,270
Research Related to Deafness and Communication Disorders	University of Minnesota	2R01DC006452-04A2	93.173	51,333
Research Related to Deafness and Communication Disorders	ADVANCED LIQUID LOGIC INC	1R44DC012967-01	93.173	20,980
Research Related to Deafness and Communication Disorders	The Feinstein Institute for Medical Research	5U01DC007946	93.173	332
				72,645
Disabilities Prevention	Hemophilia of Georgia Inc	1U27DD000862-0	93.184	50,750

See accompanying notes to schedule of expenditures of federal awards.

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RESEARCH AND DEVELOPMENT CLUSTER, CONTINUED				
<u>Department of Health and Human Services, continued</u>				
Research and Training in Complementary and Alternative Medicine	Massachusetts General Hospital	5U01AT000613	93.213	36,912
National Center on Sleep Disorders Research	California Pacific Med. Ctr. Res. Inst.	5R01HL071194-09	93.233	273,170
Mental Health Research Grants	Johns Hopkins University	UM1 AI068632-07	93.242	283,972
Mental Health Research Grants	Duke University	5R01-MH086362	93.242	147,559
Mental Health Research Grants	University of Washington	R01MH098675	93.242	44,958
Mental Health Research Grants	Childrens Hospital Medical Center Cincinnati OH	5R01MH083665	93.242	11,694
Mental Health Research Grants	Johns Hopkins University	7 UMAI068632-07	93.242	4,400
Mental Health Research Grants	Social & Scientific Systems Inc	1 U01AI06832-01	93.242	(593)
				491,990
Substance Abuse and Mental Hlth Serv_Proj. of Regional/National Sig.	HEALTH SERVICE CENTER	T102320	93.243	68,404
Substance Abuse and Mental Hlth Serv_Proj. of Regional/National Sig.	University of Colorado Health Sciences Center	4R33MH089291-03	93.243	4,971
Substance Abuse and Mental Hlth Serv_Proj. of Regional/National Sig.	HEALTH SERVICE CENTER	SAMHSA/CSAT	93.243	4,136
				77,511
Occupational Safety and Health Program	MARSHFIELD CLINIC RESEARCH FOUNDATION	5R21OH010032-02	93.262	17,222
Occupational Safety and Health Program	MARSHFIELD CLINIC RESEARCH FOUNDATION	1R21OH010032-01	93.262	437
				17,659
Alcohol Research Programs	University of Washington	1U01AA020793-01	93.273	70,815
Drug Abuse and Addiction Research Programs	MEDICAL UNIVERSITY OF SOUTH CAROLINA	3U10DA013727-12	93.279	329,333
Drug Abuse and Addiction Research Programs	Virginia Commonwealth University	1R01DA033200-01A1	93.279	21,437
Drug Abuse and Addiction Research Programs	University of Pittsburgh	5R01DA026312-03	93.279	10,895
Drug Abuse and Addiction Research Programs	University of North Carolina at Chapel Hill	1R01DA030793-02	93.279	7,616
Drug Abuse and Addiction Research Programs	Emory University	RR36-009/4693598	93.279	1,406
Drug Abuse and Addiction Research Programs	UNIVERSITY AT BUFFALO	1R01DA027606-02	93.279	(288)
				370,399
The Affordable Care Act: CDC and Prevention_Investigations	Alabama Dept of Public Health	C20119146	93.283	192,923
The Affordable Care Act: CDC and Prevention_Investigations	Assoc of American Medical Colleges	U36/CCU319276	93.283	12,646
				205,569

See accompanying notes to schedule of expenditures of federal awards.

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RESEARCH AND DEVELOPMENT CLUSTER, CONTINUED				
<u>Department of Health and Human Services, continued</u>				
Discovery/Applied Res. for Tech. Innovations to Improve Human Health	MONTANA STATE UNIV-BOZEMAN	1R01EB012027-01A1	93.286	212,413
Discovery/Applied Res. for Tech. Innovations to Improve Human Health	Brigham & Womens Hospital	5U54EB005149-08	93.286	99,366
Discovery/Applied Res. for Tech. Innovations to Improve Human Health	Brigham & Womens Hospital	8P41EB015902-15	93.286	60,773
Discovery/Applied Res. for Tech. Innovations to Improve Human Health	MICHIGAN TECHNOLOGICAL UNIVERSITY	R03EB014844	93.286	6,465
				379,017
Minority Health and Health Disparities Research	University of Minnesota	1U24MD006970-01	93.307	455,465
Minority Health and Health Disparities Research	JACKSON STATE UNIVERSITY	1P20MD0006899-01	93.307	82,534
Minority Health and Health Disparities Research	University of Texas Health Science Ctr at Houston	5U24MD006941	93.307	1,738
				539,737
National Center for Advancing Translational Sciences	Boston University Medical Campus	8UL1RR000157-05	93.350	4,999
Nursing Research	University of Maryland	1R01NR012686-01	93.361	158,921
Nursing Research	University of Texas Health Science Ctr at Houston	7R21NR011923-03	93.361	36,884
Nursing Research	University of California in San Diego	7R01NR011295-03	93.361	33,738
Nursing Research	University of Alabama in Tuscaloosa	1R21NR012550-01A1	93.361	8,506
Nursing Research	University of Michigan	1R21NR01192301A1	93.361	(17,275)
				220,774
Cancer Cause and Prevention Research	Duke University	1R01CA142081-01A1	93.393	206,540
Cancer Cause and Prevention Research	University of South Alabama	1R01CA155638-01A1	93.393	65,756
Cancer Cause and Prevention Research	University of Massachusetts Worcester	7R01CA129091-03	93.393	57,080
Cancer Cause and Prevention Research	Morehouse School of Medicine	1R01CA166785-01	93.393	56,218
Cancer Cause and Prevention Research	THE REGENTS OF THE UNIVERSITY OF CALIFORNIA	1R01CA158271-01A1	93.393	51,256
Cancer Cause and Prevention Research	Morehouse School of Medicine	1R01CA166785-02	93.393	22,669
Cancer Cause and Prevention Research	University of Southern California	1R01CA134786-01A2	93.393	19,950
Cancer Cause and Prevention Research	University of Massachusetts Worcester	1R01CA136888-01A1	93.393	16,111
Cancer Cause and Prevention Research	Johns Hopkins University	1R01CA140311-01A2	93.393	10,883
Cancer Cause and Prevention Research	Vanderbilt University	2 R01CA082729-07A1	93.393	9,211
Cancer Cause and Prevention Research	H. Lee Moffitt Cancer Center & Research Institute	3U54CA153509-03S1	93.393	3,579
Cancer Cause and Prevention Research	Dana-Farber Cancer Institute	5U01CA93344-08	93.393	115
				519,368

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RESEARCH AND DEVELOPMENT CLUSTER, CONTINUED				
<u>Department of Health and Human Services, continued</u>				
Cancer Detection and Diagnosis Research	University of California in San Diego	R01CA159954	93.394	14,477
Cancer Treatment Research	University of California in San Diego	1R01CA148791-02	93.395	208,623
Cancer Treatment Research	Southeastern Gynecologic Oncology	27469-02	93.395	188,755
Cancer Treatment Research	Johns Hopkins University	U01CA137443-01	93.395	108,962
Cancer Treatment Research	Eastern Cooperative Oncology Group	CA21115	93.395	107,542
Cancer Treatment Research	University of Michigan	210CA32102-32	93.395	83,858
Cancer Treatment Research	Children's Hospital of Philadelphia	U10CA098543	93.395	79,283
Cancer Treatment Research	University of North Carolina at Chapel Hill	7D43CA153784-03	93.395	58,506
Cancer Treatment Research	Children's Hospital of Philadelphia	UM1CA097452	93.395	54,500
Cancer Treatment Research	Eastern Cooperative Oncology Group	U10CA21115-36	93.395	53,017
Cancer Treatment Research	Children's Hospital of Philadelphia	5 U10 CA98543-04	93.395	41,807
Cancer Treatment Research	Duke University	1R01CA164751-01A1	93.395	24,916
Cancer Treatment Research	Eastern Cooperative Oncology Group	U10CA21115	93.395	10,995
Cancer Treatment Research	University of Wisconsin in Madison	1R01CA139872-01A1	93.395	7,746
Cancer Treatment Research	Duke University	CA31946	93.395	6,728
Cancer Treatment Research	St. Jude Children's Research Hospital	2U24CA055727-18	93.395	4,455
Cancer Treatment Research	Natl Childhood Cancer Foundation	U01 CA97452-05	93.395	4,213
Cancer Treatment Research	University of Chicago	U10 CA31946	93.395	74
Cancer Treatment Research	Southwest Oncology Group	CA32102	93.395	30
Cancer Treatment Research	Natl Childhood Cancer Foundation	5 U10 CA98543-04	93.395	(8,389)
				1,035,621
Cancer Biology Research	Cedars-Sinai Medical Center	5P01CA098912-07	93.396	215,146
Cancer Biology Research	HEALTH RESEARCH INC	1R21CA16457201	93.396	27,700
Cancer Biology Research	MICHIGAN STATE UNIVERSITY	R21CA1715251	93.396	12,121
				254,967
Cancer Centers Support Grants	Johns Hopkins University	5P50CA098252-07	93.397	523,065
Cancer Centers Support Grants	THE METHODIST HOSPITAL RESEARCH INST	U54CA143837-05	93.397	18,951
Cancer Centers Support Grants	University of New Mexico	U54CA164336-03	93.397	14,483
Cancer Centers Support Grants	Johns Hopkins University	5P50CA098252-08	93.397	4,411
				560,910

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RESEARCH AND DEVELOPMENT CLUSTER, CONTINUED				
<u>Department of Health and Human Services, continued</u>				
Cancer Control	Mayo Clinic Rochester	5U10CA149950-02	93.399	11,637
Cancer Control	South west Oncology Group	CA37429	93.399	(41,315)
				(29,678)
Cardiovascular Diseases Research	University of Louisville Research Foundation, Inc	2P01HL078825-06	93.837	417,691
Cardiovascular Diseases Research	Elgavish Paramagnetics Inc	2R42HL084844-02A1	93.837	204,401
Cardiovascular Diseases Research	University of Texas Health Center at Tyler	R18HL092955	93.837	182,006
Cardiovascular Diseases Research	University of Washington	5U01HL077863-09	93.837	174,742
Cardiovascular Diseases Research	University of Minnesota	5R01HL053560-14	93.837	139,252
Cardiovascular Diseases Research	Medical College of Wisconsin	1U01HL107437-01	93.837	138,138
Cardiovascular Diseases Research	University of California in Davis	2P01HL080101-07A1	93.837	118,432
Cardiovascular Diseases Research	University of Washington	3U01HL077863-07S1	93.837	102,408
Cardiovascular Diseases Research	Fred Hutchinson Cancer Research Center	5 R01HL05065-03	93.837	79,753
Cardiovascular Diseases Research	Fred Hutchinson Cancer Research Center	5 R01HL05065-02	93.837	77,115
Cardiovascular Diseases Research	Boston University Medical Campus	5P01 HL081587-06A1	93.837	43,948
Cardiovascular Diseases Research	University of Washington	1R01HL103612-02	93.837	31,110
Cardiovascular Diseases Research	Columbia University in the City of New York	5P01HL088117-05	93.837	15,851
Cardiovascular Diseases Research	CORINNOVA INC	1R43HL108512-01A1	93.837	15,666
Cardiovascular Diseases Research	New York University Medical School	U01HL105907	93.837	15,402
Cardiovascular Diseases Research	University of Minnesota	1R01-HL080093	93.837	14,919
Cardiovascular Diseases Research	Columbia University in the City of New York	5P01HL088117-03	93.837	13,898
Cardiovascular Diseases Research	Vanderbilt University	7K23HL087114-06	93.837	12,565
Cardiovascular Diseases Research	Northw estern University	R01HL107577-01	93.837	4,262
Cardiovascular Diseases Research	University of Michigan	U01HL094345	93.837	3,408
Cardiovascular Diseases Research	YALE UNIV	R01HL081153	93.837	860
Cardiovascular Diseases Research	Fred Hutchinson Cancer Research Center	1 R01HL05065-01A1	93.837	(1,697)
Cardiovascular Diseases Research	University of Washington	1R01HL103612-01A1	93.837	(4,393)
Cardiovascular Diseases Research	University of California in Davis	2P01HL080101-06A1	93.837	(5,808)
				1,793,929
Lung Diseases Research	University of Michigan	R01HL094230-01A1	93.838	206,757
Lung Diseases Research	REGENTS OF THE UNIVERSITY OF MINNESOTA	U01HL074424	93.838	141,719
Lung Diseases Research	REGENTS OF THE UNIVERSITY OF COLORADO	1U01HL102235-01A1	93.838	90,426
Lung Diseases Research	Mayo Clinic Rochester	5 U01 A1069544	93.838	44,895

See accompanying notes to schedule of expenditures of federal awards.

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RESEARCH AND DEVELOPMENT CLUSTER, CONTINUED				
<u>Department of Health and Human Services, continued</u>				
Lung Diseases Research	University of Colorado Health Sciences Center	3P50HL084923-05S1	93.838	33,154
Lung Diseases Research	Brigham & Womens Hospital	5U01HL102225-03	93.838	26,546
Lung Diseases Research	University of Pennsylvania	5U01HL086622-03	93.838	20,199
Lung Diseases Research	Brigham & Womens Hospital	1R01HL107246	93.838	10,734
Lung Diseases Research	Duke University	1U01HL080413-01	93.838	7,014
Lung Diseases Research	National Jewish Medical and Research Center	2R01HL089897	93.838	2,104
Lung Diseases Research	Johns Hopkins University	R01HL68927	93.838	1,095
Lung Diseases Research	Children's Hospital of Philadelphia	5R01HL098087-02	93.838	(5,043)
				<u>579,600</u>
Blood Diseases and Resources Research	Baylor College of Medicine	5R01HL095647-04	93.839	67,044
Blood Diseases and Resources Research	Children's Hospital of Philadelphia	5P01HL064190-12	93.839	49,558
Blood Diseases and Resources Research	University of Pennsylvania	5R01HL066176-10	93.839	14,701
Blood Diseases and Resources Research	Baylor College of Medicine	7R01HL095647-03	93.839	(65,946)
				<u>65,357</u>
Arthritis, Musculoskeletal and Skin Diseases Research	University of Washington	1U01AR057954-04	93.846	384,932
Arthritis, Musculoskeletal and Skin Diseases Research	Childrens Hospital Medical Center Cincinnati OH	5P60AR047784-09	93.846	5,351
Arthritis, Musculoskeletal and Skin Diseases Research	Boston University Medical Campus	5R01AR062506-01A1	93.846	4,066
Arthritis, Musculoskeletal and Skin Diseases Research	Johns Hopkins University	1R21AR062269-01A1	93.846	2,427
Arthritis, Musculoskeletal and Skin Diseases Research	Boston University Medical Campus	5P60AR047785-12	93.846	1,384
				<u>398,160</u>
Diabetes, Digestive, and Kidney Diseases Extramural Research	Cleveland Clinic Foundation	5U01DK082236-05	93.847	434,096
Diabetes, Digestive, and Kidney Diseases Extramural Research	Cleveland Clinic Foundation	5U01DK082236	93.847	380,425
Diabetes, Digestive, and Kidney Diseases Extramural Research	Pennington Biomedical Research Center	9R01DK089641	93.847	198,117
Diabetes, Digestive, and Kidney Diseases Extramural Research	Washington University in St Louis	5U01DK082315-05	93.847	193,236
Diabetes, Digestive, and Kidney Diseases Extramural Research	DISCOVERY BIOMED LLC	2R44DK084658-02A1	93.847	189,783
Diabetes, Digestive, and Kidney Diseases Extramural Research	Mount Sinai School of Medicine	5U54DK083909-03	93.847	162,921
Diabetes, Digestive, and Kidney Diseases Extramural Research	Kaiser Foundation Research Institute	R01 DK084997-01A1	93.847	138,814
Diabetes, Digestive, and Kidney Diseases Extramural Research	University of Alaska in Fairbanks	1R01DK074842-01A1	93.847	128,832
Diabetes, Digestive, and Kidney Diseases Extramural Research	Wake Forest University School of Medicine	R01DK83527	93.847	115,032
Diabetes, Digestive, and Kidney Diseases Extramural Research	The George Washington University	1U01DK098246-01	93.847	108,508
Diabetes, Digestive, and Kidney Diseases Extramural Research	University of California in San Diego	7R01DK084063-02	93.847	86,696

See accompanying notes to schedule of expenditures of federal awards.

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Federal Grantor	Pass-Through Grantor	Contract/Award or Pass-Through Num	CFDA Number	Total Expenditures
RESEARCH AND DEVELOPMENT CLUSTER, CONTINUED				
Department of Health and Human Services, continued				
Diabetes, Digestive, and Kidney Diseases Extramural Research	University of Texas Southwestern Medical Center	5U01DK058369-12	93.847	85,311
Diabetes, Digestive, and Kidney Diseases Extramural Research	Emory University	1DP3DK094346-01	93.847	59,426
Diabetes, Digestive, and Kidney Diseases Extramural Research	Mayo Clinic Rochester	5U54DK083908-04	93.847	58,600
Diabetes, Digestive, and Kidney Diseases Extramural Research	Columbia University in the City of New York	5R01DK052431-18	93.847	55,761
Diabetes, Digestive, and Kidney Diseases Extramural Research	Mayo Clinic Rochester	5U01DK056957-12	93.847	34,675
Diabetes, Digestive, and Kidney Diseases Extramural Research	New England Research Institute	U01DK058229-10	93.847	31,369
Diabetes, Digestive, and Kidney Diseases Extramural Research	Kaiser Foundation Research Institute	5R01DK090047-01A1	93.847	18,965
Diabetes, Digestive, and Kidney Diseases Extramural Research	FAST BioMedical	1R44DK093274-01 REVISED	93.847	18,656
Diabetes, Digestive, and Kidney Diseases Extramural Research	Mayo Clinic Rochester	2 U01 DK056957	93.847	17,399
Diabetes, Digestive, and Kidney Diseases Extramural Research	Childrens Hospital Medical Center Cincinnati OH	5UM1DK072493-07	93.847	14,507
Diabetes, Digestive, and Kidney Diseases Extramural Research	BOSTON MEDICAL CENTER	1R01DK090029-01A1	93.847	4,543
Diabetes, Digestive, and Kidney Diseases Extramural Research	Children's Hospital of Philadelphia	1R01DK085212-01A1	93.847	3,688
Diabetes, Digestive, and Kidney Diseases Extramural Research	Childrens Hospital Medical Center Cincinnati OH	2UM1DK072493-06	93.847	976
Diabetes, Digestive, and Kidney Diseases Extramural Research	University of Pittsburgh	5U01DK075803-04	93.847	554
Diabetes, Digestive, and Kidney Diseases Extramural Research	University of Pennsylvania	5R01DK089738-05	93.847	366
Diabetes, Digestive, and Kidney Diseases Extramural Research	University of Pittsburgh	1R01DK77906-01A2	93.847	285
Diabetes, Digestive, and Kidney Diseases Extramural Research	Wayne State University	2U01DK074062-06	93.847	103
				2,541,644
Extramural Res. Programs in Neurosciences and Neurological Disorders	Mount Sinai School of Medicine	5U01NS045719-07	93.853	1,231,679
Extramural Res. Programs in Neurosciences and Neurological Disorders	University of British Columbia	2 U01 NS038529-09	93.853	650,214
Extramural Res. Programs in Neurosciences and Neurological Disorders	UMDNJ/Rutgers	2R01NS038384-12	93.853	487,175
Extramural Res. Programs in Neurosciences and Neurological Disorders	Johns Hopkins University	7R01NS075047-02	93.853	331,455
Extramural Res. Programs in Neurosciences and Neurological Disorders	Massachusetts General Hospital	5P50NS037409-13	93.853	258,682
Extramural Res. Programs in Neurosciences and Neurological Disorders	CHILDRENS HOSPITAL BOSTON	1U01NS082320-01	93.853	245,641
Extramural Res. Programs in Neurosciences and Neurological Disorders	Arizona State University	7R01NS061846-04	93.853	191,477
Extramural Res. Programs in Neurosciences and Neurological Disorders	University of Wisconsin in Madison	5P01NS042803-09	93.853	185,060
Extramural Res. Programs in Neurosciences and Neurological Disorders	BOSTON MEDICAL CENTER	1R01NS070307-01A1	93.853	152,258
Extramural Res. Programs in Neurosciences and Neurological Disorders	University of Chicago	1U01NS069997-03	93.853	123,187
Extramural Res. Programs in Neurosciences and Neurological Disorders	University of California in San Francisco	1U01NS058634-01A2	93.853	106,413
Extramural Res. Programs in Neurosciences and Neurological Disorders	University of Florida	R01NS073346	93.853	57,160
Extramural Res. Programs in Neurosciences and Neurological Disorders	Johns Hopkins University	5U01NS062851-03	93.853	55,567
Extramural Res. Programs in Neurosciences and Neurological Disorders	University of Texas Health Science Ctr at Houston	5P50NS044227-07	93.853	40,882
Extramural Res. Programs in Neurosciences and Neurological Disorders	THE REGENTS OF THE UNIVERSITY OF CALIFORNIA	R01NS071463	93.853	40,302

See accompanying notes to schedule of expenditures of federal awards.

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Federal Grantor	Pass-Through Grantor	Contract/Award or Pass-Through Num	CFDA Number	Total Expenditures
RESEARCH AND DEVELOPMENT CLUSTER, CONTINUED				
Department of Health and Human Services, continued				
Extramural Res. Programs in Neurosciences and Neurological Disorders	REGENTS OF THE UNIVERSITY OF MINNESOTA	1U01NS062091-01A2	93.853	33,632
Extramural Res. Programs in Neurosciences and Neurological Disorders	University of California in San Diego	P50NS044148-07	93.853	33,140
Extramural Res. Programs in Neurosciences and Neurological Disorders	UMDNJ/Rutgers	R01 NS38384	93.853	23,217
Extramural Res. Programs in Neurosciences and Neurological Disorders	Medical College of Wisconsin	5R01NS035929-11	93.853	20,111
Extramural Res. Programs in Neurosciences and Neurological Disorders	Childrens Hospital Medical Center Cincinnati OH	2U01NS045911-06A2	93.853	18,515
Extramural Res. Programs in Neurosciences and Neurological Disorders	Emory University	2U01NS038455-11A1	93.853	17,654
Extramural Res. Programs in Neurosciences and Neurological Disorders	Mount Sinai School of Medicine	U01NS045719	93.853	17,228
Extramural Res. Programs in Neurosciences and Neurological Disorders	THE UNIVERSITY OF CALIFORNIA	R01NS053998	93.853	14,453
Extramural Res. Programs in Neurosciences and Neurological Disorders	Childrens Hospital Medical Center Cincinnati OH	5R01NS065840-02	93.853	6,383
Extramural Res. Programs in Neurosciences and Neurological Disorders	GEORGE MASON UNIVERSITY	1R21NS070740-01A1	93.853	4,976
Extramural Res. Programs in Neurosciences and Neurological Disorders	Washington University in St Louis	5U01NS042804-06	93.853	3,664
Extramural Res. Programs in Neurosciences and Neurological Disorders	Massachusetts General Hospital	5P50NS037409	93.853	(445)
Extramural Res. Programs in Neurosciences and Neurological Disorders	MEDICAL UNIVERSITY OF SOUTH CAROLINA	1U01NS058728-01A1	93.853	(5,472)
Extramural Res. Programs in Neurosciences and Neurological Disorders	University of Texas Health Science Ctr at Houston	3P50NS044227-0851	93.853	(13,498)
				4,330,710
Allergy, Immunology and Transplantation Research	Fred Hutchinson Cancer Research Center	5U01A1068614	93.855	838,731
Allergy, Immunology and Transplantation Research	Emory University	2R01A1064060-06A1	93.855	603,652
Allergy, Immunology and Transplantation Research	Brigham & Womens Hospital	7UM1A1068636-07	93.855	500,652
Allergy, Immunology and Transplantation Research	Emory University	U01A1084150-01	93.855	387,596
Allergy, Immunology and Transplantation Research	Florida State University	1P01A1074805-01A1/FSU#227000-520-023294	93.855	358,354
Allergy, Immunology and Transplantation Research	OKLAHOMA MEDICAL RESEARCH FOUNDATION	1P01A1083194-01	93.855	240,791
Allergy, Immunology and Transplantation Research	University of North Carolina at Chapel Hill	3U54A1057157-07	93.855	214,339
Allergy, Immunology and Transplantation Research	University of Minnesota	1 U19 A1070119-07	93.855	169,774
Allergy, Immunology and Transplantation Research	University of California in Davis	1R01A1097629-01	93.855	149,193
Allergy, Immunology and Transplantation Research	University of California in Davis	2R56A1049342-10	93.855	147,901
Allergy, Immunology and Transplantation Research	University of Pennsylvania	5U01A1082211-04	93.855	137,055
Allergy, Immunology and Transplantation Research	Duke University	5U19A1067854	93.855	112,134
Allergy, Immunology and Transplantation Research	University of California in Davis	2R56A1049342-10A1	93.855	89,929
Allergy, Immunology and Transplantation Research	University of North Carolina at Chapel Hill	5U54-A157157-11	93.855	88,300
Allergy, Immunology and Transplantation Research	University of North Carolina at Chapel Hill	7UM1A1069455-06	93.855	87,510
Allergy, Immunology and Transplantation Research	University of Pennsylvania	5U01A1082211-05	93.855	82,318
Allergy, Immunology and Transplantation Research	Albert Einstein College of Medicine of Yeshiva U	1R01-A1097096-01A1	93.855	54,770
Allergy, Immunology and Transplantation Research	Johns Hopkins University	1 U01 A1069918-07	93.855	49,032

See accompanying notes to schedule of expenditures of federal awards.

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Federal Grantor	Pass-Through Grantor	Contract/Award or Pass-Through Num	CFDA Number	Total Expenditures
RESEARCH AND DEVELOPMENT CLUSTER, CONTINUED				
<u>Department of Health and Human Services, continued</u>				
Allergy, Immunology and Transplantation Research	Microbiotix, Inc	2R44A1082799	93.855	46,904
Allergy, Immunology and Transplantation Research	University of Texas at El Paso	1R01A1102663-01	93.855	44,926
Allergy, Immunology and Transplantation Research	THE REGENTS OF THE UNIVERSITY OF CALIFORNIA	1R01A1097629	93.855	43,303
Allergy, Immunology and Transplantation Research	Duke University	5U19A1056363-09	93.855	42,677
Allergy, Immunology and Transplantation Research	THE REGENTS OF THE UNIVERSITY OF CALIFORNIA	5 U01 A1083005	93.855	40,318
Allergy, Immunology and Transplantation Research	Fred Hutchinson Cancer Research Center	5UM1A1068614-07	93.855	40,100
Allergy, Immunology and Transplantation Research	CHILDREN'S HOSPITAL BOSTON	1U01 A1077816-05	93.855	31,682
Allergy, Immunology and Transplantation Research	Emory University	2R01A1071002-06A1	93.855	26,806
Allergy, Immunology and Transplantation Research	GEORGE MASON UNIVERSITY	2R01A10043894-11A2	93.855	24,332
Allergy, Immunology and Transplantation Research	Medical College of Wisconsin	5R01A1078713-09	93.855	20,659
Allergy, Immunology and Transplantation Research	Medical College of Wisconsin	5R01A1078713-08	93.855	19,688
Allergy, Immunology and Transplantation Research	Johns Hopkins University	1 U01 A1069918-08	93.855	16,086
Allergy, Immunology and Transplantation Research	Microbiotix, Inc	1 R43 DE023005	93.855	15,431
Allergy, Immunology and Transplantation Research	THERAPEUTICS SYSTEMS RESEARCH LAB	1R43A100401-01A1	93.855	13,685
Allergy, Immunology and Transplantation Research	Brigham & Womens Hospital	5UM1A1068636-07	93.855	13,142
Allergy, Immunology and Transplantation Research	University of Georgia	1R21A1096364-01A1	93.855	11,178
Allergy, Immunology and Transplantation Research	Southern Research Institute	1R21A1101924	93.855	9,126
Allergy, Immunology and Transplantation Research	Virginia Commonwealth University	1R56A1081837-01A1	93.855	1,875
Allergy, Immunology and Transplantation Research	Duke University	5U19A1056363-08	93.855	253
Allergy, Immunology and Transplantation Research	University of Texas at El Paso	5R01A1077413-02	93.855	(55)
Allergy, Immunology and Transplantation Research	Brigham & Womens Hospital	5U01A1063623-04	93.855	(290)
Allergy, Immunology and Transplantation Research	CHILDREN'S HOSPITAL BOSTON	1U01 A1077816-03	93.855	(1,365)
Allergy, Immunology and Transplantation Research	Social & Scientific Systems Inc	UM1 A1068636-06	93.855	(3,688)
				4,768,804
Biomedical Research and Research Training	SOLUBLE THERAPEUTICS, LLC	2R42GM088958-02	93.859	208,557
Biomedical Research and Research Training	University of Illinois at Chicago	1R01GM096191-03	93.859	127,195
Biomedical Research and Research Training	Technion (Israel Institute of Technology) R& D Foundation	1R01GM094792-02	93.859	86,299
Biomedical Research and Research Training	Technion (Israel Institute of Technology) R& D Foundation	4R01GM094792-03	93.859	78,188
Biomedical Research and Research Training	University of Pittsburgh	2P50GM082251-06	93.859	52,818
Biomedical Research and Research Training	University of Georgia	5P01GM08535404	93.859	6,211
Biomedical Research and Research Training	University of Pennsylvania	1R01GM088566-01	93.859	2,841
Biomedical Research and Research Training	University of Pittsburgh	5P50GM076659-05	93.859	106
				562,215

See accompanying notes to schedule of expenditures of federal awards.

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RESEARCH AND DEVELOPMENT CLUSTER, CONTINUED				
<u>Department of Health and Human Services, continued</u>				
Population Research	YALE UNIV	5U10HD055925-04	93.864	(1,934)
Child Health and Human Development Extramural Research	Harvard School of Public Health	5 U01 HD052102-08	93.865	349,818
Child Health and Human Development Extramural Research	RTI International	5U10HD034216-15	93.865	202,694
Child Health and Human Development Extramural Research	University of Utah	5K12HD047349-09	93.865	91,576
Child Health and Human Development Extramural Research	University of Maryland	R01HD067126	93.865	82,004
Child Health and Human Development Extramural Research	Duke University	1R01HD057956-01	93.865	81,461
Child Health and Human Development Extramural Research	Pennsylvania State University (The)	1R01HD066982-01	93.865	52,790
Child Health and Human Development Extramural Research	Oregon Health & Sciences University	1R01HD0696910-01A1	93.865	51,946
Child Health and Human Development Extramural Research	University of Utah	5K12HD047349	93.865	26,138
Child Health and Human Development Extramural Research	University of Maryland	1R01HD067126	93.865	19,985
Child Health and Human Development Extramural Research	VIRGINIA POLY TECHNIC INSTITUTE AND STATE UNIVERSITY	7U01HD044253-08	93.865	18,133
Child Health and Human Development Extramural Research	BENTON TECHNOLOGIES INC	1R43HD072823-01	93.865	10,623
Child Health and Human Development Extramural Research	University of Wisconsin in Madison	1R01HD071089-01A1	93.865	8,754
Child Health and Human Development Extramural Research	University of North Carolina at Greensboro	1R15HD071431-01A1	93.865	5,736
Child Health and Human Development Extramural Research	Childrens Hospital Medical Center Cincinnati OH	5R01HD059140-02	93.865	4,264
Child Health and Human Development Extramural Research	University of Michigan	2 U01 HD041249-06	93.865	(47)
				1,005,875
Aging Research	University of Florida	9R01AG033906-06	93.866	426,481
Aging Research	University of Iowa	1R01AG033035-01A2	93.866	416,178
Aging Research	University of Pennsylvania	3U01AG030644-02S3	93.866	415,121
Aging Research	University of Southern California	1R01AG037561-01A1	93.866	127,488
Aging Research	University of Kentucky Research Foundation	1R01AG034605	93.866	88,131
Aging Research	Alzheimer's Disease Cooperative Study	2U01AG24904-06	93.866	71,232
Aging Research	University of Pennsylvania	1R01AG037679-01A1	93.866	37,322
Aging Research	University of California in San Francisco	R01AG033592	93.866	18,534
Aging Research	REGENTS OF THE UNIVERSITY OF MINNESOTA	7R01AG031846-04	93.866	9,003
Aging Research	University of Louisville Research Foundation, Inc	5R01AG024040-03	93.866	1,217
				1,610,707
Vision Research	Emory University	5 U10 EY013272-07	93.867	236,195
Vision Research	University of California in San Diego	1R01EY019869-01	93.867	161,914
Vision Research	Duke University	1R01EY019126-01	93.867	97,789

See accompanying notes to schedule of expenditures of federal awards.

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RESEARCH AND DEVELOPMENT CLUSTER, CONTINUED				
<u>Department of Health and Human Services, continued</u>				
Vision Research	Wake Forest University School of Medicine	R01HL098445	93.867	81,375
Vision Research	Duke University	1R01EY018405-01	93.867	67,561
Vision Research	St Lukes Roosevelt Hospital Center	1U10EY017281-01A1	93.867	20,997
Vision Research	SMART ENGINEERING	1R43EY021408-01	93.867	7,704
Vision Research	University of California in San Diego	2U10EY14267-06	93.867	7,147
Vision Research	Jaeb Center for Health Research Inc	U10EY11751	93.867	630
				681,312
HIV Prevention Activities_Health Department Based	Alabama Dept of Public Health	1U62PS003632-01 PS12-1201	93.940	570,822
Tuberculosis Demo. Research, Public and Professional Ed	CENTRE FOR INFECTIOUS DISEASE RESEARCH IN ZAMBIA	3U2GGH000226-02S1	93.947	90,532
Block Grants for Prevention and Treatment of Substance Abuse	Jefferson Blount St Clair Mental Health/MR Authori	B1 AL SAPT	93.959	(27,490)
International Research and Research Training	UNIV OF ZAMBIA	1R24TW008873-01 REVISED	93.989	29,166
International Research and Research Training	University of Washington	5U2TW007374-02	93.989	25,595
International Research and Research Training	THE FLORIDA INTL UNIVERSITY OF BOARD OF TRUSTEES	1D43TW009125-01	93.989	17,395
				72,156
Contract	University of Rochester	HHSN27220120000SC	93.	417,932
Contract	Westat Corporation	HHSN275201300003C	93.	264,261
Contract	Westat Corporation	N01-DH-3-3345	93.	94,743
Contract	Altarum Institute	GS-10F-026/HHSN271201100111U	93.	84,695
Contract	University of California in San Francisco	HHSN26620040074C	93.	74,067
Contract	Massachusetts General Hospital	HHSN271201100006I	93.	62,453
Contract	University of Pennsylvania	HHSN268200800003C	93.	55,001
Contract	University of California in San Francisco	N01-AI-15416	93.	48,618
Contract	University of Wisconsin in Madison	N01-CN-35153	93.	42,652
Contract	Duke University	HHSN272200900023C	93.	34,988
Contract	RAND Corporation	HHSM-500-2005-000281	93.	33,705
Contract	University of Texas Southw estern Medical Center	N01-HB-07159	93.	31,924
Contract	University of Illinois at Chicago	200-2011-40306	93.	30,292
Contract	EMMES Corporation	HHS-N-260-2005-00007-C	93.	27,782
Contract	Southern Research Institute	N01-CO-12400	93.	27,169
Contract	Abt Associates Inc	HHSA290201000031I	93.	26,959
Contract	University of Cincinnati	HHSF223201110112A	93.	25,832

See accompanying notes to schedule of expenditures of federal awards.

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RESEARCH AND DEVELOPMENT CLUSTER, CONTINUED				
<u>Department of Health and Human Services, continued</u>				
Contract	Wake Forest University School of Medicine	HHSN26800900019 C	93.	23,412
Contract	Washington University in St Louis	HHSN261201000061C	93.	23,200
Contract	University of Texas Southw estern Medical Center	HHSN268201200019C	93.	10,271
Contract	Duke University	HHSN27500003I	93.	9,672
Contract	Duke University	HHSN2752010000031	93.	9,059
Contract	THE REGENTS OF THE UNIVERSITY OF CALIFORNIA	N01-CN-35160	93.	4,684
Contract	Harvard Pilgrim Health Care, Inc.	HHSF223009100061-0002	93.	3,978
Contract	New England Research Institute	N 01HC45207	93.	2,689
Contract	University of Maryland	SR00002242	93.	2,296
Contract	Duke University	HHSN-2752010000031	93.	1,268
Contract	University of Michigan	NHBL-HV-10-14/HHSN268201100026C	93.	1,192
Contract	University of California in San Francisco	N01-AI-40074	93.	(5,747)
Contract	ROCKLAND IMMUNOCHEMICALS, INC	HHSN261201100104C	93.	(5,906)
Contract	University of Michigan	N01-CN-35110	93.	(7,593)
Unknow n	University of Texas Health Science Ctr at Houston	U01HL077863-06S2	93.	681,824
Unknow n	Georgetow n University	U10HD036801	93.	527,005
Unknow n	RTI International	1U01HD069031	93.	199,123
Unknow n	Children's Hospital of Philadelphia	U10CA098543	93.	178,183
Unknow n	RADIATION MONITORING DEVICES INC	2R44EY019197-02	93.	133,549
Unknow n	University of California in San Diego	CTA-12-UAB-(NGF)M-001DCS	93.	100,701
Unknow n	Alabama Dept of Public Health	BRFSS 2013-2014	93.	91,835
Unknow n	LEGACY RESEARCH	R01EY011610	93.	89,957
Unknow n	American College of Radiology	U10CA21661	93.	62,257
Unknow n	The Children's Mercy Hospital	04-0023	93.	43,942
Unknow n	EMMES Corporation	1U01NS026835-01A1	93.	43,091
Unknow n	Wake Forest University School of Medicine	U01AG029824	93.	40,412
Unknow n	American College of Radiology	CA80098	93.	37,437
Unknow n	Social & Scientific Systems Inc	BRS-IPHRM-S-08-00056	93.	35,306
Unknow n	Jaeb Center for Health Research Inc	UNKNOWN	93.	35,258
Unknow n	Alabama Dept of Public Health	1U58DP003854-01	93.	31,926
Unknow n	University of South Florida	U01 DK061055	93.	13,587
Unknow n	Duke University	NONE	93.	7,727
Unknow n	Johns Hopkins University	3 U01DK062431-11S1	93.	5,567
Unknow n	Johns Hopkins University	U01CA137443	93.	4,571

See accompanying notes to schedule of expenditures of federal awards.

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RESEARCH AND DEVELOPMENT CLUSTER, CONTINUED				
<u>Department of Health and Human Services, continued</u>				
Unknown	University of Maryland	1U01NS069208-01	93.	3,463
Unknown	Emory University	U54NS065701	93.	2,329
Unknown	HEALTH SERVICE CENTER	SF017302	93.	2,217
Unknown	Children's Hospital of Philadelphia	CHOP ACTIVITY 325813-FP00010263-SUB03-01	93.	2,000
Unknown	Joslin Diabetes Center, Inc	5U01DK074556-03	93.	1,912
Unknown	Columbia University in the City of New York	U01NS051483	93.	1,489
Unknown	CELLEX, INC	1R44A1082728-02	93.	1,458
Unknown	RTI International	0212789	93.	597
Unknown	University of Minnesota	5K23DK087919-04	93.	594
Unknown	Johns Hopkins University	U01CA137443-01	93.	179
Unknown	NEW ENGLAND RESEARCH INSTITUTES INC	U01DK58234	93.	(7,522)
Total Pass-Through				29,262,550
ARRA Direct				
ARRA - 3U01HD040533-09S1			93.701	679,025
ARRA - 3P30CA013148-38S9			93.701	394,414
ARRA - 3P60MD000502-08S1			93.701	171,239
ARRA - 5RC2EB011412-02			93.701	155,290
ARRA - 3P30NS057098-05S1			93.701	135,647
ARRA - 1P30DE020744-01			93.701	114,066
ARRA - 5RC2AR058964-02			93.701	112,576
ARRA - 3P30DK079337-02S1			93.701	57,973
ARRA - 1R01HD054960-01A2			93.701	35,323
ARRA - 5RC2AR058951-02			93.701	20,225
ARRA - 3R01HL092173-02S2			93.701	16,401
ARRA - 3R21EY018369-01A2S1			93.701	15,221
ARRA - 3R01GM082952-02S1			93.701	14,575
ARRA - 5P30NS069324-02			93.701	14,452
ARRA - 3R24AI067039-04S1			93.701	5,559
ARRA - 7R01AI080349-03			93.701	5,471
ARRA - 3R01GM081488-02S1			93.701	5,250
ARRA - 3U54CA118948-04S2			93.701	4,828
ARRA - 1R01HL094518-01A1			93.701	4,557
ARRA - 3R01AG030228-04S1			93.701	4,363

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RESEARCH AND DEVELOPMENT CLUSTER, CONTINUED				
<u>Department of Health and Human Services, continued</u>				
ARRA - 1P30EB011319-02			93.701	3,461
ARRA - 5R21RR025788-02			93.701	3,119
ARRA - 3U01AI069452-04S1			93.701	2,608
ARRA - 3UL1RR025777-02S1			93.701	2,003
ARRA - 5R01DK082548-02			93.701	1,832
ARRA - 7RC1DE020533-03			93.701	1,789
ARRA - 5P30CA147858-02			93.701	1,353
ARRA - 3P30CA013148-38S5			93.701	1,343
ARRA - 3R01DE017954-03S1			93.701	752
ARRA - 1R21HD061767-01			93.701	735
ARRA - 1R03HD057388-01A2			93.701	725
ARRA - 1P01AI083027-02			93.701	175
ARRA - 3P50CA089019-08S1			93.701	51
ARRA - 1R56AI082249-01A2			93.701	31
ARRA - 3P30CA013148-38S3			93.701	17
ARRA - 5RC1TW008467-02			93.701	(64)
ARRA - 3U01NS042685-04S1			93.701	(230)
ARRA - 1R03HL097006-01			93.701	(1,703)
ARRA - 1RC2MD004778-02			93.701	(2,019)
ARRA - 3R01NS031234-16S2			93.701	(2,328)
ARRA - 3R01HD053055-04S1			93.701	(2,831)
ARRA - 7R01AR055307-03			93.701	(7,141)
ARRA - 3P30CA013148-38S4			93.701	(9,812)
ARRA - 3U54CA118948-04S1			93.701	(26,155)
				<u>1,934,166</u>
ARRA - 1R18HS01923901			93.715	639,855
ARRA - 1K12HS01946501			93.715	493,577
ARRA - 1T32HS01946301			93.715	109,867
				<u>1,243,299</u>
ARRA - HHSN268200900047C			93.	19,917
Total ARRA Direct				<u>3,197,382</u>

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RESEARCH AND DEVELOPMENT CLUSTER, CONTINUED				
<u>Department of Health and Human Services, continued</u>				
ARRA Pass-Through				
ARRA - DUKE 203-0666	Duke University	1UC4NR012584	93.701	78,269
ARRA - 0007248-C	University of Texas Health Science Ctr at Houston	3P50NS044227-07S3	93.701	69,267
ARRA - MT SINAI 0256-9131-4609	Mount Sinai School of Medicine	3U01A1063594-07S1	93.701	18,304
ARRA - VUMC 40572	Vanderbilt University	1RC4MH092755-01	93.701	17,047
ARRA - M12A 11304 (AS0201)	YALE UNIV	3U10HD055925-02S1REVISED	93.701	3,171
ARRA - U OF MIAMI PO-M154677	UNIVERSITY OF MIAMI	1R01HD060325-01	93.701	3,143
ARRA - JHU ABTC 0903	Johns Hopkins University	U01CA 137433	93.701	1,665
ARRA - ACRIN 4701	American College of Radiology	1R01HS019403-01	93.701	1,314
ARRA - UF09227	University of Florida	3R01AG033906-06S1	93.701	178
ARRA - U of MD,Balt - SR00001493	University of Maryland	3U01DK060397-08S2	93.701	46
ARRA - U TX33188/98113850PO33513-2000	University of Texas MD Anderson Center	5 RC2 CA 148263-02	93.701	(651)
ARRA - UAB-506012-PO#3100183496	The Feinstein Institute for Medical Research	5RC2AR059092-02	93.701	(691)
ARRA - CHILD ONC GROUP 19192	Natl Childhood Cancer Foundation	3U01CA097452-07S2	93.701	(891)
ARRA - CMH 09-0017	The Children's Mercy Hospital	3U01DK066143-07S1	93.701	(2,400)
ARRA - BRS-IMPCT-Q-06-00115-T010-ARRA	Social & Scientific Systems Inc	3U01A1068632-05S2	93.701	(2,670)
ARRA - DUKE SPS#165191/174373	Duke University	RC2AR058934	93.701	(2,935)
				182,166
ARRA - 217197	Massachusetts General Hospital	R01HS019371	93.715	313,886
ARRA - 4213/ACCT#432843/ORG10535	Rutgers, The State University of New Jersey	1R01HS020097-01	93.715	75,553
				389,439
ARRA - MUSC10-116	MEDICAL UNIVERSITY OF SOUTH CAROLINA	HHSN75200800014C	93.	112,513
ARRA - SRI S10-005	Southern Research Institute	N01-CO-12400	93.	(4,537)
Total ARRA Pass-Through				679,581
Total Department of Health and Human Services				245,369,733
<u>Corporation for National and Community Services</u>				
Direct				
Contract #HHSN272201000027			94.	357,700
Total Direct				357,700

See accompanying notes to schedule of expenditures of federal awards.

University of Alabama at Birmingham
Schedule of Expenditures of Federal Awards
Year Ended September 30, 2013

Federal Grantor	Pass-Through Grantor	Contract/Award or Pass-Through Num	CFDA Number	Total Expenditures
RESEARCH AND DEVELOPMENT CLUSTER, CONTINUED				
<u>Corporation for National and Community Services, continued</u>				
Pass-Through				
Social Innovation Fund	AIDS UNITED	NONE	94.019	35,000
Contract	American College of Radiology	UNKNOWN	94.	2,280
Total Pass-Through				<u>37,280</u>
Total Corporation for National and Community Services				394,980
<u>Department of Homeland Security</u>				
Pass-Through				
Unknown	Cazador LLC	DNDO	97.	(57,252)
Total Pass-Through				<u>(57,252)</u>
Total Department of Homeland Security				(57,252)
<u>U. S. Agency for International Development</u>				
Pass-Through				
USAID Dev. Partnerships for University Cooperation and Development	University of Georgia	ECGA00070000100	98.012	28,434
Unknown	FUTURES GROUP	AID-OAA-A-10-00067	98.	28,212
Unknown	Intl Aids Vaccine Initiative	GPO-A-00-06-00006-00	98.	17,746
Total Pass-Through				<u>74,392</u>
Total U. S. Agency for International Development				74,392
TOTAL RESEARCH AND DEVELOPMENT CLUSTER				282,352,310
STUDENT FINANCIAL AID CLUSTER				
<u>Department of Education</u>				
Direct				
Federal Supplemental Education Opportunity Grant			84.007	739,857
Federal Work-Study Program			84.033	1,018,239
Federal Pell Grant			84.063	17,036,485
Direct Student Loans			84.268	130,083,267
Teacher Ed. Assistance for College and Higher Ed. Grants (TEACH)			84.379	100,374
Total Direct				<u>148,978,222</u>

See accompanying notes to schedule of expenditures of federal awards.

**University of Alabama at Birmingham
Schedule of Expenditures of Federal Awards
Year Ended September 30, 2013**

Federal Grantor	Pass-Through Grantor	Contract/Award or Pass-Through Num	CFDA Number	Total Expenditures	
STUDENT FINANCIAL AID CLUSTER, CONTINUED					
<u>Department of Education, continued</u>					
Total Department of Education				148,978,222	
<u>Department of Health and Human Services</u>					
Direct					
Nurse Faculty Loan Program			93.264	292,686	
Schlps for Hlth Professions Students from Disadvantaged Backgrounds			93.925	1,133,567	
Total Direct				1,426,253	
Total Department of Health and Human Services				1,426,253	
TOTAL STUDENT FINANCIAL AID CLUSTER				150,404,475	
 HEAD START					
<u>Department of Health and Human Services</u>					
Direct					
Head Start			93.600	935,562	
Total Direct				935,562	
Total Department of Health and Human Services				935,562	
TOTAL HEAD START				935,562	
 OTHER PROGRAMS					
<u>Department of Agriculture</u>					
Direct					
Scientific Cooperation and Research			10.961	7,286	
Total Direct				7,286	
Pass-Through					
Child and Adult Care Food Program		Alabama Dept of Education	ADS-0000	10.558	16,199
Total Pass-Through				16,199	

See accompanying notes to schedule of expenditures of federal awards.

University of Alabama at Birmingham
Schedule of Expenditures of Federal Awards
Year Ended September 30, 2013

Federal Grantor	Pass-Through Grantor	Contract/Award or Pass-Through Num	CFDA Number	Total Expenditures
OTHER PROGRAMS, CONTINUED				
<u>Department of Agriculture, continued</u>				
Total Department of Agriculture				23,485
<u>Department of Defense</u>				
Direct				
Contract - Post 9/11 GI Bill			12.	2,818,655
Contract - Navy Unknown			12.	557,016
Contract - Go Army			12.	258,918
Contract - Health Profession Students			12.	230,903
Contract - Air Force Unknown			12.	207,079
Contract #FA4417-11-P-R045			12.	92,556
Contract - Medical Department Center and School			12.	59,562
Contract - Army Corp of Engineers			12.	6,191
Contract - Coast Guard Unknown			12.	6,000
Total Direct				4,236,880
Pass-Through				
Comp. Grants:Promoting K-12 Student Achv at Mltry-Connected Schls		SUMTER SCHOOL DISTRICT	HE1254-12-1-0008	12.556
Total Pass-Through				13,370
Total Department of Defense				4,250,250
<u>Department of Housing and Urban Development</u>				
Direct				
Supportive Housing Program			14.235	611,828
Total Direct				611,828
Total Department of Housing and Urban Development				611,828
<u>Department of Justice</u>				
Pass-Through				
Unknown		Jefferson County Commission	2012-DC-BX-008	16.
Unknown		Alabama Dept of Public Health	2012-PM-BX-0008	16.
Unknown		Alabama Dept of Corrections	2012-CZ-BX-0013	16.
Total Pass-Through				187,874

See accompanying notes to schedule of expenditures of federal awards.

**University of Alabama at Birmingham
Schedule of Expenditures of Federal Awards
Year Ended September 30, 2013**

Federal Grantor	Pass-Through Grantor	Contract/Award or Pass-Through Num	CFDA Number	Total Expenditures
OTHER PROGRAMS, CONTINUED				
<u>Department of Justice, continued</u>				
Total Department of Justice				187,874
<u>Department of State</u>				
Direct				
Professional and Cultural Exchange Programs - Citizen Exchanges			19.415	<u>925</u>
Total Direct				925
Total Department of State				925
<u>Department of Transportation</u>				
Direct				
NHTSA Discretionary Safety Grants			20.614	<u>439,409</u>
Total Direct				439,409
Pass-Through				
Unknown		Alabama Dept of Transportation	K-12-1510	20. <u>169,520</u>
Total Pass-Through				169,520
Total Department of Transportation				608,929
<u>National Foundation on the Arts and the Humanities</u>				
Pass-Through				
Unknown		Alabama Council on the Arts	2013-20704	45. <u>2,150</u>
Total Pass-Through				2,150
Total National Foundation on the Arts and the Humanities				2,150
<u>Department of Veterans Affairs</u>				
Direct				
Contract - Intergovernmental Personnel Agreements			64.	<u>264,171</u>
Total Direct				264,171
Total Department of Veterans Affairs				264,171

See accompanying notes to schedule of expenditures of federal awards.

**University of Alabama at Birmingham
Schedule of Expenditures of Federal Awards
Year Ended September 30, 2013**

Federal Grantor	Pass-Through Grantor	Contract/Award or Pass-Through Num	CFDA Number	Total Expenditures
OTHER PROGRAMS, CONTINUED				
<u>Department of Energy</u>				
Direct				
Energy Eff. and Renewable Energy Info. Dissemination, Outreach, Train.			81.117	127,725
Total Direct				<u>127,725</u>
Pass-Through				
Contract	Oak Ridge Associated Universities	DE-AC05-06OR23100	81.	39,071
Total Pass-Through				<u>39,071</u>
Total Department of Energy				166,796
<u>Department of Education-TRIO Cluster</u>				
Direct				
TRIO_Student Support Services			84.042	5,108
TRIO_McNair Post-Baccalaureate Achievement			84.217	27,362
Total Direct				<u>32,470</u>
Total Department of Education-TRIO Cluster				32,470
<u>Department of Education</u>				
Direct				
Bilingual Education			84.195	10,158
Graduate Assistance in Areas of National Need			84.200	226,450
Special Ed-Personnel Dev to Improve Serv and Results for Children			84.325	442,386
Special Ed-Tech Assist and Dissemination to Improve Serv and Research			84.326	173,820
Transition to Teaching			84.350	384,401
English Language Acquisition State Grants			84.365	768,159
Total Direct				<u>2,005,374</u>
Pass-Through				
Special Education_Grants to States	Alabama Dept of Education	UNKNOWN	84.027	72,895
Special Education_Grants to States	Alabama Dept of Education	UNKNOWN	84.027	2,827
				<u>75,722</u>
Special Ed-Personnel Dev to Improve Serv and Results for Children	Salus University	H325V090001	84.325	52,950

See accompanying notes to schedule of expenditures of federal awards.

University of Alabama at Birmingham
Schedule of Expenditures of Federal Awards
Year Ended September 30, 2013

Federal Grantor	Pass-Through Grantor	Contract/Award or Pass-Through Num	CFDA Number	Total Expenditures
OTHER PROGRAMS, CONTINUED				
<u>Department of Education, continued</u>				
Arts in Education	Birmingham City Schools	STRAIGHT A'S	84.351	42,333
Mathematics and Science Partnerships	Alabama Dept of Education	U100610	84.366	446,194
Mathematics and Science Partnerships	Alabama Dept of Education	UNKNOWN	84.366	234,305
Mathematics and Science Partnerships	Alabama Dept of Education	AMSTI	84.366	221,086
Mathematics and Science Partnerships	The University of Mississippi	4276	84.366	39,884
				<u>941,469</u>
Improving Teacher Quality State Grants	Alabama Dept of Education	U300296	84.367	237,270
Improving Teacher Quality State Grants	Alabama Comm on Higher Education	PL 107-110	84.367	168,183
Improving Teacher Quality State Grants	Alabama Comm on Higher Education	UNKNOWN	84.367	120,344
Improving Teacher Quality State Grants	NATIONAL WRITING PROJECT	04-AL08-SEED2012	84.367	62,728
Improving Teacher Quality State Grants	Alabama Dept of Education	C2U0161	84.367	13,434
Improving Teacher Quality State Grants	Alabama Dept of Education	C3U0534	84.367	4,456
				<u>606,415</u>
School Improvement Grants	Alabama Dept of Education	312184-005215-1780650	84.377	162,410
School Improvement Grants	Alabama Dept of Education	C2U0181	84.377	280
				<u>162,690</u>
National Writing Project Corp	Alabama Dept of Education	NATIONAL WRITING PROJECT	84.928	13,825
Total Pass-Through				<u>1,895,404</u>
Total Department of Education				3,900,778
<u>Department of Health and Human Services</u>				
Direct				
Training in General, Pediatric, and Public Health Dentistry			93.059	149,031
Public Health Emergency Preparedness			93.069	399,838
Maternal and Child Health Federal Consolidated Programs			93.110	2,108,187
Oral Diseases and Disorders Research			93.121	750
Nurse Anesthetist Traineeships			93.124	9,736
Human Genome Research			93.172	55,230
Nursing Workforce Diversity			93.178	301,922

See accompanying notes to schedule of expenditures of federal awards.

**University of Alabama at Birmingham
Schedule of Expenditures of Federal Awards
Year Ended September 30, 2013**

Federal Grantor	Pass-Through Grantor	Contract/Award or Pass-Through Num	CFDA Number	Total Expenditures
OTHER PROGRAMS, CONTINUED				
<u>Department of Health and Human Services, continued</u>				
Disabilities Prevention			93.184	1,087,390
Grants to States to Support Oral Health Workforce Activities			93.236	465,820
Substance Abuse and Mental Hlth Serv_Proj. of Regional/National Sig.			93.243	757,409
Advanced Nursing Education Grant Program			93.247	1,180,922
Public Health Training Centers Program			93.249	31,522
The Affordable Care Act: CDC and Prevention_ Investigations			93.283	913,445
Minority Health and Health Disparities Research			93.307	15,855
Trans-NIH Research Support			93.310	52,038
Research Infrastructure Programs			93.351	484,454
Advanced Education Nursing Traineeships			93.358	424,838
Nurse Education, Practice Quality and Retention Grants			93.359	772,375
National Center for Research Resources			93.389	27,092
Cancer Cause and Prevention Research			93.393	2,360
Cancer Treatment Research			93.395	11,052
Cancer Research Manpower			93.398	891,273
ACA Public Health Training Centers Program, Resources Development			93.516	571,273
Health Care Innovation Awards (HCIA)			93.610	2,330,612
Strong Start for Mothers and Newborns			93.611	107,089
Univ Centers for Excellence in Dev Disabilities Ed., Res, and Serv			93.632	537,149
Prevention Public Health Fund 2012: Viral Hepatitis Education			93.740	78,688
Health Careers Opportunity Program			93.822	464,918
Area Health Education Centers Infrastructure Development Awards			93.824	266,139
Diabetes, Digestive, and Kidney Diseases Extramural Research			93.847	7,456
Extramural Rsrch Prgrms in Neurosciences and Neurological Disorders			93.853	29,737
Biomedical Research and Research Training			93.859	570,772
Child Health and Human Development Extramural Research			93.865	3,209
Aging Research			93.866	7,180
Grants for Primary Care Training and Enhancement			93.884	156,559
Grants to Provide Outpatient Early Intervention Serv with Respect to HIV			93.918	742,997
RW HIV/AIDS Dental Reimb and Comm Based Dental Partnership Grant			93.924	6,472
HIV Demonstration, Research, Public and Professional Ed Projects			93.941	626,810
Prevention and Public Health Fund (PPHF) Public Health Traineeships			93.964	30,000
PPHF-2012 Geriatric Education Centers			93.969	230,345
Preventive Health Services_STD Control Grants			93.977	154,116

See accompanying notes to schedule of expenditures of federal awards.

University of Alabama at Birmingham
Schedule of Expenditures of Federal Awards
Year Ended September 30, 2013

Federal Grantor	Pass-Through Grantor	Contract/Award or Pass-Through Num	CFDA Number	Total Expenditures
OTHER PROGRAMS, CONTINUED				
<u>Department of Health and Human Services, continued</u>				
Contract #200-2011-40834			93.	35,160
Total Direct				<u>17,099,220</u>
Pass-Through				
Global AIDS	CENTRE FOR INFECTIOUS DISEASE RESEARCH IN ZAMBIA	1U2G GH000226-01	93.067	74,966
Global AIDS	UNIV OF ZAMBIA	1U2GGH000109-02	93.067	17,791
Global AIDS	UNIV OF ZAMBIA	1U2GGH000109-01	93.067	767
				<u>93,524</u>
Public Health Emergency Preparedness	Alabama Dept of Public Health	1U90TP000500-01	93.069	73,709
Public Health Emergency Preparedness	Mississippi Dept of Health	1U90TP000530-01	93.069	24,648
				<u>98,357</u>
Project Grants and Coop Agreements for Tuberculosis Control Programs	Alabama Dept of Public Health	5U52PS400489-30	93.116	36,321
Project Grants and Coop Agreements for Tuberculosis Control Programs	Alabama Dept of Public Health	U52/CCU400489	93.116	(1,728)
				<u>34,593</u>
Emergency Medical Services for Children	Alabama Dept of Public Health	H33MC06713	93.127	8,760
AIDS Education and Training Centers	Emory University	5 H4A HA00067-05	93.145	154,169
AIDS Education and Training Centers	Emory University	2H4AHA00067-09-00	93.145	25,528
AIDS Education and Training Centers	University of South Florida	H4AHA00049	93.145	4,276
				<u>183,973</u>
Substance Abuse and Mental Hlth Serv_Proj. of Regional/National Sig.	Aids Alabama	1H79TI019749-01	93.243	45,593
Substance Abuse and Mental Hlth Serv_Proj. of Regional/National Sig.	Jefferson Blount St Clair Mental Health/MR Authori	NONE-STATE CODE 8061-0000-1100 AND 8040-0000	93.243	2,486
				<u>48,079</u>
Hlth System Strengthening and HIV/AIDS Prev, Care and Treatment	ADDIS ABABA UNIVERSITY	T84HA21124-03-00	93.266	164,253
Cancer Treatment Research	The Gynecologic Oncology Group	CA27469	93.395	10,200
Cancer Treatment Research	The Gynecologic Oncology Group	CA27469-33	93.395	8,986
				<u>19,186</u>

See accompanying notes to schedule of expenditures of federal awards.

University of Alabama at Birmingham
Schedule of Expenditures of Federal Awards
Year Ended September 30, 2013

Federal Grantor	Pass-Through Grantor	Contract/Award or Pass-Through Num	CFDA Number	Total Expenditures
OTHER PROGRAMS, CONTINUED				
Department of Health and Human Services, continued				
ACA Maternal, Infant, and Early Childhood Home Visiting Program	Alabama Dept of Children's Affairs	UNKNOWN	93.505	6,480
PPHF 2012 National Public Health Improvement Initiative	Alabama Dept of Public Health	5U58CD001273	93.507	53,770
Health Care Innovation Awards (HCIA)	Alabama Quality Assurance Foundation	1E1CMS331087-01-00	93.610	91,419
Health Care Innovation Awards (HCIA)	CITY COLLEGE OF SAN FRANCISCO	FIO-120927-B4-B	93.610	36,508
				<u>127,927</u>
Developmental Disabilities Basic Support and Advocacy Grants	Alabama Dept of Mental Health & Mental Retardation	ALBS01	93.630	19,329
Prevention Public Health Fund 2012: Viral Hepatitis Prevention	CDC Foundation	MOA # 391-13 SC	93.736	63,521
Children's Health Insurance Program	Alabama Dept of Public Health	7500515	93.767	331,603
Medical Assistance Program	Jefferson Blount St Clair Mental Health/MR Authori	B1 AL SAPT	93.778	107,780
Cardiovascular Diseases Research	TERUMO BCT INC	CTS-5001-REVISION B	93.837	5,092
Cardiovascular Diseases Research	Johns Hopkins University	1R34HL108756-01 REVISED	93.837	2,949
				<u>8,041</u>
Lung Diseases Research	Duke University	012	93.838	42,593
Allergy, Immunology and Transplantation Research	Emory University	7P01AI078907-03	93.855	308,121
National Bioterrorism Hospital Preparedness Program	Alabama Dept of Public Health	1U90TP000500-01	93.889	100,000
HIV Care Formula Grants	United Way of Central Alabama Inc	HRSA-10-055	93.917	1,326,827
HIV Prevention Activities_Health Department Based	Alabama Dept of Public Health	U62/CCU423485	93.940	41,016
HIV Prevention Activities_Health Department Based	Alabama Dept of Public Health	U62/PSU423485	93.940	16,666
				<u>57,682</u>
Coop. Agree. to Support State-Based Safe Motherhood and Infant Hlth In.	Alabama Dept of Public Health	1U01DP003150-01	93.946	4,700
Tuberculosis Demonstration, Research, Public and Professional Ed.	CIDRZ FOUNDATION	1U01GH000486-01	93.947	50,515
Preventive Health Services_STD Control Grants	Alabama Dept of Public Health	5H25PS001277-03	93.977	90,732
International Research and Research Training	Vanderbilt University	5R24TW007988-05	93.989	45,438
Preventive Health and Health Services Block Grant	Alabama Dept of Public Health	3B01DP009002-11W1	93.991	934
Maternal and Child Health Services Block Grant to the States	Alabama Dept of Public Health	B04MC21418	93.994	23,473
Maternal and Child Health Services Block Grant to the States	Alabama Dept of Public Health	UNKNOWN	93.994	6,278
				<u>29,751</u>

See accompanying notes to schedule of expenditures of federal awards.

University of Alabama at Birmingham
Schedule of Expenditures of Federal Awards
Year Ended September 30, 2013

Federal Grantor	Pass-Through Grantor	Contract/Award or Pass-Through Num	CFDA Number	Total Expenditures
OTHER PROGRAMS, CONTINUED				
<u>Department of Health and Human Services, continued</u>				
Contract	Alabama Dept of Children's Affairs	UNKNOWN	93.	96,349
Contract	Altarum Institute	HHSN268200900114U/GS-10F-0261K	93.	52,667
Contract	Bavarian Nordic A/S	HHS0100200700034C	93.	48,803
Contract	ACTURIAL RESEARCH CORPORATION	GS-23F-0058T	93.	37,362
Contract	TKC INTEGRATION SERVICES, LLC	200-2010-34301	93.	32,801
Contract	ICF INCORPORATED LLC	HHSN316201200028W	93.	29,424
Contract	Duke University	HHSN-275201000003I	93.	27,992
Contract	University of Maryland	HHS-N-276-2011-00004-C	93.	1,267
Contract	Duke University	HHSN272201100025C	93.	975
Unknow n	Alabama Medicaid Agency	UNKNOWN	93.	308,156
Unknow n	Jefferson County Commission	UNKNOWN	93.	238,741
Unknow n	Intl Society of Travel Medicine	1U50CK000189-01	93.	187,250
Unknow n	Alabama Dept of Public Health	PS08-86503CONT11	93.	156,307
Unknow n	NATIONAL REACH COALITION	NONE	93.	106,722
Unknow n	NATIONAL REACH COALITION	NRC-REACH	93.	98,581
Unknow n	Alabama Dept of Public Health	1101ALPREP	93.	77,772
Unknow n	NATIONAL USA FOUNDATION INC	298050-NUSAF-01	93.	75,069
Unknow n	Alabama Dept of Public Health	GC-12-298	93.	73,740
Unknow n	Alabama Dept of Public Health	1U59DD000947-01	93.	61,045
Unknow n	Alabama Dept of Rehabilitation Services	C30870051	93.	32,602
Unknow n	Alabama Dept of Public Health	H33MC06713	93.	14,259
Unknow n	OLMSTED MEDICAL CENTER	R01 HSO19408-01	93.	10,100
Unknow n	Alabama Dept of Public Health	5U59EH000493-04	93.	6,716
Unknow n	Alabama Dept of Public Health	HHS-2010-ACF-YF-PREP-0125	93.	4,841
Unknow n	Alabama Dept of Public Health	BC4MC21418	93.	4,380
Unknow n	AMERICAN PSYCHOLOGICAL ASSOCIATION	5U50DP001708-02	93.	3,969
Unknow n	SPINA BIFIDA ASSOCIATION	UNKNOWN	93.	1,287
Unknow n	Florida Certification Board	1 UD TI13590-10	93.	179
Total Pass-Through				5,215,825
ARRA Direct				
ARRA - D5BHP20434			93.403	234,109
ARRA - 1U24OC000023			93.721	96,703
Total ARRA Direct				330,812

See accompanying notes to schedule of expenditures of federal awards.

University of Alabama at Birmingham
Schedule of Expenditures of Federal Awards
Year Ended September 30, 2013

Federal Grantor	Pass-Through Grantor	Contract/Award or Pass-Through Num	CFDA Number	Total Expenditures
OTHER PROGRAMS, CONTINUED				
<u>Department of Health and Human Services, continued</u>				
Total Department of Health and Human Services				22,645,857
TOTAL OTHER PROGRAMS				32,695,513
 SPECIAL FEDERAL APPROPRIATIONS				
<u>Miscellaneous</u>				
Direct				
John J. Sparkman Center			99.	512,600
Lister Hill Center for Health Policy			99.	467,939
Total Direct				<u>980,539</u>
Total Miscellaneous				980,539
TOTAL SPECIAL FEDERAL APPROPRIATIONS				980,539
TOTAL FEDERAL				467,368,399

See accompanying notes to schedule of expenditures of federal awards.

University of Alabama at Birmingham

Notes to Schedule of Expenditures of Federal Awards

Year Ended September 30, 2013

1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") summarizes the federal expenditures of The University of Alabama at Birmingham ("UAB"), a campus of The University of Alabama System, under programs of the federal government for the year ended September 30, 2013. The amounts reported as federal expenditures were obtained from UAB's general ledger. Because the Schedule presents only a selected portion of the operations of UAB, it is not intended to and does not present the financial position, changes in net assets and revenues and expenses of UAB. The federal expenditures of Southern Research Institute ("SRI"), a discretely presented component unit of UAB, have not been included within the Schedule as they have been included in a separate schedule of expenditures of federal awards that has been audited by other auditors.

For purposes of the Schedule, federal awards include all grants, contracts, and similar agreements entered into directly between UAB and agencies and departments of the federal government and all subawards to UAB by nonfederal organizations pursuant to federal grants, contracts, and similar agreements. The information in the Schedule is presented in accordance with the provisions of Office of Management and Budget ("OMB") Circular A-133, *Audits of States, Local Governments, and Nonprofit Organizations*.

UAB has obtained Catalog of Federal Domestic Assistance ("CFDA") numbers to ensure that all programs have been appropriately identified in the Schedule. CFDA numbers for applicable programs have been appropriately listed by those programs. Certain contracts and grants are not assigned CFDA numbers and, therefore, CFDA numbers are not listed by these programs.

Negative expenditures represent adjustments to prior year expenditures for UAB to reconcile and close the federal awards programs. This results in accurate reporting on a cumulative basis over multiple periods.

UAB is also the subrecipient of federal funds that are reported as expenditures and listed as federal pass-through funds. Pass-through numbers are included for pass-through awards when available. Federal awards other than those indicated as pass-throughs are considered direct.

Subrecipients

Certain funds are passed through to subgrantee organizations by UAB. Expenditures incurred by the subgrantees and reimbursed by UAB are presented in the Schedule. For the year ended September 30, 2013, UAB passed through approximately \$46 million to subgrantee organizations, which is presented in the table below:

University of Alabama at Birmingham
Notes to Schedule of Expenditures of Federal Awards
Year Ended September 30, 2013

CFDA #	Agency	Total
Various	Research and Development	\$ 42,937,903
14.235	Department of Housing and Urban Development	323,111
84.366	Department of Education	49,764
93.069	Department of Health and Human Services	91,695
93.110	Department of Health and Human Services	48,208
93.184	Department of Health and Human Services	784,966
93.236	Department of Health and Human Services	330,000
93.243	Department of Health and Human Services	268,290
93.249	Department of Health and Human Services	31,652
93.283	Department of Health and Human Services	82,684
93.307	Department of Health and Human Services	17,023
93.359	Department of Health and Human Services	95,284
93.610	Department of Health and Human Services	305,963
93.822	Department of Health and Human Services	114,856
93.824	Department of Health and Human Services	115,508
93.917	Department of Health and Human Services	32,750
93.941	Department of Health and Human Services	253,069
93.977	Department of Health and Human Services	84,143
93.	Department of Health and Human Services	276,474
		<u>\$ 46,243,343</u>

2. Summary of Significant Accounting Policies

For purposes of the Schedule, expenditures for federal award programs are recognized on the accrual basis of accounting and in accordance with accounting standards generally accepted in the United States of America. Expenditures for federal student financial aid programs include FDSL, Perkins, and Pell program grants to students, the federal share of students' FSEOG program grants, FWS program earnings and administrative cost allowances where applicable.

3. Facilities and Administrative Costs ("F&A Costs")

UAB operates under predetermined fixed F&A cost rates which are effective from October 1, 2011 through September 30, 2015. The predetermined fixed rates were based on 2010 financial information. The base rate for on-campus research is 46.5% for the year ended September 30, 2013. Base rates for other F&A cost recoveries range from 26% to 46.5% for the year ended September 30, 2013.

University of Alabama at Birmingham
Notes to Schedule of Expenditures of Federal Awards
Year Ended September 30, 2013

4. Federal Student Loan Programs

Direct Loan Programs

The Federal Perkins Loan (“Perkins”), Health Professions Student Loan (“HPSL”), Nurse Faculty Loan Program (“NFLP”) and Loans to Disadvantaged Students (“LDS”) programs are administered directly by UAB, and balances and transactions relating to these programs are included in UAB’s basic financial statements.

The balances of loans outstanding at September 30, 2013 and funds advanced by UAB to eligible students during the year ended September 30, 2013 under the federal student loan programs are summarized as follows:

	Perkins (CFDA#84.038)	HPSL (CFDA#93.342)	NFLP (CFDA#93.264)	LDS (CFDA#93.342)	Total
Funds advanced to students during fiscal 2013	\$ 1,562,083	\$ 122,115	\$ 271,274	\$ -	\$ 1,955,472
Total loan balance outstanding, September 30, 2013	\$ 13,704,809	\$ 2,236,137	\$ 718,672	\$ 506,245	\$ 17,165,863

The Perkins Loan Cancellations (CFDA# 84.037) for the year ended September 30, 2013 is \$345,780.

Administrative Cost Allowance

During the program year ended June 30, 2013 UAB charged approximately \$189,000 of administrative cost allowance to the Work-Study program.

Federal Direct Loans

The Federal Direct Student Loan Program (CFDA Number 84.268) (“FDSLPL”) was established under the Higher Education Act of 1965, as amended in the Student Loan Reform Act of 1993. The FDSLPL enables an eligible student or parent to obtain a loan to pay for the student’s cost of attendance directly through UAB rather than through private lenders. UAB began participation in the FDSLPL on July 1, 1994. As a university qualified to originate loans, UAB is responsible for handling the complete loan origination process, including funds management and promissory note functions. UAB is not responsible for collection of these loans.

During the year ended September 30, 2013, UAB processed the following amount of student loans under FDSLPL:

	CFDA #	Total
Direct Student Loans	84.268	\$ 130,083,267

Part II
Schedule of Findings and Questioned Costs

**University of Alabama at Birmingham
 Schedule of Findings and Questioned Costs
 Year Ended September 30, 2013**

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? yes no

Significant deficiency(ies) identified that are not considered to be material weaknesses? yes none reported

Noncompliance material to financial statements noted? yes no

Federal Awards

Internal control over major programs:

Material weakness(es) identified? yes no

Significant deficiency(ies) identified that are not considered to be material weaknesses? yes none reported

Type of auditors' report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with Circular A-133 (section .510{a})? yes no

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
Various	Research and Development Cluster
Various	Student Financial Aid Cluster
93.600	Head Start

Threshold used to determine Type A and Type B Programs: \$ 3,000,000

Auditee qualified as low-risk auditee? yes no

Section II - Financial Statement Findings

No matters were noted.

University of Alabama at Birmingham

Schedule of Findings and Questioned Costs

Year Ended September 30, 2013

Finding 2013-001: Return of Title IV Funds

Federal Agency: Department of Education
Program: Student Financial Aid Cluster
CFDA #: 84.268, 84.063
Award #: N/A
Award Year: 2012-2013

Criteria

34 CFR, Section 668.22

Condition

UAB performs manual calculations for returns of Title IV funds for students with Pell funds and rounds the resulting amounts to the nearest whole percent (two decimal places). As a result, for 3 out of a sample of 40 students, UAB inappropriately gave the 100% earned exemption to a student with a completion percentage equal to 60%. An example of the percentage earned guidance is referenced in Volume 5, Chapter 2, of the Federal Student Aid Handbook on page 5-56.

As a result of the exceptions noted above, management performed a retrospective review of all students subject to the withdrawal requirement during fiscal year 2013 and found that 19 total students, including the three students included in the sample, were inappropriately excluded from the return calculation. In our 2012 finding, we reported one student with a completion percentage that was rounded up to 60% and one student with a completion percentage that was less than 60% for which no return of Title IV calculation was performed. No exceptions were identified after May 23, 2013.

Questioned Costs

\$25,687

Cause

The University Student Accounting staff incorrectly interpreted the Title IV Return calculation rounding rules.

Effect

As a result of incorrectly rounding the Title IV Return calculation, the students were given credit for completion of the 60% of the semester and no Return of Title IV funds was made. Therefore, the students were inappropriately over awarded.

Recommendation

We recommend UAB review and modify its processes and controls surrounding the calculation and application of the 60% Rule, referenced above, to ensure that Title IV refunds are accurately and timely calculated. In addition, UAB should refund to the program the amounts for which the students were over awarded.

June 27, 2014

**Management Views and Corrective Action Plan
Year Ended September 30, 2013**

The following was noted during the audit of Federal programs in accordance with OMB Circular A-133. Management agrees with this finding and proposes the following Corrective Action Plan:

Finding 2013-001: Return of Title IV Funds

Management's View

One of the University's Student Accounting staff did not have access to perform the Return of Title IV refund calculations in Banner and therefore used a manual calculation and rounded the completion percentage up to 60% in error.

Corrective Action Plan

The University implemented a procedural change effective May 16, 2013 whereby all staff performing the Return of Title IV refund calculations are given access and required to perform the calculation in Banner. In the rare instances when a manual calculation is necessary the University no longer rounds the completion percentage up to 60%. In addition, during June 2013, the University refunded to the programs the over awarded amounts for all nineteen students. .

Sincerely,



Tricia Raczynski
Chief Financial Officer

Part III
Summary Schedule of Prior Audit Findings

University of Alabama at Birmingham

Summary Schedule of Prior Audit Findings

Year Ended September 30, 2012

Finding Number 2012-1: Administrative Compliance Requirements:

According to 34 CFR, Section 600.21, institutions are required to notify the Department of Education of any changes to third-party servicer contracts within 10 days of the date of the change or action. The University changed its Perkins Loan Program third-party servicer from Campus Partners Student Loan Company to ECSI Corporation, but failed to submit the notification to the Department of Education within the designated timeframe.

Status

The University developed a list of items that are required to be reported to the Department of Education and their deadlines. This list will help ensure that future changes are communicated timely. No changes were made to third-party service contracts in the current year; therefore no exceptions were noted.

Finding Number 2012-2: Return of Title IV Funds:

According to 34 CFR, Section 668.22, when a Title IV calculation is performed, the school must round the percentage to three decimal places. If the student has completed greater than 60% of the period, then 100% of the Title IV funds have been earned. If the student has completed 60% or less of the period, then a return of Title IV funds is due. The University performed manual calculations for returns of Title IV funds for students with Pell funds and rounded the resulting amounts to the nearest whole percent (two decimal points). As a result, for 1 out of a sample of 40 students, the University inappropriately gave the 100% earned exemption to a student with a completion percentage equal to 60%. Additionally, 1 out of a sample of 40 students selected for testing contained less than 60% completion during the period for which no return of Title IV calculation was performed.

Status

Effective May 16, 2013, the University implemented a procedural change whereby all Return of Title IV refunds are calculated in Banner, but if a manual calculation is necessary, it no longer rounds the refunds up to 60%. In addition, on May 23, 2013 the University's IT Department changed the scheduled run time of the report to prevent the exclusion of any student withdrawals in the future. Although similar instances were noted in the 2013 compliance testing (as described in Finding 2013-001), no exceptions were identified after May 23, 2013.

Finding Number 2012-3: Federal Funding Accountability and Transparency Act Reporting:

According to 2 CFR part 170, reporting of grants and contracts under the Federal Funding Accountability and Transparency Act "is required by the end of the month following the month in which the subaward obligation was made." During the prior year audit, the University failed to timely file 10 sub-award and sub-contract reports.

Status

Effective July 30, 2012, the University implemented system and procedural changes to help ensure timely FFATA reporting. No exceptions were identified during the current year audit.

Part IV
2013 Financial Report



2013 Financial Report

The University of Alabama at Birmingham



COMPREHENSIVE CANCER CENTER

PLACE
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UAB is an equal education
opportunity institution, and an equal
employment opportunity employer.

This report is published by the UAB
Vice President for Financial Affairs and Administration.
Obtain additional copies by writing:
Vice President for Financial Affairs and Administration
The University of Alabama at Birmingham
Birmingham, Alabama 35294



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Introduction to UAB

Vision

UAB's vision is to be an internationally renowned research university — a first choice for education and health care.

Mission

UAB's mission is to be a research university and academic health center that discovers, teaches and applies knowledge for the intellectual, cultural, social and economic benefit of Birmingham, the state and beyond.

The University of Alabama at Birmingham (UAB) became an autonomous campus within The University of Alabama System in 1969 and, in the four decades since, has grown into a world-renowned research university and medical center, occupying 86 city blocks in Alabama's largest metropolitan area.

UAB is the state's largest single-site employer with more than 23,000 employees. The university has seen record overall enrollment for five consecutive years, with 18,568 students in fall 2013. As part of that record enrollment, UAB had its largest freshman class ever (1,773), two-thirds of whom live on campus (also a record). Average ACT rose to 25.0 while diversity continued to grow—freshmen are 37% minority and 60% female, and UAB continues to rank among the most diverse campuses nationally in *The Princeton Review*.

UAB attracted more than \$454 million in research funding in FY2012 and currently ranks 31st nationally in federal research funding and 21st in funding from the National Institutes of Health. Researchers and physicians continue serving in top national posts in recent years, including

presidency of the American Cancer Society, the American Heart Association, the National Society for Gynecologic Cancer, and the American Society of Transplantation. In the *Performance Ranking of Scientific Papers for World Universities*, UAB ranks 31st in clinical medicine and 74th in life sciences.

UAB Hospital is the largest hospital in Alabama (and 3rd largest public hospital in the U.S.), housing the state's only level 1 adult trauma center and a world Comprehensive Transplant Institute. UAB Health System treats more than a million patients annually.

The information included in this introduction (pages 2-9) does not include data related to component units of UAB that are discussed in the notes to the financial statements.

2013 Overview

As a globally respected academic medical center, UAB excels at translating research into leading-edge patient care. UAB Hospital is the only hospital in the state to be listed in every issue (24 straight years) of *U.S. News & World Report's* "America's Best Hospitals," which recognizes only three percent of hospitals nationwide, and ranks first locally for patient satisfaction in HHS surveys.

UAB's Comprehensive Cancer Center, among the first eight such centers to be designated by the National Cancer Institute (NCI) in the early 1970s, remains the only one in Alabama and a six-state region. The Center took a quantum leap recently with the renovation of the Wallace Tumor Institute, which will greatly accelerate research and care with an Advanced Imaging

Facility and the most powerful cyclotron at any U.S. academic medical center.

Students are active participants in a robust research enterprise beginning in their freshman year. UAB now offers new undergraduate programs in biomedical sciences and public health, the BS in Neuroscience is being expanded, and a new BS in Informatics is being developed.

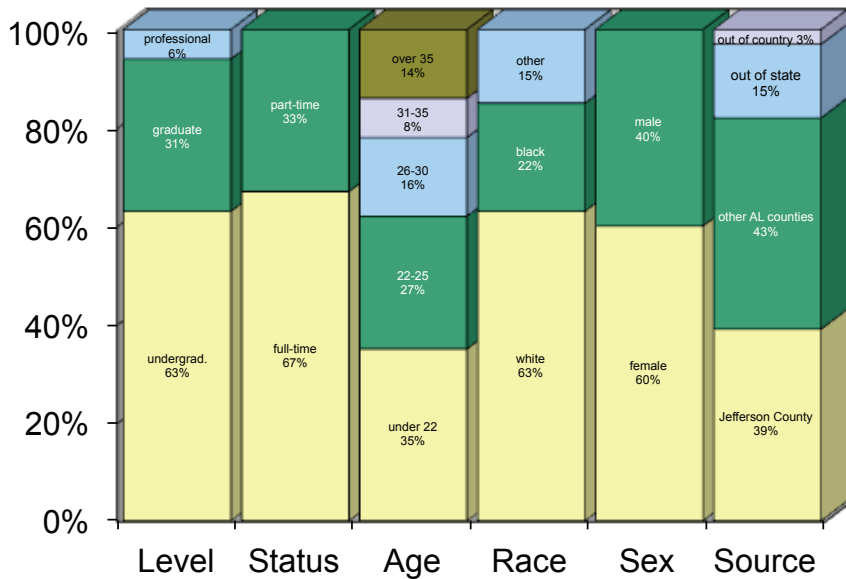
Graduate programs also continue to garner national recognition. In the latest *U.S. News & World Report* "Best Graduate Schools" issue, UAB has 11 programs in the top 25 and five in the top 10, including its master's in health administration that ranks fifth in the nation.

The Scientist online magazine ranks UAB first nationally among public universities in its "Best Places to Work as a Postdoctoral Fellow."

Students continue to earn prestigious national honors and scholarships: In 2012-2013, UAB students won, among other awards, five United Negro College Fund/Merck Research Scholarships (of only 30 awarded nationally); four Goldwater Scholarships; three William Jefferson Clinton Scholarships; and a National Science Foundation Graduate Fellowship.

UAB has an economic impact on Alabama that exceeds \$5 billion annually and supports more than 61,000 jobs state-wide—that's one of every 33 jobs. For every dollar invested by the state, UAB returns \$20. The Innovation Depot, in which UAB is a founding partner, is the largest business incubator in the Southeast, with 92 start-up companies and a \$1 billion economic impact over the past four years.

Highlights



Student Profile

Total 17,999*
As of Fall 2012

*Excludes Advanced Professionals

Student Financial Aid

In fiscal year 2013, 72.6% of UAB's students received student financial aid from UAB. Financial aid disbursements of \$204.7 million were provided from the following sources:

Federal Government	
Student Loans	\$ 132,038,739
Grants	17,876,716
Work-Study	<u>1,267,472</u>
Subtotal Federal	\$ 151,182,927
State Government	\$ 180,634
University	
Loans	\$ 313,520
Scholarships	<u>53,067,155</u>
Subtotal University	\$ 53,380,675
Total	\$ <u>204,744,236</u>



Student Headcount

Enrollment for the fall semester of the 2012-2013 school year is outlined in the table at right.

FALL 2012

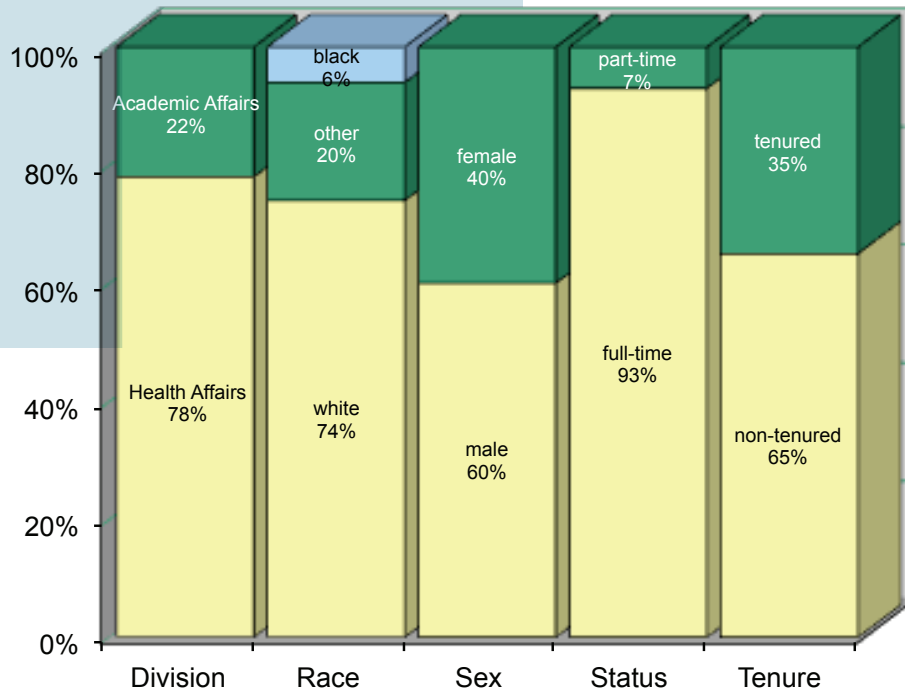
	UNDERGRADUATE	GRADUATE	FIRST PROFESSIONAL / ADVANCED PROFESSIONAL*	TOTAL
SCHOOL OF ARTS AND SCIENCES	6,603	628	10	7,241
SCHOOL OF BUSINESS	1,812	365		2,177
SCHOOL OF EDUCATION	929	748		1,677
SCHOOL OF ENGINEERING	918	407	1	1,326
UNCLASSIFIED		283		283
SUBTOTAL	10,262	2,431	11	12,704
ACADEMIC HEALTH CENTER:				
SCHOOL OF MEDICINE			1,682	1,682
SCHOOL OF DENTISTRY	21	1	328	350
SCHOOL OF OPTOMETRY		25	190	215
SCHOOL OF NURSING	534	1,630		2,164
SCHOOL OF HEALTH PROFESSIONS	474	812	9	1,295
SCHOOL OF PUBLIC HEALTH		383	18	401
JOINT HEALTH SCIENCES		381	91	472
SUBTOTAL, ACADEMIC HEALTH CENTER	1,029	3,232	2,318	6,579
TOTAL ENROLLMENT	11,291	5,663	2,329	19,283*

*Includes 1,045 first professionals and 1,284 advanced professionals.

Faculty Profile

Total 2,322

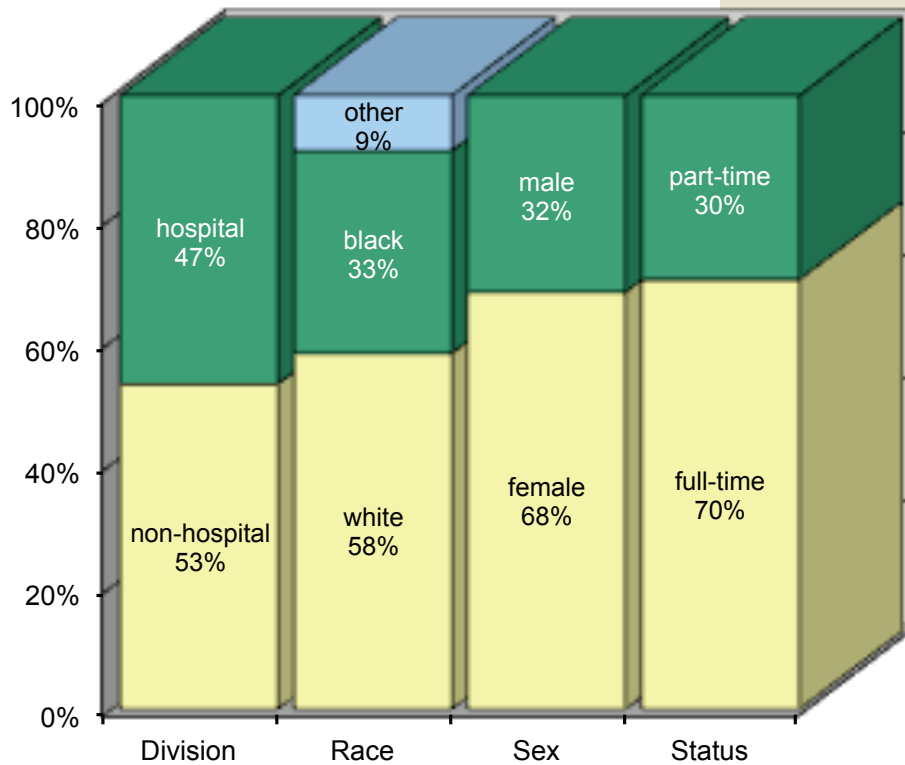
As of Fall 2012



Staff Profile

Total 16,924

As of Fall 2012



State Appropriations

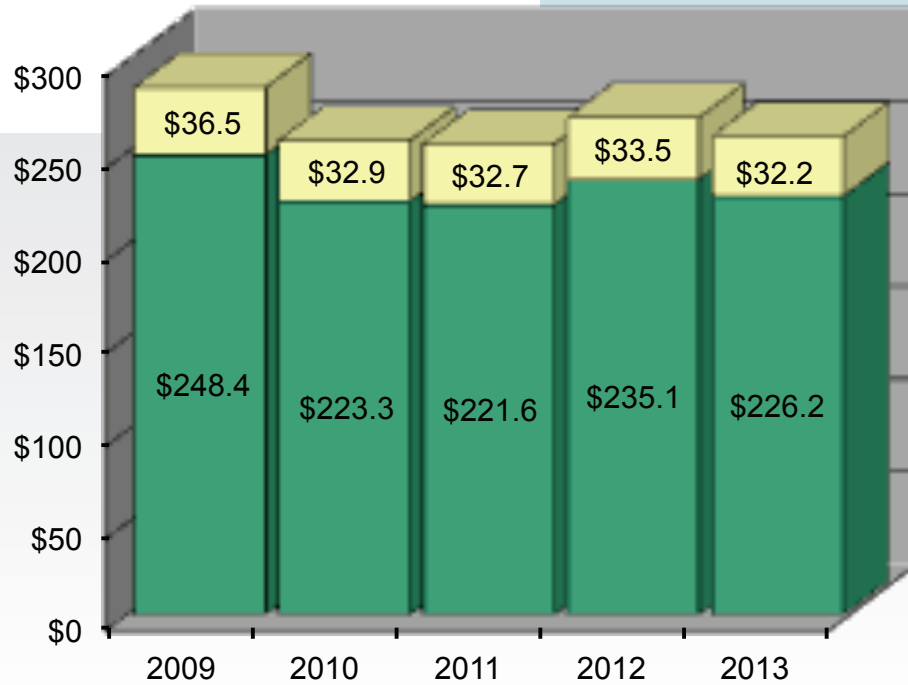
The State appropriations for UAB are made by the Alabama State Legislature based upon a process which involves requests from the Board of Trustees of The University of Alabama, and budget recommendations by the Alabama Commission on Higher Education and the Governor. State funds are appropriated annually from the Educational Trust Fund (ETF) to UAB. For the fiscal year ended September 30, 2013, UAB received direct funding from the ETF in the amount of \$258,429,840.

Appropriations Received

Fiscal years ended September 30

(Dollars in millions)

■ University ■ Hospital



Sponsored Grants and Contracts

During fiscal year 2013, UAB received \$399.5 million in sponsored grants and contracts revenues (including \$76.3 million of indirect cost recovery). Various federal agencies provided the majority of support for these projects, with the National Institutes of Health (NIH) being the primary sponsor. Nonfederal funding sources include state agencies, local governmental agencies, and a wide variety of private sponsors.

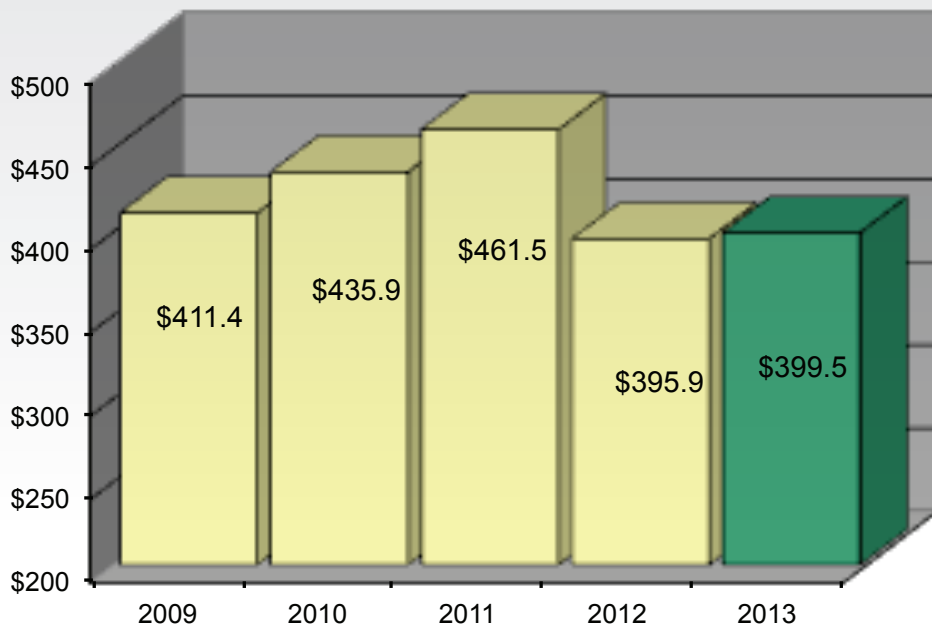
Revenues from grants and contracts (including indirect cost recovery) increased from \$395.9 million

during 2012 to \$399.5 million during 2013, an increase of 0.9% for the period. Revenues from grants and contracts were higher in fiscal years 2011 and 2010 due to federal funding received under the American Recovery and Reinvestment Act (ARRA). UAB received approximately \$26.8 million and \$22.5 million in ARRA funds during the years ending September 30, 2011 and 2010, respectively. These funds dropped to approximately \$500,000 and then to zero for the years ending September 30, 2012 and 2013, respectively.

Grants and Contracts Revenues

Fiscal years ended September 30

(Dollars in millions)



Hospital

The University of Alabama Hospital (the “Hospital”) is a 1,157-bed quaternary and tertiary care medical facility and part of the UAB Health System. The Hospital includes North Pavilion, Women and Infant Center, Jefferson Tower, Hillman Building, Spain Wallace Building, Quarterback Tower, North Wing, Spain Rehabilitation Center, West Pavilion, Russell Ambulatory Center, Medical Education Building, Highlands and the Center for Psychiatric Medicine. Other clinical facilities in the UAB Academic Health Center include Smolian Psychiatric Clinic, Engel Psychiatric Day Treatment Center, Lurleen B. Wallace Tumor Institute, and the 1917 Clinic. The Hospital also has strong ties with other governmental and private nonprofit institutions located within and adjacent to the UAB campus, including Veterans Affairs Medical Center and Children’s Hospital. Other healthcare facilities in the UAB Health System include The Kirklin Clinic, the Callahan Eye Hospital, Medical West and Baptist Health (located in Montgomery, Alabama).

Hospital Awards and Accolades

Three UAB Medicine specialties are among the nation’s top 50 in the 16 categories evaluated at 5,000 U.S. hospitals this year by U.S. News and World Report. The rankings appear in the 2013-14 annual “America’s Best Hospitals” special edition issue. In the 2013 annual peer review survey, 323 UAB Medicine physicians in 65 specialties were listed as “Best Doctors” in America. UAB Hospital received the 2013 Women’s Choice Award, ranking among America’s best hospital’s for patient experience. In fiscal year 2012, UAB Hospital has been granted recognition as a Magnet hospital for the third time from the American Nurses Credentialing Center, signifying the hospital’s place in an elite group of fewer than 400 hospitals around the world acknowledged as centers for nursing excellence. UAB Hospital was the first hospital in Alabama to earn Magnet status. In July 2012, the Hospital underwent its triennial survey by the Joint Commission. The Hospital was granted full accreditation for another three years.

Operations

The Hospital has continued to experience strong growth from operations in fiscal year 2013. Inpatient discharges increased 2.2% with an increase in adjusted patient discharges of 4.6%. Emergency room visits increased 10.2% during fiscal year 2013. As a result of volume increases, as well as contract improvements and ongoing revenue cycle improvements, patient service revenue net of allowances for contractual discounts, charity care and bad debt expense, increased \$83 million or 7.9% in fiscal year 2013. The Hospital had an increase in net assets of \$88 million in fiscal year 2013.



Selected Hospital operating statistics are outlined below:

	2013	2012
Beds in service	1,157	1,157
Patient discharges	49,149	48,090
Adjusted patient discharges	71,339	68,205
Patient days	339,940	317,534
Adjusted patient days	493,974	450,422
Operating room cases	30,586	32,605
Emergency department visits	91,962	83,467
Patient origin:		
Jefferson County	48.3%	46.5%
Other Alabama counties	45.7%	47.3%
Out of state	6.0%	6.2%





Independent Auditor's Report

To the Board of Trustees of The University of Alabama:

We have audited the accompanying financial statements of The University of Alabama at Birmingham ("UAB"), a campus of The University of Alabama System, which is a component unit of the State of Alabama, as of and for the years ended September 30, 2013 and 2012, and the related notes to the financial statements, which consist of the statements of net position and the related statements of revenues, expenses, and changes in net position and cash flows of UAB and the statements of net position and of revenues, expenses and changes in net position of the Southern Research Institute ("SRI"), UAB's discretely presented component unit.

Management's Responsibility 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; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on the financial statements based on our audits. We did not audit the financial statements of SRI, UAB's discretely presented component unit, as of December 28, 2012 and December 30, 2011 and for the years then ended. Those statements 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 SRI, is based on the report of the other auditors. We conducted our audits 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of Triton Health Systems, L.L.C. and UAB Research Foundation were not audited in accordance with Government Auditing Standards.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to UAB's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of UAB's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based upon our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of UAB and its discretely presented component unit at September 30, 2013 and 2012, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1, the financial statements of UAB are intended to present the financial position, the changes in financial position and, where applicable, the cash flows of only that portion of the business-type activities of the financial reporting entity of The University of Alabama System that is attributable to the transactions of UAB. They do not purport to, and do not, present fairly the financial position of The University of Alabama System as of September 30, 2013 and 2012, its changes in financial position, or, where applicable, its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

As discussed in Note 3, UAB has restated its 2012 financial statements for the retrospective application of new accounting standards adopted during 2013. These standards govern the reporting of deferred outflows and deferred inflows of resources, the accounting for debt issuance costs, and the presentation of component units. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis for the years ended September 30, 2013 and 2012 and required supplementary information on pages 11 through 17 and page 57, respectively, be presented to supplement the basic financial statements. Such information, 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.

Other Information

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise UAB's basic financial statements. The introductory information on pages 2 through 9 of this report is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated January 27, 2014 on our consideration of the UAB's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters, for the year ended September 30, 2013. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and considering UAB's internal control over financial reporting and compliance.

PricewaterhouseCoopers LLP

January 27, 2014

PricewaterhouseCoopers LLP, 569 Brookwood Village, Suite 851, Birmingham, AL 35209
T: (205) 414 4000, F: (205) 414 4001, www.pwc.com/us

Management's Discussion and Analysis (Unaudited)

The objective of management's discussion and analysis is to help readers of UAB's financial statements better understand the financial position and operating activities for the fiscal years ended September 30, 2013 and 2012. UAB's financial statements present the financial position, changes in financial position, and the cash flows of the University, the University of Alabama Hospital (the Hospital), and UAB's blended component units. Condensed financial information of UAB's reportable segments is presented at Note 23. GASB Statement No. 14, *The Financial Reporting Entity* (GASB Statement No. 14), as amended by GASB Statement No. 61, *The Financial Reporting Entity: Omnibus—an amendment of GASB Statements No. 14 and No. 34* (GASB Statement No. 61), requires governmental entities to include in their financial statements as component units, organizations that are legally separate entities for which the governmental entity, as a primary organization, is financially accountable. Southern Research Institute (SRI) is a discretely presented component unit of UAB. Blended component units include Hospital Management L.L.C. (LLC), Triton Health Systems, L.L.C. (Triton), and UAB Research Foundation (UABRF). The following discussion and analysis provides an overview of UAB's financial activities. This discussion should be read in conjunction with the financial statements and notes to the financial statements.

Financial Overview

UAB's financial position remained strong, as assets totaled \$3.90, \$3.55 and \$3.36 billion at September 30, 2013, 2012, and 2011. Increases of \$358 million or 10% from 2012 to 2013 were primarily due to cash and investment increases related to the bonds issued during the year, as well as increases in investment assets, the continued growth in accounts receivable and an adjustment to capital assets to correct an understatement in library materials. Increases of \$201 million or 6.0% from 2011 to 2012 were primarily due to increases in investment assets.

Total liabilities increased \$216 million or 19% from September 30, 2012 to September 30, 2013. The increase results primarily from the issuance of bonds during fiscal year 2013, as well as an adjustment to accrued liabilities to correct an understatement in the compensated absences accrual.

Total liabilities decreased \$14 million or 1.0% from September 30, 2011 to September 30, 2012. The decrease results primarily from reductions in bonds payable related to annual principal payments offset by increases in accounts payable and accrued liabilities.

The change in net position reflects the operating, nonoperating and other activity of UAB, which results from revenues, expenses, and gains and losses, and is summarized for the years ended September 30, 2013, 2012, and 2011, as follows:

	2013	2012 (RESTATED)	2011 (RESTATED)
TOTAL OPERATING REVENUES	\$2,405,991,627	\$2,313,144,589	\$2,156,035,206
TOTAL OPERATING EXPENSES	\$2,674,554,826	\$2,540,375,605	\$2,393,802,633
NET OPERATING LOSS	\$(268,563,199)	\$(227,231,016)	\$(237,767,427)
TOTAL NONOPERATING INCOME, CAPITAL, ENDOWMENT AND OTHER ACTIVITIES	410,964,015	441,328,646	325,954,577
INCREASE (DECREASE) IN NET POSITION	\$142,400,816	\$214,097,630	\$88,187,150

A majority of UAB's endowment funds are invested in common investment pools established by The Board of Trustees of The University of Alabama (the Board). The funds are invested to maximize total return over the long term, with an appropriate level of risk. Any short term reduction in the fair value of the endowment portfolio will not have a meaningful immediate impact on the portion of investment income available to support current year operating expenses since such distributions are made pursuant to The University of Alabama System's (the System) spending rate policy.

Statements of Net Position

The statement of net position presents the financial position of UAB at the end of the fiscal year, and includes all assets, deferred outflows, liabilities, and deferred inflows recorded on the accrual basis of accounting. The changes in net position are indicators of whether the overall financial condition of UAB has improved or worsened during the year. A summarized comparison of UAB's assets, deferred outflows, liabilities, deferred inflows, and net position at September 30, 2013, 2012, and 2011, is as follows:

	2013	2012 (RESTATED)	2011 (RESTATED)
ASSETS AND DEFERRED OUTFLOW OF RESOURCES			
Capital Assets, Net	\$1,524,883,924	\$1,433,681,378	\$1,421,985,903
Other Assets	2,379,708,092	2,112,597,210	1,923,491,748
TOTAL ASSETS	\$3,904,592,016	\$3,546,278,588	\$3,345,477,651
Deferred outflow from debt refundings	12,958,289	13,019,885	13,722,165
TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES	\$3,917,550,305	\$3,559,298,473	\$3,359,199,816
LIABILITIES, DEFERRED INFLOW OF RESOURCES AND NET POSITION			
Current Liabilities	\$390,353,766	\$342,013,574	\$329,818,205
Noncurrent Liabilities	961,097,310	793,650,118	819,804,736
TOTAL LIABILITIES	\$1,351,451,076	\$1,135,663,692	\$1,149,622,941
Deferred inflow from debt refundings	273,518	209,886	249,610
Net Position	\$2,565,825,711	\$2,423,424,895	\$2,209,327,265
TOTAL LIABILITIES, DEFERRED INFLOW OF RESOURCES AND NET POSITION	\$3,917,550,305	\$3,559,298,473	\$3,359,199,816

At September 30, 2013, the major categories of current assets consist primarily of cash and cash equivalents, short-term investments, and accounts receivable, which totaled \$1.01 billion of the \$1.06 billion and increased \$140.9 million or 16.3% from 2012. The increase is a result of increases in cash related to bond proceeds and growth in short term investments.

At September 30, 2012, the major categories of current assets consist primarily of cash and cash equivalents, short-term investments, and accounts receivable, which totaled \$865.6 million of the \$910.9 million and increased \$120.7 million or 16.2% from 2011. The increase is a result primarily of growth in short term investments.

At September 30, 2013, total current liabilities of \$390.4 million consist primarily of accounts payable, accrued payroll and related benefits, and unearned revenue, which totaled \$357.4 million, compared to \$308.8 million at September 30, 2012, an increase of \$48.6 million or 15.7% from 2012.

At September 30, 2012, total current liabilities of \$342.0 million consist primarily of accounts payable, accrued payroll and related benefits, and unearned revenue, which totaled \$308.8 million, compared to \$300.3 million at September 30, 2011, an increase of \$8.5 million or 2.8% from 2011.

UAB's endowment and life income investments increased \$25.7 million to \$393.4 million from September 30, 2012 to September 30, 2013. This increase resulted from net investment gains and by the establishment of new endowment funds through gifts and the creation of Board-designated quasi-endowments. UAB's endowment funds consist of both permanent and quasi-endowments.

UAB's endowment and life income investments increased \$39.6 million to \$367.7 million from September 30, 2011 to September 30, 2012. This increase resulted from net investment gains and by the establishment of new endowment funds through gifts and the creation of Board-designated quasi-endowments. UAB's endowment funds consist of both permanent and quasi-endowments.

Permanent endowment funds are those funds received from donors with the requirement that the principal remain unspent and invested in perpetuity to produce income to be expended for the purposes specified by the donor. Quasi-endowments consist of restricted or unrestricted funds that have been set aside by actions of the Board to produce income for an established purpose until the time the Board reverses its action. Endowment income supports scholarships, fellowships, professorships, research efforts, and other programs and activities of UAB.

At September 30, 2013, 2012, and 2011 respectively, UAB's investment in the Professional Liability Trust Fund (PLTF) totaled approximately \$50.4,

\$38.9 and \$29.1 million. The \$11.5 million increase from September 30, 2012 to September 30, 2013 is a result of growth in investment values at September 30, 2013. The \$9.8 million increase from September 30, 2011 to September 30, 2012 is a result of growth in investment values at September 30, 2012.

UAB implemented GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities* (GASB Statement No. 65), during fiscal year 2013. As a result, \$12.9 million in bond deferred refunding amounts were reclassified to Deferred Outflows of Resources and \$0.3 million in bond deferred refunding amounts were reclassified to Deferred Inflows of Resources. Prior to this implementation, the amounts were reported in long-term debt.

Capital and Debt Activities

An aspect of UAB's continued growth is an emphasis on the expansion and maintenance of capital assets. UAB continues to implement its long-range capital plan.

Capital assets primarily include land, buildings, fixed equipment systems, and inventoried equipment. The original costs of capital assets increased approximately \$170.8 million and \$114.4 million from September 30, 2012 to September 30, 2013 and from September 30, 2011 to September 30, 2012, respectively. This increase consists primarily of capital expenditures and capital additions totaling \$194.8 million (offset primarily by \$24.0 million in disposals) and \$138.9 million (offset primarily by \$24.6 million in disposals) in 2013 and 2012. Capital additions are comprised primarily of renovation and new construction of research and health care facilities, as well as additions to improve information technology systems. Annual additions were funded with capital funds, grants, gifts of \$14.1 million and \$14.7 million, debt proceeds of \$47.5 million and \$28.2 million, and the remainder by UAB funds designated for capital purchases in 2013 and 2012, respectively.

Capital projects in process at September 30, 2013 include construction of the Abrams-Engel Institute for Visual Arts, renovation of the School of Dentistry and renovation of UAB Highlands Hospital. Capital projects in process at September 30, 2012 include renovation of Wallace Tumor Institute, renovation of the Health Professions Building and construction of the Steam Plant.

UAB's long-term debt related to capital assets, consisting of bonds and capital leases, totaled \$956.1, \$789.6, and \$812.9 million at September 30, 2013, 2012, and 2011, respectively. The increase in debt during 2013 consisted primarily of the bonds issued during the year, partially offset by the refunding of debt outstanding. The decrease in debt during 2012 consisted primarily of the principal payments made in accordance with the debt instruments.

Net Position

Net position represents the residual interest in UAB's assets and deferred outflows after liabilities and deferred inflows are deducted. UAB's net position at September 30, 2013, 2012, and 2011, is summarized as follows:

	2013	2012 (RESTATED)	2011 (RESTATED)
INVESTED IN CAPITAL ASSETS	\$696,323,637	\$686,141,974	\$698,603,635
RESTRICTED			
Nonexpendable	273,651,082	252,844,971	228,120,369
Expendable	212,482,294	211,866,065	198,958,938
UNRESTRICTED	1,383,368,698	1,272,571,885	1,083,644,323
TOTAL NET POSITION	\$2,565,825,711	\$2,423,424,895	\$2,209,327,265

Net position invested in capital assets represents UAB's capital assets, net of accumulated depreciation and outstanding principal of debt in excess of related bond proceeds attributable to the acquisition, construction, or improvement of those assets. The \$10.2 million increase in 2013 reflects the continued capital asset development in accordance with UAB's long-range capital plan and an adjustment made during the year to capital assets to correct an understatement in library materials, offset by the increase in debt related to the bonds issued during the year. The \$12.5 million decrease in 2012 reflects the continued capital asset development in accordance with UAB's long-range capital plan and decrease in debt due to principal payments made offset of use of bond proceeds attributable to the acquisition, construction of capital assets.

Restricted nonexpendable net position includes UAB's permanent endowment funds and annuity and life income assets that will ultimately become pure endowment funds. The \$20.9 million increase in 2013 results primarily from the increase in fair values of investments and contributions. The \$24.7 million increase in 2012 results primarily from the increase in fair values of investments and contributions.

Restricted expendable net position is subject to externally imposed restrictions governing its use. Restricted expendable net position includes UAB's assets whose use is restricted by an external restriction. The \$0.6 million increase in 2013 results primarily from gifts. The \$12.9 million increase in 2012 results primarily from gifts.

Unrestricted net position includes UAB's assets whose use is not restricted by an external entity. Unrestricted net position increased \$110.8 million and \$188.9 million or 8.7% and 17.4% in 2013 and 2012, respectively.

Although unrestricted net position is not subject to externally imposed restrictions, UAB has designated available unrestricted net position to be used for academic and research programs as well as capital projects.

Statements of Revenues, Expenses, and Changes in Net Position

The statement of revenues, expenses, and changes in net position presents UAB's results of operations, as well as the nonoperating revenues and expenses. Annual state appropriations are classified as nonoperating revenues according to governmental accounting standards, even though the state-appropriated funds are used to support the operations of UAB. Without the nonoperating revenues, in particular the state appropriations and private gifts, UAB would not be able to cover its costs of operations. A summarized comparison of UAB's revenues, expenses and changes in net position for the years ended September 30, 2013, 2012, and 2011 is presented on the following page:

	2013	2012 (Restated)	2011 (Restated)
OPERATING REVENUES			
Student tuition and fees, net	\$146,183,606	\$130,569,653	\$115,886,758
Grants and contracts	373,172,028	367,310,018	425,566,237
Sales and services	1,846,805,110	1,771,143,308	1,577,381,414
Other revenues	39,830,883	44,121,610	37,200,797
REVENUES SUPPORTING CORE ACTIVITIES	\$2,405,991,627	\$2,313,144,589	\$2,156,035,206
OPERATING EXPENSES			
Operating expenses	\$2,674,554,826	\$2,540,375,605	\$2,393,802,633
OPERATING LOSS	\$(268,563,199)	\$(227,231,016)	\$(237,767,427)
NONOPERATING REVENUES (EXPENSES)			
State educational appropriations	\$258,429,840	\$268,640,355	\$254,288,538
Grants and contracts	26,282,921	25,399,912	28,927,560
State fiscal stabilization funds	-	534,136	26,819,385
Gifts	32,067,976	32,681,364	28,898,475
Investment income (loss)	87,382,279	128,336,597	(10,822,776)
Interest expense	(30,895,769)	(27,978,510)	(29,759,587)
Loss on asset disposition, net	(5,265,734)	(662,685)	(422,747)
Capital state appropriations	8,680,247	11,076,675	9,863,264
Capital gifts and grants	4,507,902	3,602,784	7,301,347
Endowment gifts	9,568,250	11,009,612	9,561,889
Net other nonoperating (expense) revenue	20,206,103	(11,311,594)	1,299,229
NET NONOPERATING REVENUES AND OTHER CHANGES	\$410,964,015	\$441,328,646	\$325,954,577
INCREASE IN NET POSITION	\$142,400,816	\$214,097,630	\$88,187,150
Net position, beginning of year	\$2,423,424,895	\$2,209,327,265	\$2,121,140,115
NET POSITION, END OF YEAR	\$2,565,825,711	\$2,423,424,895	\$2,209,327,265

Figures A and A1 are graphic illustrations of revenues by source (both operating and nonoperating), which are used to fund UAB's operating activities for the years ended September 30, 2013 and 2012, respectively.

Figure A: Revenue Streams 2013

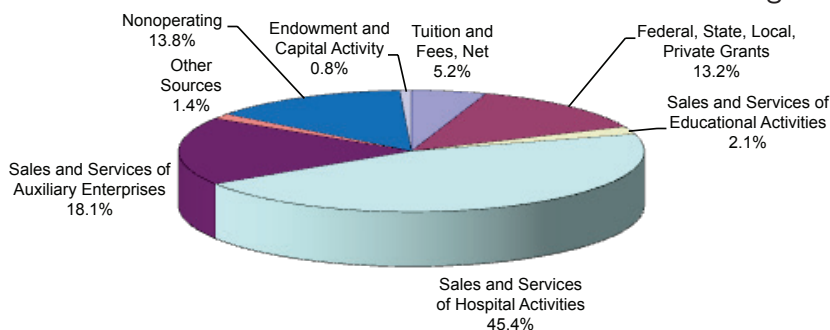
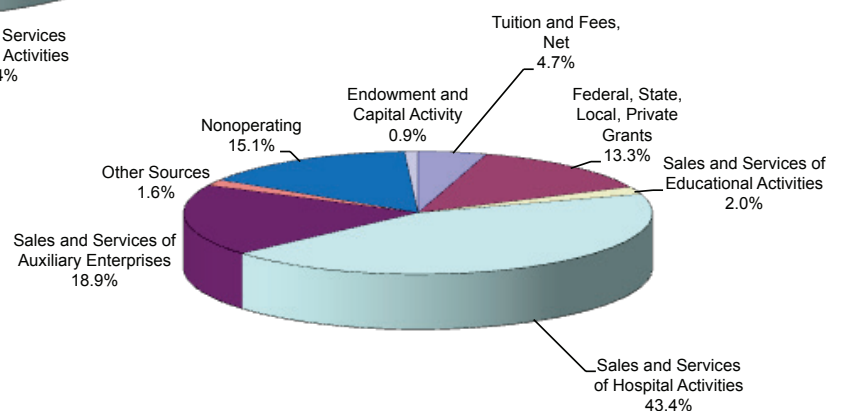


Figure A1: Revenue Streams 2012



Gross tuition and fees revenue increased by \$16.0 million and \$14.2 million in 2013 and 2012, respectively. Tuition rates increased 5% in 2013 and 8% in 2012. Total student headcount of 19,283 and 18,777 increased by 506 and 74 or 2.7% and 0.4% in 2013 and 2012, respectively.

UAB recognized \$46.1, \$44.1 and \$39.1 million in gift revenue (composed partially of \$4.4, \$0.5, and \$0.5 million and \$9.6, \$11.0, and \$9.6 million in capital and endowment gifts, respectively) for the years ended September 30, 2013, 2012, and 2011, respectively.

UAB receives state educational appropriations and capital funding from the State of Alabama. UAB recognized educational appropriations and capital funding from the State of Alabama totaling \$267.1, \$279.7, and \$264.2 million, of which \$258.4, \$268.6, and \$254.3 million was from the Educational Trust Fund (ETF), which is included as nonoperating revenue in 2013, 2012, and 2011, respectively. The remaining \$8.7, \$11.1, and \$9.9 million represents Public School and College Authority funds and other state

capital funds in 2013, 2012 and 2011, respectively. UAB received no State Fiscal Stabilization Funds in 2013; however, UAB received \$0.5 and \$26.8 million in State Fiscal Stabilization Funds in 2012 and 2011, respectively.

Net hospital sales and service revenue totaled \$1.28 billion, \$1.19 billion, and \$1.11 billion, an increase of 7.0% and 7.7% from 2012 to 2013 and 2011 to 2012, respectively. This increase results from increased volume, contract improvements, and ongoing revenue-cycle improvement activities.

UAB receives grant and contract revenue from federal, state, local, and private agencies. These funds are used to further the mission of UAB: research, education, and public service. In addition to the funds received in exchange for services performed, UAB received \$0.06, \$3.2, and \$6.8 million in 2013, 2012, and 2011, respectively, in funds to be used to acquire capital assets. Figures B and B1 are illustrations of the breakout of the funding sources for grant and contract revenue for the years ended September 30, 2013 and 2012, respectively.

Figure B: Grants and Contract Revenues

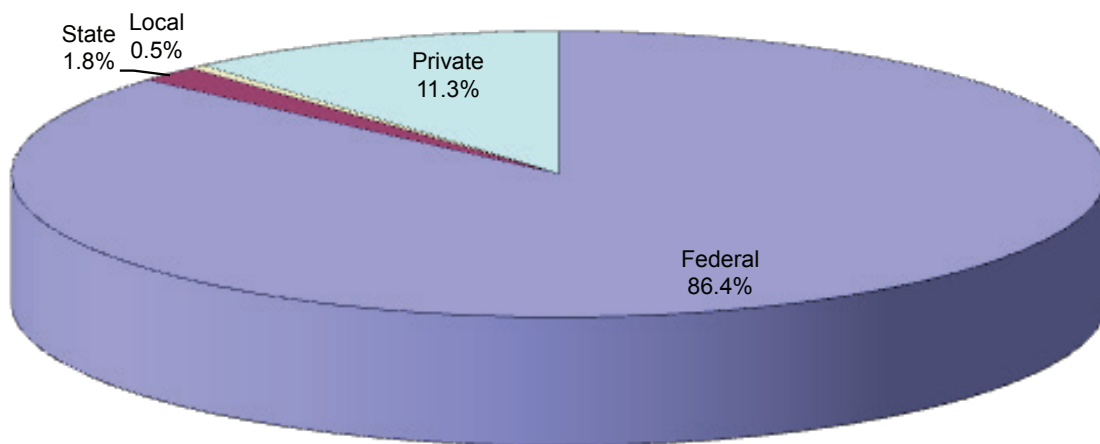
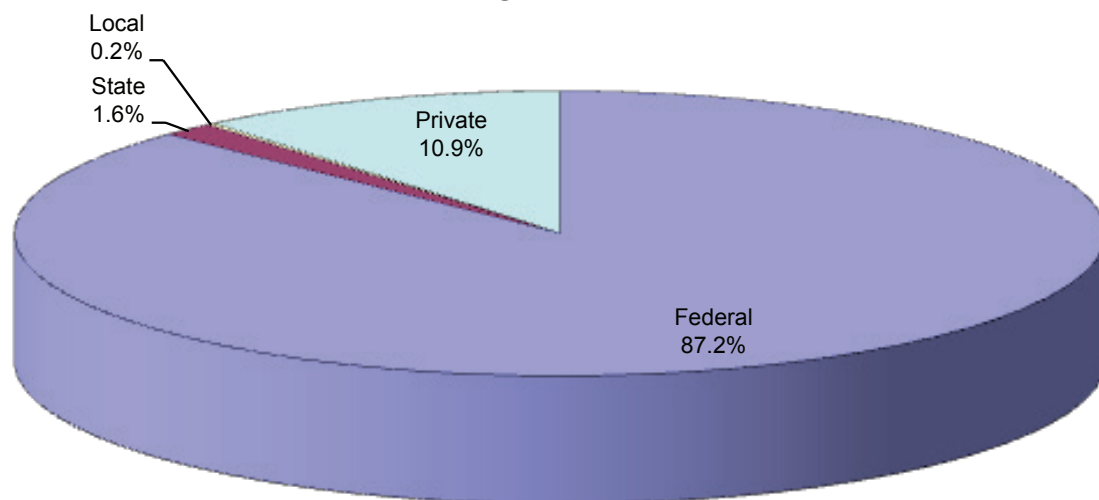


Figure B1: Grants and Contract Revenues



Net investment income decreased \$41.0 million from 2012 to 2013. The decrease is primarily a result of a decline in growth in the fair value of investments. Net investment income increased \$139.2 million from 2011 to 2012. The increase is primarily a result of growth in the fair value of investments. Net investment income for the years ended September 30, 2013, 2012, and 2011, consist of the following components:

	2013	2012 (RESTATED)	2011 (RESTATED)
Interest and Dividends	\$47,697,584	\$46,221,115	\$51,753,275
Net Increase (Decrease) In the Fair Value Of Investments	29,279,289	74,828,997	(53,902,311)
Return on Equity Investments	10,405,406	7,286,485	(8,673,740)
	\$87,382,279	\$128,336,597	\$(10,822,776)

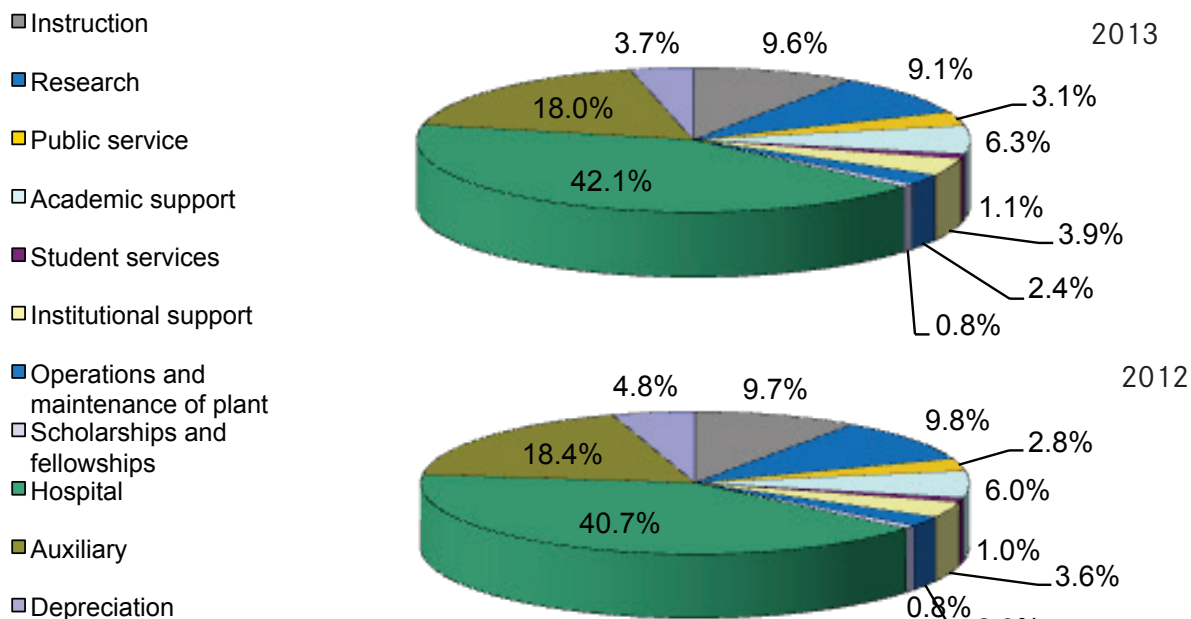
A comparative summary of UAB's operating expenses for the years ended September 30, 2013, 2012, and 2011, is as follows:

	2013	2012 (RESTATED)	2011 (RESTATED)
Salaries, Wages, and Benefits	\$1,327,917,671	\$1,244,287,467	\$1,182,131,940
Supplies and Services	1,227,334,700	1,153,881,410	1,070,843,029
Depreciation	98,303,065	123,047,954	121,815,300
Scholarships and Fellowships	20,999,390	19,158,774	19,012,364
	\$2,674,554,826	\$2,540,375,605	\$2,393,802,633

Salaries, wages, and benefits increased \$83.6 million or 6.7% during 2013 and increased \$62.2 million or 5.3% during 2012. This increase in 2013 is due primarily to the growth of UAB's salary base, benefit costs, and an adjustment to salaries expense to correct an understatement in the compensated absences accrual. This increase in 2012 is due primarily to UAB's growth in salary base and benefit costs. Supplies and services expenses increased \$73.5 million

and \$83.0 million or 6.4% and 7.7% during 2013 and 2012, respectively. This increase is primarily attributable to UAB's continued growth.

In addition to their natural classification, it is also informative to review operating expenses by function. Graphic illustrations of UAB's operating expenses by function for the years ended September 30, 2013 and 2012, respectively, are presented as follows:



Statements of Cash Flows

The statement of cash flows presents the significant sources and uses of cash. UAB's cash, primarily

held in demand deposit accounts, is minimized by sweeping available cash balances into investment accounts on a daily basis.

	2013	2012 (RESTATED)	2011 (RESTATED)
Net Cash Used In Operating Activities	\$(179,888,501)	\$(105,779,543)	\$(128,600,656)
Net Cash Used In Capital and Related Financing Activities	(15,544,611)	(171,438,508)	(35,096,926)
Net Cash Provided By Noncapital Financing Activities	326,613,818	348,365,524	346,771,022
Net Cash (Used In) Provided By Investing Activities	(60,852,837)	(127,966,171)	(161,354,526)
Net Increase (Decrease) In Cash And Cash Equivalents	\$70,327,869	\$(56,818,698)	\$21,718,914
Cash and Cash Equivalents, Beginning Of Year	\$268,824,418	\$325,643,116	\$303,924,202
Cash and Cash Equivalents, End Of Year	\$339,152,287	\$268,824,418	\$325,643,116

UAB used \$179.8, \$105.8, and \$128.6 million of cash for operating activities, offset by \$326.6, \$348.4, and \$346.8 million of cash provided by noncapital financing activities in 2013, 2012 and 2011, respectively. Noncapital financing activities, as defined by the GASB, include state educational appropriations and gifts received for other than capital purposes that are used to support operating expenses.

Cash of \$15.5, \$171.4, and \$35.1 million in 2013, 2012 and 2011, respectively, was used for capital and related financing activities, primarily purchases of capital assets and principal and interest payments on long-term debt, partially offset by sources that included bond proceeds, gifts, and grants and contracts for capital purposes. Cash used in investing activities totaled \$60.9, \$128.0 and \$161.4 million in 2013, 2012 and 2011, respectively.

Economic Factors That Will Affect The Future

As a labor-intensive organization, UAB faces competitive pressures related to attracting and retaining faculty and staff.

The State of Alabama appropriates money each year to UAB for operating costs and nonoperating 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. During the year ending September 30, 2011, the State implemented proration. As the State could implement proration in future years, UAB continues implementing cost-saving measures in order to balance its own budget.

UAB will strive to remain highly competitive in terms of attracting federal grant and contract revenue, primarily from the NIH, as seven individual departments rank among the top ten in their specialties.

Private gifts are an important part of the fundamental support of UAB. Economic pressures affecting donors may also affect the future level of support UAB receives from corporate and individual giving. In October 2013, UAB launched its largest fundraising campaign to date known as "Give something change everything." The fundraising goal is \$1 billion and will run through 2018.

The Hospital faces significant challenges in a dynamic healthcare sector and volatile economic environment. The demand for health care services and the cost of providing them are increasing significantly while the revenues to support these services are diminishing. In addition to cost increases such as rising salary and benefit costs, the Hospital also faces additional costs associated with new technologies, the education and training of health care professionals and provision of care for a disproportionate share of the medically underserved in Alabama. In recent years, federal legislation has been enacted to slow future rate increases in Medicare and Medicaid and reduce medical education and disproportionate share funding. Management is committed to staying abreast of pertinent issues; implementing appropriate management actions and continuing to provide quality care for all patients.

These financial statements are designed to provide a general overview of the University of Alabama at Birmingham and to demonstrate UAB's accountability. Questions concerning any information provided in this report or requests for additional information should be addressed to the Office of the Vice President for Financial Affairs and Administration, The University of Alabama at Birmingham, AB 1030, 1720 2ND AVE S, BIRMINGHAM AL 35294-0106.

The University of Alabama at Birmingham Statements of Net Position

September 30, 2013 and 2012

	2013	2012 (Restated, See Note 3)
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 291,189,097	\$ 240,433,436
Short term investments	454,568,115	411,063,144
Accounts receivable, net	260,751,683	214,137,269
Loans receivable, current portion	2,312,259	2,403,659
Pledges receivable, current portion	8,315,206	7,429,210
Inventories	18,543,246	17,667,360
Other current assets	20,142,285	17,727,888
Total current assets	\$ 1,055,821,891	\$ 910,861,966
Noncurrent Assets:		
Cash and cash equivalents designated for capital activities	\$ 47,542,660	\$ 28,213,325
Restricted cash and cash equivalents	420,530	177,657
Investments for capital activities	786,097,155	722,605,340
Endowment and life income investments	393,352,510	367,682,509
Investment in Professional Liability Trust Fund	50,449,513	38,912,815
Other long-term investments	18,087,185	14,823,313
Loans receivable, net	15,586,710	16,293,742
Pledges receivable	11,337,496	12,121,941
Capital assets, net	1,524,883,924	1,433,681,378
Other noncurrent assets	1,012,442	904,602
Total noncurrent assets	\$ 2,848,770,125	\$ 2,635,416,622
Total Assets	\$ 3,904,592,016	\$ 3,546,278,588
DEFERRED OUTFLOW OF RESOURCES		
Deferred outflow from debt refundings	\$ 12,958,289	\$ 13,019,885
Total Deferred Outflow of Resources	\$ 12,958,289	\$ 13,019,885
LIABILITIES		
Current Liabilities:		
Accounts payable and accrued liabilities	\$ 264,470,782	\$ 207,035,410
Deposits	6,803,215	8,002,251
Unearned revenue-grants	21,290,000	21,634,481
Unearned revenue-other	71,631,320	80,106,826
Long-term debt, current portion	26,158,449	25,234,606
Total current liabilities	\$ 390,353,766	\$ 342,013,574
Noncurrent Liabilities		
Federal advances-loan funds	\$ 14,727,477	\$ 14,925,390
Long-term debt, noncurrent portion	929,946,950	764,373,896
Other noncurrent liabilities	16,422,883	14,350,832
Total noncurrent liabilities	\$ 961,097,310	\$ 793,650,118
Total Liabilities	\$ 1,351,451,076	\$ 1,135,663,692
DEFERRED INFLOW OF RESOURCES		
Deferred inflow from debt refundings	\$ 273,518	\$ 209,886
Total Deferred Inflow of Resources	\$ 273,518	\$ 209,886
NET POSITION		
Invested in capital assets, net of related debt	\$ 696,323,637	\$ 686,141,974
Restricted		
Nonexpendable	273,651,082	252,844,971
Expendable	212,482,294	211,866,065
Unrestricted	1,383,368,698	1,272,571,885
Total Net Position	\$ 2,565,825,711	\$ 2,423,424,895

See accompanying notes to financial statements.

The University of Alabama at Birmingham Statements of Revenues, Expenses, and Changes in Net Position

Years Ended September 30, 2013 and 2012

	2013	2012 (Restated, See Note 3)
Operating Revenues		
Tuition and fees	\$ 193,958,793	\$ 175,184,111
Less: scholarship allowance	(47,144,688)	(44,449,656)
Less: bad debt expense	(630,499)	(164,802)
Tuition and fees, net	146,183,606	130,569,653
Grants and contracts:		
Federal	319,191,238	317,699,815
State	7,140,898	6,155,771
Local	1,933,975	314,715
Private	44,905,917	43,139,717
Sales and services:		
Educational activities	58,133,856	55,906,284
Hospital, net of bad debt expense of \$251,725,723 and \$236,995,097	1,278,461,433	1,194,615,262
Other auxiliary enterprises, net of scholarship allowance of \$2,923,579 and \$2,979,415	510,209,821	520,621,762
Other operating revenues	39,830,883	44,121,610
Total operating revenues	\$ 2,405,991,627	\$ 2,313,144,589
Operating Expenses		
Salaries, wages and benefits	\$ 1,327,917,671	\$ 1,244,287,467
Supplies and services	1,227,334,700	1,153,881,410
Depreciation	98,303,065	123,047,954
Scholarships and fellowships	20,999,390	19,158,774
Total operating expenses	\$ 2,674,554,826	\$ 2,540,375,605
Operating loss	\$ (268,563,199)	\$ (227,231,016)
Nonoperating Revenues (Expenses)		
Gains and losses		
State educational appropriations	\$ 258,429,840	\$ 268,640,355
Federal grants and contracts	26,135,938	25,128,105
State grants and contracts	116,209	106,859
Private grants and contracts	30,774	164,948
State fiscal stabilization funds		534,136
Gifts	32,067,976	32,681,364
Investment income	87,382,279	128,336,597
Interest expense	(30,895,769)	(27,978,510)
Loss on asset dispositions, net	(5,265,734)	(662,685)
Net other nonoperating (expense) revenue	20,206,103	(11,311,594)
Net nonoperating revenues	\$ 388,207,616	\$ 415,639,575
Income before other revenues, expenses, gains, and losses	\$ 119,644,417	\$ 188,408,559
Other Changes in Net Position		
Capital and endowment activities		
State capital funds	\$ 8,680,247	\$ 11,076,675
Capital grants and contracts	60,541	3,150,413
Capital gifts	4,447,361	452,371
Endowment gifts	9,568,250	11,009,612
Net other changes in net position	\$ 22,756,399	\$ 25,689,071
Increase in net position	\$ 142,400,816	\$ 214,097,630
Net Position, beginning of year (as restated)	\$ 2,423,424,895	\$ 2,209,327,265
Net Position, end of year	\$ 2,565,825,711	\$ 2,423,424,895

See accompanying notes to financial statements.

The University of Alabama at Birmingham

Statements of Cash Flows

Years Ended September 30, 2013 and 2012

	2013	2012 <i>(Restated, See Note 3)</i>
Cash flows from operating activities		
Student tuition and fees	\$ 143,316,428	\$ 134,063,440
Grants and contracts	371,421,760	361,818,370
Receipts from sales and services of:		
Educational activities	57,270,156	59,621,571
Patient services	1,246,534,491	1,204,402,577
Auxiliary enterprises, net	8,678,653	25,226,907
Premium and administrative fees collected	489,079,973	463,931,552
Payment to employees and related benefits	(1,288,009,574)	(1,233,285,172)
Payment to suppliers	(1,203,917,930)	(1,142,547,909)
Payment for scholarships and fellowships	(20,999,390)	(19,158,339)
Other receipts	16,736,932	40,147,460
Net cash used in operating activities	\$ (179,888,501)	\$ (105,779,543)
Cash flows from capital and related financing activities		
Proceeds from issuance of capital debt	\$ 242,071,202	\$ 150,364,622
State capital funds	8,680,247	11,076,675
Capital grants and contracts	(92,126)	2,758,943
Private gifts	4,570,240	478,664
Proceeds from sale of capital assets	105,348	167,486
Purchases of capital assets	(190,440,871)	(131,629,644)
Principal payments on capital debt	(72,404,606)	(173,361,203)
Interest payments on capital debt	(32,284,045)	(31,294,051)
Proceeds from sale of repurchase option	24,250,000	
Net cash used in capital and related financing activities	\$ (15,544,611)	\$ (171,438,508)
Cash flows from noncapital financing activities		
State educational appropriations	\$ 258,429,840	\$ 268,640,355
Private gifts	41,476,897	45,540,280
Student direct lending receipts	129,057,401	129,785,462
Student direct lending disbursements	(130,080,858)	(130,038,922)
Other deposits	29,127,488	32,993,140
Deposits from affiliates	(1,396,950)	1,445,209
Net cash provided by noncapital financing activities	\$ 326,613,818	\$ 348,365,524
Cash flows from investing activities		
Interest and dividends from investments, net	\$ 46,938,552	\$ 45,182,564
Collections on note receivable	133,356	133,356
Proceeds from sales and maturities of investments	50,949,470	60,832,806
Investments in system pooled investment funds	(87,556,511)	(145,637,600)
Purchases of investments	(71,317,704)	(88,477,297)
Net cash used in investing activities	\$ (60,852,837)	\$ (127,966,171)
Net increase (decrease) in cash and cash equivalents	\$ 70,327,869	\$ (56,818,698)
Cash and cash equivalents, beginning of year	\$ 268,824,418	\$ 325,643,116
Cash and cash equivalents, end of year	\$ 339,152,287	\$ 268,824,418
Reconciliation of operating (loss) to net cash used in operating activities		
Operating (loss)	\$ (268,563,199)	\$ (227,231,016)
Adjustments to reconcile operating loss to net cash used in operating activities		
Depreciation expense	\$ 98,303,065	\$ 123,047,953
Changes in assets and liabilities:		
Accounts receivable, net	\$ (48,137,954)	\$ 8,943,740
Prepaid expenses and other assets	(3,474,523)	(432,546)
Accounts payable and accrued liabilities	50,663,669	(14,153,560)
Deferred revenue	\$ (8,679,559)	\$ 4,045,886
Net cash used in operating activities	\$ (179,888,501)	\$ (105,779,543)

See accompanying notes to financial statements.

The University of Alabama at Birmingham

Statements of Cash Flows (continued)

Years Ended September 30, 2013 and 2012

	2013	2012
Supplemental noncash activities information		
Capital assets acquired included in accounts payable	\$ 10,313,216	\$ 8,813,669
Interest capitalized	\$ 2,716,551	\$ 3,048,851
Capital assets acquired through property exchange	\$	\$ 8,445,450

See accompanying notes to financial statements.

Southern Research Institute

A Discretely Presented Component Unit

Statements of Net Position

December 28, 2012 and December 30, 2011

	2012	2011
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 1,045,191	\$ 6,336,199
Investments	55,518,482	51,000,810
Restricted cash and investments	10,052,067	9,342,095
Funds held by trustee	4,387,874	13,155,690
Accounts receivable, net	17,941,413	16,811,896
Other receivables	2,578,588	6,637,310
Materials and supplies, net	940,744	1,031,947
Prepayments and other current assets	1,653,030	2,153,205
Total current assets	\$ 94,117,389	\$ 106,469,152
Noncurrent Assets:		
Capital assets:		
Land and improvements	\$ 7,879,459	\$ 7,724,636
Buildings and major plant equipment	67,134,025	60,512,884
Laboratory equipment and fixtures	48,621,081	42,994,751
Office furniture and equipment	2,559,166	2,267,953
Intangible assets, net	2,702,485	2,431,680
	\$ 128,896,216	\$ 115,931,904
Less accumulated depreciation	66,482,636	60,614,781
	\$ 62,413,580	\$ 55,317,123
Construction-in-progress	9,962,347	7,657,238
	\$ 72,375,927	\$ 62,974,361
Deferred outflow - interest rate swap	1,182,857	1,065,176
Goodwill		50,000
Total noncurrent assets	\$ 73,558,784	\$ 64,089,537
Total Assets	\$ 167,676,173	\$ 170,558,689
LIABILITIES		
Current Liabilities:		
Accounts payable	\$ 4,421,228	\$ 5,121,862
Accrued liabilities	7,543,260	7,956,111
Unearned contract revenue	4,902,752	3,274,515
Current maturities of long-term debt and capital lease obligations	480,000	480,000
Total current liabilities	\$ 17,347,240	\$ 16,832,488
Noncurrent Liabilities:		
Long-term debt and capital lease obligations	\$ 18,920,000	\$ 19,400,000
Derivative instrument - interest rate swap	1,182,857	1,065,176
Postretirement benefits	926,985	805,537
Total noncurrent liabilities	\$ 21,029,842	\$ 21,270,713
Total Liabilities	\$ 38,377,082	\$ 38,103,201
NET POSITION		
Invested in capital assets	\$ 57,363,801	\$ 56,250,051
Restricted		
Expendable	10,052,067	9,342,095
Unrestricted	61,883,223	66,863,342
Total Net Position	\$ 129,299,091	\$ 132,455,488

See accompanying notes to financial statements.

Southern Research Institute

A Discretely Presented Component Unit

Statements of Revenues, Expenses, and Changes in Net Position

December 28, 2012 and December 30, 2011

	2012	2011
Operating Revenues		
Contract revenues	\$ 73,373,816	\$ 79,646,080
Intellectual property revenues, net of direct expenses	6,276,034	10,121,278
Total operating revenues	\$ 79,649,850	\$ 89,767,358
Operating Expenses		
Salaries, wages and benefits	\$ 44,745,102	\$ 42,584,470
Supplies and services	35,612,460	36,797,977
Depreciation and amortization	6,303,232	5,912,682
Total operating expenses	\$ 86,660,794	\$ 85,295,129
Operating (loss) income	\$ (7,010,944)	\$ 4,472,229
Nonoperating Revenues (Expenses)		
Contributions	\$ 445,650	\$ 410,472
Investment income (loss)	5,347,214	(126,615)
Interest expense	(586,466)	(410,480)
Loss on disposal of assets	(49,960)	(124,250)
Net nonoperating revenues (expenses)	\$ 5,156,438	\$ (250,873)
(Loss) Income before other revenues, expenses, gains and losses	\$ (1,854,506)	\$ 4,221,356
Other Changes in Net Position		
Loss from discontinued operations	\$ (1,301,891)	\$ (761,290)
Net other changes in net position	(1,301,891)	(761,290)
(Decrease) increase in net position	(3,156,397)	3,460,066
Net Position, beginning of year	\$ 132,455,488	\$ 128,995,422
Net Position, end of year	\$ 129,299,091	\$ 132,455,488

See accompanying notes to financial statements.

The University of Alabama at Birmingham Notes to Financial Statements

September 30, 2013

(1) Summary of Significant Accounting Policies

The University of Alabama at Birmingham (UAB) is one of three campuses of The University of Alabama System (the System), which is a discretely presented component unit of the State of Alabama (the State). The financial statements of UAB are intended to present the financial position, changes in financial position, and the cash flows of only that portion of the business-type activities of the financial reporting entity of the System that is attributable to the transactions of UAB. The System is recognized as an organization exempt from Federal income tax under Section 501(a) of the Internal Revenue Code as an organization described in Section 501(c)(3) of the Internal Revenue Code.

UAB, as a public institution, prepares its financial statements in accordance with accounting principles generally accepted in the United States of America, as prescribed by the Governmental Accounting Standards Board (GASB).

GASB Statement No. 35, *Basic Financial Statements and Management's Discussion and Analysis for Public Colleges and Universities* (GASB Statement No. 35), establishes standards for external financial reporting for public colleges and universities and requires that resources be classified for accounting and reporting purposes into the following three net position categories:

- **Invested 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.

- **Restricted:**

Nonexpendable: Net position subject to externally imposed stipulations that they be maintained permanently by UAB. Such assets include UAB's permanent endowment funds.

Expendable: Net position whose use by UAB is subject to externally imposed stipulations that can be fulfilled by actions of UAB pursuant to those stipulations or that expire by the passage of time.

- **Unrestricted:**

The net position that is not subject to externally imposed stipulations. Unrestricted net position may be designated for specific purposes by action of management. Substantially all of the unrestricted net position is designated for academic and research programs and initiatives and capital programs.

- **Corrections of Errors:**

During fiscal year 2013, the University deter-

mined that the accrual for compensated absences was improperly calculated as of September 30, 2012 and for several years prior. This error resulted in an understated compensated absences accrual of \$24.8 million as of September 30, 2012 and was created over a multiple year period of time likely beginning in fiscal 2004. This error overstated fiscal 2012 operating expenses and accrued liabilities by \$500,000. In addition, during fiscal year 2013, the University determined that the accrual for library material depreciation expense was improperly calculated as of September 30, 2012 and for several years prior. This error resulted in an understated net property, plant and equipment of \$27.1 million as of September 30, 2012 and was created over a multiple year period of time likely beginning in fiscal 2004. This error overstated fiscal 2012 operating expenses and understated net property, plant and equipment by \$4.86 million. The cumulative errors were corrected in the fiscal 2013 financial statements resulting in an increase in Salary, Wages, and Benefits expense of \$24.8 million and a decrease in Depreciation expense of \$27.15 million, netting to an overall reduction of operating expenses and operating loss of \$2.35 million for the year ended September 30, 2013. Management does not believe these errors are material to the 2013 or to any previously issued financial statements taken as a whole.

UAB reports as a business type activity, as defined by GASB Statement No. 35. Business type activities are those financed in whole or in part by fees charged to external parties for goods or services.

UAB policy states that operating activities as reported by the statement of revenues, expenses, and changes in net position are those that generally result from exchange transactions such as payments received for providing services and payments made for services or goods received. Certain significant revenue streams relied upon for operations are recorded as nonoperating revenues, as defined by GASB Statement No. 35.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates. The estimates susceptible to significant changes include those used in determining the allowance for contractual adjustments and uncollectible accounts, valuation of investments, accruals related to compensated absences, allowance for self insurance, estimated amounts due to or from third-party payors, and reserves for general and professional liability claims. Although some variability is inherent in these estimates, management believes that the amounts provided are adequate.

Scope of Statements

UAB is principally comprised of a university (the University) and the University of Alabama Hospital (the Hospital) which are UAB's reportable segments as defined by GASB Statement No. 37, *Basic Financial Statements and Management's Discussion and Analysis-For State and Local Governments: Omnibus an Amendment of GASB Statements No. 21 and No. 34*. UAB's financial statements present the financial position, changes in financial position, and the cash flows of the University, the Hospital, and UAB's blended component units. Condensed financial information of UAB's reportable segments is presented at Note 23. GASB Statement No. 14, *The Financial Reporting Entity* (GASB Statement No. 14), requires governmental entities to include in their financial statements as a component unit, organizations that are legally separate entities for which the governmental entity, as a primary organization, is financially accountable.

In November 2010, the GASB issued Statement No. 61, *The Financial Reporting Entity: Omnibus* (GASB Statement No. 61), effective for UAB's fiscal year beginning October 1, 2012. This Statement modifies the existing requirements for the assessment of component units that should be included in the financial statements of UAB. Refer to Footnote 3 for the cumulative effect that the implementation of GASB Statement No. 61 had on UAB's net position and changes in net position for the years ended September 30, 2013 and 2012.

The by-laws and corporate charter of the Southern Research Institute (SRI) allow UAB to appoint a majority of the board of directors and UAB is financially accountable for SRI. Therefore, management has determined that SRI is a discretely presented component unit of UAB under GASB Statements No. 14 and No. 61. SRI reports financial results under principles prescribed under the GASB. SRI offers research and technology services to support industry and federal government agencies primarily in the areas of drug design and evaluation, environmental controls, materials engineering, and chemical and biological defense. The activities of SRI are maintained using a fiscal calendar year-end that predates UAB's fiscal year-end of September 30. The financial results of SRI are discretely presented in the accompanying financial statements.

The by-laws and corporate charters of the UAB Research Foundation (UABRF) allow UAB to appoint a majority of the board of directors and allow UAB to impose its will on the entity. UABRF operates for the exclusive benefit of UAB. Additionally, Triton Health Systems, L.L.C. (Triton) and UAB Hospital Management, L.L.C. (LLC) have governing bodies that are substantively the same as the governing body of UAB and there is a financial benefit or burden relationship between UAB and these entities. Therefore, management has determined that UABRF, Triton, and LLC (the Blended Component Units) constitute blended component units of UAB under GASB Statements No. 14 and No. 61. The Blended Component Units report financial results under principles prescribed under the GASB.

Triton was formed to advance the educational and

research mission of UAB and to educate and train physicians and other health care professionals. Triton is owned 99% by UAB and 1% by The UAB Educational Foundation (UABEF). UABRF was organized exclusively for charitable, scientific, and educational purposes in order to benefit UAB. The LLC was organized for the exclusive purpose of supporting UAB in connection with the management, administration, and operation of the Hospital, including, without limitation, providing management, administrative, and staffing services to the Hospital. UABRF and the LLC maintain a September 30 year-end. The activities of Triton are maintained using a fiscal calendar year-end that predates UAB's fiscal year-end of September 30. However, interfund cash transactions during the period from January 1 through September 30 have been eliminated. Since Triton qualifies as a major component unit under GASB Statement No. 61, condensed financial information is presented at Note 24. Separate financial statements are available for Triton and UABRF by contacting UAB.

Other significant accounting policies are as follows:

Cash and cash equivalents: For purposes of the statement of cash flows, UAB considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents. Cash equivalents representing assets of UAB's endowment, life income, and other long-term investments are included in noncurrent investments.

Investments: UAB accounts for its investments, other than land and other real estate held as investments by endowments, in accordance with the provisions of GASB Statement No. 31, *Accounting and Reporting for Certain Investments and For External Investment Pools* (GASB 31) (see Note 5). Investments in equity securities with readily determinable fair values and all investments in debt securities are recorded at their fair value. UAB invests certain amounts in a commingled investment pool sponsored by the System. The value of the investments in the pools is determined by the System and based on UAB's proportionate share of the net asset value of the investment pools. Fair value for the investment pools is provided by the System, based on the fair value of the underlying investment securities held by each investment pool. Fair value of the underlying securities held in each investment pool is based on quoted market prices or dealer quotes, where available, or determined using net asset values provided by underlying investment partnerships or companies, which primarily invest in readily marketable securities. Certain real estate and non-readily marketable securities held in the System-sponsored Endowment Fund and Prime Fund are carried at cost (Note 5). Investments carried at cost are subject to review for impairment.

UAB accounts for its land and other real estate held as investments by endowments in accordance with GASB Statement No. 52, *Land and Other Real Estate Held as Investments by Endowments*. Investments are reported in four categories in the statement of net position. Investments recorded as endowment and life income investments are those invested funds considered by management to be of long duration. Other long-term investments include amounts resulting

from UAB's equity investment in other entities, as discussed in Note 5 and Note 20. Investments for capital projects are included in noncurrent assets. All other investments are included as short-term investments.

Inventories: Inventories are carried at the lower of cost or market. Inventories consist primarily of textbooks, medical supplies, and pharmaceuticals.

Accounts receivable: Accounts receivable consist primarily of tuition charged to students and amounts due from Federal, state, and local governments, or private sources, in connection with reimbursement of allowable expenditures made pursuant to UAB's contracts and grants.

Capital assets: All capital assets are carried at cost on date of acquisition (or in the case of gifts, at fair value on the date of donation), less accumulated depreciation (or in the case of assets leased under capital leases, net of accumulated amortization). UAB computes depreciation for buildings and building improvements (15-40 years) and for fixed equipment systems (3-20 years) using a component method. Depreciation of land improvements (40 years), library materials (10 years), and inventoried equipment (3-20 years) is computed on a straight-line basis. The Hospital uses guidelines established by the American Hospital Association to assign useful lives to inventoried equipment.

Capital assets acquired under capital leases are amortized over the shorter of the lives of the respective leases or the estimated useful lives of the assets. Capital assets acquired through federal grants and contracts in which the federal government retains a reversionary interest are capitalized and depreciated. Interest costs, net of any related investment earnings, for certain assets acquired with the proceeds of tax-exempt borrowings are capitalized as a component of the cost of acquiring those assets.

Computer software capitalization, which is included as inventoried equipment, includes the costs of software and implementation. Implementation costs include consulting expenses and allocation of internal salaries and fringes for the core implementation team.

Pledges: UAB receives gift pledges and bequests of financial support. Revenue is recognized when a pledge representing an unconditional promise to give is received and all eligibility requirements, including time requirements, have been met. In the absence of such a promise, revenue is recognized when the gift is received. Pledges are recorded at their gross, undiscounted amount. Endowment pledges do not meet eligibility requirements and are not recorded as assets until the related gift is received in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions* (GASB Statement No. 33).

Endowment spending: The Alabama Uniform Prudent Management of Institutional Funds Act (UPMIFA) was enacted by the State Legislature and signed into law effective January 1, 2009. UPMIFA prescribes new guidelines for the expenditure of a donor-restricted endowment funds in the absence of overriding, explicit donor stipulations. Its predecessor, UMIFA, focused on the prudent spending of the net appreciation of the fund. UPMIFA instead focuses on the entirety of a donor-restricted endowment fund, that is, both the original gift amount(s) and net apprecia-

tion. UPMIFA eliminates UMIFA's historic-dollar-value threshold, an amount below which an organization could not spend from the fund, in favor of a more robust set of guidelines about what constitutes prudent spending, explicitly requiring consideration of the duration and preservation of the fund.

UPMIFA permits the Board of Trustees of the University of Alabama (the "Board") to appropriate an amount of realized and unrealized endowment appreciation as the Board determines to be prudent. UAB's policy is to retain the endowment realized and unrealized appreciation within an endowment after the spending rate distributions in a manner consistent with the standards of prudence prescribed by UPMIFA. The Board approved a spending rate for the fiscal years September 30, 2013 and 2012 of 5% of a moving three-year average of the market (unit) value.

Unearned revenue: Unearned revenue consists primarily of student fees related predominantly to future fiscal years and amounts received from grant and contract sponsors that have not yet been earned under the terms of the agreements and, therefore, have not yet been included in the net position.

Federal refundable loans: Certain loans to students are administered by UAB with funding primarily supported by the federal government. UAB's Statement of Net Position includes both the notes receivable and the related federal refundable loan liability representing federal capital contributions owed upon termination of the program.

Compensated absences: UAB accrues annual leave for employees at rates based upon length of service and job classification. UAB accrues compensatory time based upon job classification and hours worked. These amounts are included in accounts payable and accrued liabilities.

Student tuition and fees: Student tuition and residence fees are presented net of scholarships and fellowships applied to student accounts, while stipends and other payments made directly to students are presented as scholarship and fellowship expenses.

Grant and contract revenue: UAB receives grant and contract revenue from governmental and private sources. UAB recognizes revenue associated with the sponsored programs in accordance with GASB Statement No. 33, based on the terms of the individual grant or contract.

Hospital revenue: Net patient service revenue is reported at the Hospital's estimated net realizable amounts from patients, third-party payors, and others for services rendered, included estimated retroactive revenue adjustments due to revenue audits, reviews, and investigations. Retroactive adjustments are considered in the recognition of revenue on an estimated basis in the period the related services are rendered.

The Hospital provides care to patients who meet certain criteria under its charity care policy without charge or at amounts less than its estimated rates. Because the Hospital does not pursue collection of amounts determined to qualify as charity care, they are not reported as revenue.

Auxiliary enterprise revenue: Auxiliary enterprise revenues primarily represent revenues generated by intercollegiate athletics and parking as well as subscriber premiums.

Other revenue: Other revenue represents primarily revenues generated by UAB for activities such as intellectual property income and HSF revenues.

Equity investments: Investments in affiliated companies where UAB can exercise significant influence and for which UAB's ownership interest is 50% or less are accounted for using the equity method. The investment in the Professional Liability Trust Fund (PLTF) also is accounted for using the equity method. See Notes 5 and 20.

Nonoperating revenues (expenses): Nonoperating revenues and expenses include State educational appropriations, Federal Pell grants, private gifts for other than capital purposes, investment income, net unrealized appreciation or depreciation in the fair value of investments, interest expense, and loss on asset dispositions. Also, during 2013, the Hospital sold a repurchase option for certain dialysis units to a third party for approximately \$24.3 million and recorded a gain on that sale as a component of other nonoperating revenue.

(2) Related Parties

UAB is affiliated with the UABEF, the University of Alabama Health Services Foundation, P.C. (HSF), UAB Health System (UABHS), and the Valley Foundation (VF). UAB is not financially accountable for HSF, VF, UABEF, and UABHS; therefore, they do not constitute component units under the provisions of GASB Statement No. 14. These entities are not required to be presented as component units under GASB Statement No. 39, *Determining Whether Certain Organizations Are Component Units*, or by GASB Statement No. 61, both of which amend GASB 14.

UABEF provides funds and certain facilities to UAB for its educational and scientific functions and provides support for UAB athletic programs. UABEF has 13 board members, including seven outside members not affiliated with UAB. UABEF leases certain facilities to UAB, with annual rental expense of approximately \$2,004,000 and \$1,919,000 for 2013 and 2012, respectively. UABEF made contributions to UAB which totaled approximately \$6,766,000 and \$6,460,000 in 2013 and 2012, respectively. UABEF's total assets were approximately \$56,280,000 and \$56,704,000 at September 30, 2013 and 2012, respectively. UABEF's total liabilities were approximately \$18,445,000 and \$18,563,000 at September 30, 2013 and 2012, respectively.

HSF's primary purpose is to provide a group medical practice for physicians who are members of the regular faculty of the School of Medicine at UAB and serve on the University of Alabama Hospital's medical staff. It is governed by a 19-member board of directors, 16 of whom are not affiliated with UAB. An affiliation agreement (the Agreement) documents the relationship between HSF and UAB. The University's other operating revenues include approximately \$23,807,000 and \$29,238,000 of funding from HSF in 2013 and 2012, respectively, which is used to support the educational and research activities of

UAB. These funds were paid by HSF pursuant to its tax-exempt purpose and in recognition of the mutual benefit derived by the two organizations from the enhancement and continued development of UAB's programs. The funds were negotiated with HSF as part of UAB's budget development process. In the normal course of business, HSF purchases various services from the Hospital, aggregating approximately \$2,493,000 and \$886,000 in 2013 and 2012, respectively, and the Hospital purchases various services from HSF, aggregating approximately \$36,628,000 and \$30,155,000 for the years ended September 30, 2013 and 2012, respectively. As a result of these transactions, the Hospital had a net payable to HSF of approximately \$236,000 and a net receivable from HSF of approximately \$711,000, respectively, at September 30, 2013 and September 30, 2012.

During 2009, the Hospital entered into an operating agreement with HSF whereby HSF began leasing two floors of the UAB Women and Infants' Facility when construction was completed in February 2010. HSF reimbursed the Hospital for construction costs of this space as they were incurred on a square-footage basis. Total reimbursements are being amortized as rent revenue on a straight-line basis over a period equal to the 90 year total lease term, commencing on February 20, 2010 when the building was placed into service. The Hospital had received reimbursements from HSF totaling approximately \$13,908,000 and \$14,071,000, which is included in the accompanying statement of net position as unearned revenue-other for the years ended September 30, 2013 and 2012, respectively. Approximately \$163,000 was recognized as rent revenue during each of the years ended September 30, 2013 and 2012.

The Board and the HSF's board have entered into an agreement under which UAB and HSF have established a common management group, the UAB Health System to provide management for their existing and future health care delivery operations. The UAB Health System Board of Directors is composed of 18 members, of whom nine are appointed by the Board. For the fiscal years ended September 30, 2013 and 2012, respectively, UAB contributed approximately \$8,558,000 and \$8,301,000 to the UAB Health System Board to support Health System administrative functions. In addition, at September 30, 2013 and 2012, respectively, the Hospital had a net payable from the Health System of approximately \$281,000 and \$825,000.

VF's primary purpose is to provide a group medical practice for physicians who are faculty members in the UAB School of Medicine Huntsville program. It is governed by a 17-member board of directors, consisting of three nonvoting members and 14 voting members, of whom seven are affiliated with UAB. VF's total assets were approximately \$9,357,000 (unaudited) and \$8,815,000 (unaudited) and total liabilities were approximately \$1,132,000 (unaudited) and \$1,275,000 (unaudited) at September 30, 2013 and 2012, respectively.

The Hospital received premium revenue (capitation fees) of approximately \$56,903,000 and \$64,068,000 from Triton during the years ended September 30, 2013 and 2012.

The Hospital purchased \$88,473,000 and \$9,384,000 in management, administrative, and staffing services from the LLC during the years ended September 30, 2013 and 2012, respectively.

(3) Effect of Recently Implemented Pronouncements

As a result of UAB's implementation of GASB Statement No. 61, SRI no longer constitutes a blended component unit of UAB for the years ended September 30, 2013 and 2012. GASB Statement No. 61 amends the criteria for reporting component units as if they were part of the primary government (that is, blending) and SRI does not meet the amended criteria. SRI remains a component unit of UAB since the by-laws and corporate charter of SRI allow UAB to appoint a majority of the board of directors and UAB remains financially accountable for SRI. The financial results of SRI are discretely presented in the accompanying financial statements in accordance with GASB Statement No. 61. The effect of the changes from the implementation of GASB Statement No. 61 on UAB's financial statements for

the year ended September 30, 2012 is included in the table below.

In June 2011, the GASB issued Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* (GASB Statement No. 63), effective for UAB's fiscal year beginning October 1, 2012. This Statement modifies the presentation of deferred inflows and deferred outflows in the financial statements. In March 2012, the GASB issued Statement No. 65, *Items Previously Reported as Assets and Liabilities* (GASB Statement No. 65), effective for UAB's fiscal year beginning October 1, 2013; however, UAB early adopted this Statement effective for the fiscal year beginning October 1, 2012. This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. The effect of the changes from the implementation of GASB Statements No. 63 and No. 65 on UAB's financial statements for the year ended September 30, 2012 is included in the table below:

September 30, 2012

	AS PREVIOUSLY REPORTED	GASB 61 ADJUSTMENTS	GASB 63/65 ADJUSTMENTS	AS RESTATED
CONDENSED STATEMENT OF NET POSITION				
Current assets	\$ 1,004,175,428	\$ (93,313,462)	\$	\$ 910,861,966
Non-current assets	2,712,661,849	(77,245,227)		2,635,416,622
Total assets	\$ 3,716,837,277	\$ (170,558,689)	\$	\$ 3,546,278,588
DEFERRED OUTFLOW OF RESOURCES				
	\$	\$	\$ 13,019,885	\$ 13,019,885
Current liabilities	\$ 358,846,062	\$ (16,832,488)	\$	\$ 342,013,574
Noncurrent liabilities	800,694,958	(21,270,713)	14,225,873	793,650,118
Total liabilities	\$ 1,159,541,020	\$ (38,103,201)	\$ 14,225,873	\$ 1,135,663,692
DEFERRED INFLOW OF RESOURCES				
	\$	\$	\$ 209,886	\$ 209,886
Invested in capital	\$ 741,376,219	\$ (53,818,371)	\$ (1,415,874)	\$ 686,141,974
Restricted nonexpendable	252,844,971			252,844,971
Restricted expendable	221,215,840	(9,349,775)		211,866,065
Unrestricted	1,341,859,227	(69,287,342)		1,272,571,885
Total net position	\$ 2,557,296,257	\$ (132,455,488)	\$ (1,415,874)	\$ 2,423,424,895
CONDENSED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION				
Total operating revenues	\$ 2,402,911,947	\$ (89,767,358)	\$	\$ 2,313,144,589
Total operating expenses	(2,625,670,734)	85,295,129		(2,540,375,605)
Operating loss	\$ (222,758,787)	\$ (4,472,229)	\$	\$ (227,231,016)
Nonoperating revenues	415,073,709	1,012,163	(446,297)	415,639,575
Income (Loss) before other changes in net position	\$ 192,314,922	\$ (3,460,066)	\$ (446,297)	\$ 188,408,559
Capital grants and transfers	25,689,071			25,689,071
Increase in net position	\$ 218,003,993	\$ (3,460,066)	\$ (446,297)	\$ 214,097,630
Net position, beginning of year	2,339,292,264	(128,995,422)	(969,577)	2,209,327,265
Net position, end of year	\$ 2,557,296,257	\$ (132,455,488)	\$ (1,415,874)	\$ 2,423,424,895
CONDENSED STATEMENT OF CASH FLOWS				
Net cash provided (used) by:				
Operating activities	\$ (97,101,610)	\$ (8,677,933)	\$	\$ (105,779,543)
Noncapital financing activities	(181,985,715)	10,547,207		(171,438,508)
Capital and related financing activities	348,775,996	(410,472)		348,365,524
Investing activities	(128,826,360)	860,189		(127,966,171)
Net increase (decrease) in cash and cash equivalents	\$ (59,137,689)	\$ 2,318,991	\$	\$ (56,818,698)
Cash and cash equivalents, beginning of year	347,453,996	(21,810,880)		325,643,116
Cash and cash equivalents, end of year	\$ 288,316,307	\$ (19,491,889)	\$	\$ 268,824,418

(4) Cash and Cash Equivalents

The Board approves, by resolution, all banks or other financial institutions utilized as depositories for UAB funds. Prior to approval, each proposed depository must provide evidence of its designation by the Alabama state treasurer as a qualified public depository under the Security for Alabama Funds Enhancement Act (SAFE). From time to time, the Board may request that the depository provide evidence of its continuing designation as a qualified public depository. In the past, the bank pledged collateral directly to each individual public entity. Under the mandatory SAFE program, each qualified public depository (QPD) is required to hold collateral for all its public deposits on a pooled basis in a custody account established for the State Treasurer as SAFE administrator. In the unlikely event a public entity should suffer a deposit loss due to QPD insolvency or default, a claim form would be filed with the state treasurer, who would use the SAFE pool collateral or other means to reimburse the loss.

The System sponsors a short-term investment pool for the System entities to invest operating cash reserves. The Short-Term Fund is invested in a treasury obligation money market fund managed by Federated. As of September 30, 2013, the University, within the Short-Term Fund, had approximately \$118,900,000, all of which was invested in the money market fund. As of September 30, 2012, the University had approximately \$90,100,000 in the Short-Term Fund, all of which was invested in the money market fund. The assets held in the money market fund are presented in cash and cash equivalents and restricted cash and cash equivalents. As of September 30, 2013 and 2012, respectively, UAB had cash and cash equivalents totaling \$339,152,287 and \$268,824,418.

(5) Investments

The Board has the responsibility for the establishment of the investment policy and the oversight of the investments for the System and related entities. In order to facilitate System-wide investment objectives and achieve economies of scale, the Board has established four distinct investment pools based primarily on the projected investment time-horizons for System funds. These investment pools are the Endowment Fund, Prime Fund, Intermediate Fund and the Short-Term Fund (collectively, the "System Pools"). Pursuant to Board investment policies, each System or related entity may include all or a portion of their investments within the System sponsored investment pools. These investment funds are considered 'internal' investment pools under GASB Statement No. 31,

with the assets pooled on a market value basis. Separately managed funds that are resident with each entity are to be invested consistent with the asset mix of the corresponding System investment pool.

UAB applies the same investment policies for separately held investments as those of the System Pools.

The following disclosures relate to both the System Pools, which include the investments of other System entities and other affiliated entities, and the UAB-specific investment portfolio.

Endowment Fund

The purpose of the Endowment Fund is to pool endowment and similar funds to support the System campuses, the Hospital and related entities in carrying out their respective missions over a perpetual time frame. Accordingly, the primary investment objectives of the Endowment Fund are to preserve the purchasing power of the principal and provide a stable source of perpetual financial support to the endowment beneficiaries. To satisfy the long-term rate of return objective, the Endowment Fund relies on a total return strategy in which investment returns are achieved through both capital appreciation and natural income. Asset allocation targets are established to meet return objectives while providing adequate diversification in order to minimize investment volatility. As discussed in Note 1, certain investments within the Endowment Fund are valued at cost, unless impaired. UAB's portion of investments in the Endowment Fund which are measured at cost totaled approximately \$40,600,000 and \$40,100,000 at September 30, 2013 and 2012, respectively.

Prime Fund

The Prime Fund is a longer-term fund used as an investment vehicle to manage operating reserves with a time horizon of seven to ten years. This fund has an investment objective of growth and income and is invested in a diversified asset mix of liquid and semi-liquid securities. This fund is not currently invested in long-term lockup funds with illiquid assets. As discussed in Note 1, certain investments in the Prime Fund are valued at cost, unless impaired. UAB's portion of investments which are measured at cost totaled approximately \$6,600,000 at September 30, 2013 and at September 30, 2012.

Intermediate Fund

The Intermediate Fund serves as an investment vehicle to manage operating reserves with a time horizon of two to six years. This fund is also used to balance the other funds when looking at the System's entire asset allocation of operating reserves relative to its investment objectives. The Intermediate Fund has an investment objective of income with preservation of capital and is invested in intermediate term fixed income securities. System policy states that at least one of the Intermediate Fund investment managers must be a large mutual fund providing daily liquidity.

Short-Term Fund

The Short-Term Fund contains the short-term operating reserves of the various System entities. Because of the different income and disbursement requirements of each entity, consolidation of these funds reduces daily cash fluctuations and minimizes the amount of short-term cash reserves needed. Assets held in the Short-Term Fund are invested with the primary objective of stability of principal and liquidity. Such investments are restricted to high quality, liquid, money market funds and other fixed income obligations with a maturity of one year or less. Refer to Note 4 for additional information related to the Short-Term Fund.

Although the investment philosophy of the Board is to minimize the direct ownership of investment vehicles, preferring ownership in appropriate investment fund groups, there are certain direct investments that are held in the name of the Board. All other investments in the System Pools are classified as commingled funds.

The composition of investments, by investment type, for the System Pools at September 30, 2013 is as follows:

September 30, 2013								
	ENDOWMENT FUND		PRIME FUND		INTERMEDIATE FUND		SHORT TERM FUND	
Receivables:								
Accrued Income Receivables	\$	1,096,967	\$	651,549	\$	4,056,788	\$	
TOTAL RECEIVABLES	\$	1,096,967	\$	651,549	\$	4,056,788	\$	
Cash Equivalents:								
Certificates Of Deposit	\$		\$		\$	8,094,239	\$	
Commercial Paper						2,599,751		
Money Market Funds		56,519,604		50,827,901		69,728,143		201,099,030
TOTAL CASH EQUIVALENTS	\$	56,519,604	\$	50,827,901	\$	80,422,133	\$	201,099,030
Equities:								
U.S. Common Stock	\$	74,460,258	\$	53,886,837	\$		\$	
U.S. Preferred Stock		1,238,188		1,125,625				
Non-U.S. Stock		10,624,062		6,771,037				
TOTAL EQUITIES	\$	86,322,508	\$	61,783,499	\$		\$	
Fixed Income Securities:								
U.S. Government Obligations	\$	21,850,510	\$	11,213,984	\$	317,145,894	\$	
Municipal Government Obligations						217,383		
Mortgage Backed Securities						120,283,662		
Collateralized Mortgage Obligations						50,078,274		
Corporate Bonds		59,987,039		30,751,076		343,033,010		
Non-U.S. Bonds						1,046,990		
TOTAL FIXED INCOME SECURITIES	\$	81,837,549	\$	41,965,060	\$	831,805,213	\$	
Commingled Funds:								
U.S. Equity Funds	\$	102,773,998	\$	110,668,279	\$		\$	
Non-U.S. Equity Funds		280,637,986		259,399,547				
U.S. Bond Funds		31,464,754		59,945,698		78,977,321		
Non-U.S. Bond Funds		61,765,298		56,698,721				
Hedge Funds		153,064,178		120,473,011				
Private Equity Funds		62,791,546						
Timberland Funds		16,960						
Real Estate Funds		131,161,560		104,551,847				
TOTAL COMMINGLED FUNDS	\$	823,676,280	\$	711,737,103	\$	78,977,321	\$	
TOTAL FUND INVESTMENTS	\$	1,048,355,941	\$	866,313,563	\$	991,204,667	\$	201,099,030
TOTAL FUND ASSETS	\$	1,049,452,908	\$	866,965,112	\$	995,261,455	\$	201,099,030
TOTAL FUND LIABILITIES	\$	(122,926)	\$	(85,447)	\$	(584,144)	\$	
AFFILIATED ENTITY INVESTMENT IN FUNDS	\$	(138,865,562)	\$	(53,288,957)	\$	(88,296,301)	\$	
TOTAL NET ASSET VALUE	\$	910,464,420	\$	813,590,708	\$	906,381,010	\$	201,099,030

The composition of investments, by investment type, for the System Pools at September 30, 2012 is as follows:

September 30, 2012

	ENDOWMENT FUND	PRIME FUND	INTERMEDIATE FUND	SHORT TERM FUND
Receivables:				
Accrued Income Receivables	\$ 1,007,252	\$ 610,059	\$ 4,047,259	\$
TOTAL RECEIVABLES	\$ 1,007,252	\$ 610,059	\$ 4,047,259	\$
Cash Equivalents:				
Certificates Of Deposit	\$	\$	\$ 6,095,374	\$
Money Market Funds	37,622,530	25,012,340	117,007,185	165,309,391
TOTAL CASH EQUIVALENTS	\$ 37,622,530	\$ 25,012,340	\$ 123,102,559	\$ 165,309,391
Equities:				
U.S. Common Stock	\$ 71,093,168	\$ 49,927,229	\$	\$
U.S. Preferred Stock	1,031,250	937,500		
Non-U.S. Stock	9,012,235	7,038,544		
TOTAL EQUITIES	\$ 81,136,653	\$ 57,903,273	\$	\$
Fixed Income Securities:				
U.S. Government Obligations	\$ 28,152,015	\$ 12,728,703	\$ 363,188,133	\$
Municipal Government Obligations			6,423,894	
Mortgage Backed Securities			50,978,064	
Collateralized Mortgage Obligations	428,837	176,195	57,695,598	
Corporate Bonds	48,420,651	25,691,441	324,568,847	
Non-U.S. Bonds			8,953,326	
TOTAL FIXED INCOME SECURITIES	\$ 77,001,503	\$ 38,596,339	\$ 811,807,862	\$
Commingled Funds:				
U.S. Equity Funds	\$ 102,545,643	\$ 99,826,894	\$	\$
Non-U.S. Equity Funds	250,230,913	220,690,653		
U.S. Bond Funds	29,518,564	55,590,858	118,258,903	
Non-U.S. Bond Funds	57,589,079	54,429,629		
Hedge Funds	148,184,664	115,874,279		
Private Equity Funds	61,912,960			
Timberland Funds	5,624,452			
Real Estate Funds	128,235,796	102,617,303		
TOTAL COMMINGLED FUNDS	\$ 783,842,071	\$ 649,029,616	\$ 118,258,903	\$
TOTAL FUND INVESTMENTS	\$ 979,602,757	\$ 770,541,568	\$ 1,053,169,324	\$ 165,309,391
TOTAL FUND ASSETS	\$ 980,610,009	\$ 771,151,627	\$ 1,057,216,583	\$ 165,309,391
TOTAL FUND LIABILITIES	\$ (126,133)	\$ (88,592)	\$ (481,793)	\$
AFFILIATED ENTITY INVESTMENT IN FUNDS	\$ (124,786,897)	\$ (51,504,726)	\$ (77,940,650)	\$
TOTAL NET ASSET VALUE	\$ 855,696,979	\$ 719,558,309	\$ 978,794,140	\$ 165,309,391

The composition of investments, by investment type, of UAB's separately held investments, and UAB's interest in the System Pools, at September 30, 2013 and 2012 is as follows:

	2013	2012 (Restated)
Cash and equivalents:		
Commercial paper	\$ 100,000	\$ 100,000
Money market funds	1,064,724	1,065,477
TOTAL CASH AND EQUIVALENTS	\$ 1,164,724	\$ 1,165,477
Equities:		
Common stock	\$ 1,042	\$ 151,733
Equity investment in partnerships	50,449,513	38,912,815
TOTAL EQUITIES	\$ 50,450,555	\$ 39,064,548
Fixed Income Securities:		
U.S. government obligations	\$ 71,317,706	\$ 50,000,000
Corporate bonds	13,831,683	14,311,980
TOTAL FIXED INCOME SECURITIES	\$ 85,149,389	\$ 64,311,980
Commingled Funds:		
U.S. equity funds	\$ 8,927,430	\$ 10,083,093
Non-U.S. equity funds	10,285,795	6,955,750
U.S. bond funds	3,938,397	4,061,312
Non-U.S. bond funds	1,339,360	1,382,863
Liquid alternatives	5,244,507	5,130,076
Private equity funds	2,517,501	2,510,930
Real estate funds	3,839,144	3,804,033
TOTAL COMMINGLED FUNDS	\$ 36,092,134	\$ 33,928,057
REAL ESTATE	\$ 159,600	\$ 259,600
Portion of System Pooled Investments:		
Endowment Fund	\$ 357,779,788	\$ 334,118,822
Prime Fund	561,617,285	507,361,293
Intermediate Fund	610,141,003	574,877,374
Short-Term Fund	118,864,217	90,063,756
Total Portion of System Pooled Investments	\$ 1,648,402,293	\$ 1,506,421,245
Total Cash and Investments	\$ 1,821,418,695	\$ 1,645,150,907
Less Short-Term Fund	\$ 118,864,217	\$ 90,063,756
TOTAL INVESTMENTS	\$ 1,702,554,478	\$ 1,555,087,151

Investment Risk Factors

There are many factors that can affect the value of investments. Some, such as custodial credit risk, concentration of credit risk and foreign currency risk, may affect both equity and fixed income securities. Equity securities respond to such factors as economic conditions, individual company earnings performance and market liquidity, while fixed income securities are particularly sensitive to credit risks and changes in interest rates.

Credit Risk

Fixed income securities are subject to credit risk, which is the chance that a bond issuer will fail to pay interest or principal in a timely manner, or that negative perceptions of the issuer's ability to make these payments will cause security prices to decline. These circumstances may arise due to a variety of factors such as financial weakness, bankruptcy, litigation, and/or adverse political developments. Certain fixed income securities, primarily obligations of the U.S.

government or those explicitly guaranteed by the U.S. government, are not considered to have significant credit risk.

A bond's credit quality is an assessment of the issuer's ability to pay interest on the bond, and ultimately, to pay the principal. Credit quality is evaluated by one of the independent bond-rating agencies, for example Moody's Investors Service (Moody's) or Standard and Poor's (S&P). The lower the rating, the greater the chance—in the rating agency's opinion—that the bond issuer will default, or fail to meet its payment obligations. Generally, the lower a bond's credit rating, the higher its yield should be to compensate for the additional risk.

Board policy recognizes that a limited amount of credit risk, properly managed and monitored, is prudent and provides incremental risk adjusted return over its benchmark. Credit risk in each investment pool is managed primarily by diversifying across issuers and limiting the amount of portfolio assets that can be invested in non-investment grade securities. Fixed

income holdings in a single entity (excluding obligations of the U.S. government and its agencies) may not exceed 5% of a manager's portfolio measured at market value. At least 95% of these fixed income investments must be in investment grade securities (securities with ratings of BBB- or Baa3) or higher. However, multi-strategy fixed income managers may have up to 20% of their investments in non-investment grade securities. Securities of foreign entities denominated in U.S. dollars are limited to 10% of a manager's portfolio. Securities denominated in currencies other than U.S. dollars are not permissible unless part of a multi-strategy fixed income account where the limitation is 20% of the manager's portfolio.

The investment policy recognizes that credit risk is appropriate in balanced investment pools such as the Endowment and Prime Funds, which are tracked against the Barclays Government Credit Index for U.S. investments and the Citigroup WGBI Index for international investments benchmarks for the fixed income portion of these pools. Fixed income investments within the Endowment and Prime Funds include corporate and U.S. treasury and/or agency bonds with a minimum BBB- rating and an average duration of four years. In addition, approximately \$20,000 in the Endowment Fund at September 30, 2012, is invested in unrated fixed income securities, excluding fixed income commingled funds. Fixed income commingled funds were approximately \$317,200,000 and \$259,800,000 in the Endowment and Prime Funds, at September 30, 2013 and 2012, respectively.

The Intermediate Fund is benchmarked against the 1-3 Year Barclays Government Credit Index with funds invested with four separate fund managers. Fixed income investments include corporate, mortgage backed, asset backed, collateralized mortgage and U.S. treasury and/or agency bonds with an average minimum rating of BB or higher. For September 30, 2013 and 2012, approximately \$135,800,000 and \$63,200,000, respectively, was invested by the Intermediate Fund in unrated fixed income securities, excluding commingled bond funds, money market funds and commercial paper. Fixed income commingled funds and commercial paper totaled approximately \$151,300,000 and \$235,200,000 at September 30, 2013 and 2012, respectively. For September 30, 2013 and 2012, \$8,100,000 and \$6,100,000, respectively, was invested by the Intermediate Fund in certificates of deposit.

The Short-Term Fund is committed to immediate liquidity to meet the operating needs of the System campuses and the Hospital. The Short-Term Fund is invested in a money market fund, which in turn invests mostly in U.S. Treasury Securities and repurchase agreements that are collateralized by U.S. Treasury Securities. These funds are all commingled with funds of other investors. Refer to Note 4 for additional information related to the Short-Term Fund.

The credit risk for fixed and variable income securities, for the System Pools, at September 30, 2013 and 2012 is as follows:

September 30, 2013 and 2012

	ENDOWMENT FUND		PRIME FUND		INTERMEDIATE FUND		SHORT TERM FUND	
	2013	2012	2013	2012	2013	2012	2013	2012
Fixed or Variable Income Securities								
U.S. Government Obligations	\$ 21,850,510	\$ 28,152,015	\$ 11,213,984	\$ 12,728,703	\$ 317,145,893	\$ 363,188,133	\$	
Municipal Government Obligations					217,383	6,423,894		
Other U.S. and Non-U.S. Denominated:								
AAA	1,254,938	1,586,686	642,291	749,786	18,861,309	30,554,363		
AA	11,441,938	8,698,140	5,792,481	4,205,006	85,433,796	77,971,612		
A	27,814,947	23,416,600	14,242,504	12,943,728	182,513,978	195,302,384		
BBB	19,475,216	15,128,540	10,073,800	7,969,116	78,670,892	61,721,408		
BB					6,740,499	9,130,213		
B					3,613,132	1,351,313		
C and < C					2,818,596	2,939,022		
Unrated		19,522			135,789,735	63,225,520		
Commingled Funds:								
U.S. Bond Funds: Unrated	31,464,754	29,518,564	59,945,698	55,590,858	78,977,321	118,258,903		
Non-U.S. Bond Funds: Unrated	61,765,298	57,589,079	56,698,721	54,429,629				
Money Market Funds: Unrated	56,519,604	37,622,530	50,827,901	25,012,340	69,728,143	117,007,185	201,099,030	165,309,391
Commercial Paper: Unrated					2,599,751			
Certificate of Deposits					8,094,239	6,095,374		
TOTAL	\$ 231,587,205	\$ 201,731,676	\$ 209,437,380	\$ 173,629,166	\$ 991,204,667	\$ 1,053,169,324	\$ 201,099,030	\$ 165,309,391

The credit risk for fixed and variable income securities of UAB's separately held investments at September 30, 2013 and 2012 is as follows:

September 30, 2013 and 2012

	2013	2012 (Restated)
Fixed or Variable Income Securities		
U.S. Government Obligations	\$ 71,317,706	\$ 50,000,000
Other U.S. and Non U.S. Denominated:		
AAA	13,831,683	14,311,980
AA		
A		
BBB		
BB		
B		
CCC		
CC		
Unrated		
Commingled Funds:		
U.S. Bond Funds: Unrated	3,938,397	4,061,312
Non-U.S. Bond Funds: Unrated	1,339,360	1,382,863
Money Market Funds: Unrated	1,064,724	1,065,477
Commercial Paper: Unrated	100,000	100,000
TOTAL	\$ 91,591,870	\$ 70,921,632

Custodial Credit Risk

Custodial credit risk is the risk that in the event of the corporate failure of the custodian, the investment securities may not be returned.

Investment securities in the System Pools and UAB's separately held investments are registered in the Board's name by the custodial bank as an agent for the System. Other types of investments (e.g. open-ended mutual funds, money market funds) represent ownership interests that do not exist in physical or book-entry form. As a result, custodial credit risk is remote.

Concentration of Credit Risk

Concentration of credit risk is the risk associated with a lack of diversification, such as having substantial investments in a few individual issuers, thereby exposing the organization to greater risks resulting from adverse economic, political, regulatory, geographic, or credit developments.

As previously mentioned, credit risk in each investment pool and UAB's separately held portfolio is managed primarily by diversifying across issuers and limiting the amount of portfolio assets that can be invested in non-investment grade securities. As of September 30, 2013 and 2012, there was no investment in a single issuer that represents 5% or more of

total investments held by any single investment manager of the System Pools or UAB's separately held investment portfolio except for investments issued by the U.S. government and money market investments held by the Short Term Fund.

Interest Rate Risk

Interest rate risk is the risk that the value of fixed income securities will decline because of changing interest rates. The prices of fixed income securities with a longer time to maturity, measured by effective duration, tend to be more sensitive to changes in interest rates and, therefore, more volatile than those with shorter durations. Effective duration is the approximate change in price of a security resulting from a 100 basis point (1 percentage point) change in the level of interest rates. It is not a measure of time. The Board does not have a specific policy relative to interest rate risk. As such, there are no restrictions on weighted average maturity for each portfolio as they are managed relative to the investment objectives and liquidity demands of the investors.

The information presented does not take into account the relative weighting of the portfolio components to the total portfolio. The effective durations for fixed or variable income securities, for the System Pools at September 30, 2013 and 2012 are as follows:

September 30, 2013 and 2012

	ENDOWMENT FUND		PRIME FUND		INTERMEDIATE FUND	
	2013	2012	2013	2012	2013	2012
U.S. Government Obligations	5.6	5.0	5.4	5.5	1.8	1.9
Corporate Bonds	4.2	5.4	4.2	5.2	1.5	1.7
Commingled Bond Funds	1.5	0.6	2.3	1.5	2.3	2.3
Municipal Government Obligations					0.2	1.8
Non-U.S. Bonds					1.5	1.7

There are no fixed or variable income securities in the Short-Term Fund at September 30, 2013 and 2012.

While the Board does not have a specific policy relative to interest rate risk, UAB has historically invested funds outside of the investment pools in fixed income and variable income securities with short maturity terms.

The effective durations for fixed or variable income securities for UAB's separately held investments at September 30, 2013 and 2012 are as follows:

September 30, 2013 and 2012

	2013	2012
Commingled Bond Funds	3.0	2.2
U.S. Government Obligations	1.1	

Investments may also include mortgage pass through securities and collateralized mortgage obligations that may be considered to be highly sensitive to changes in interest rates due to the existence of

prepayment or conversion features. At September 30, 2013 and 2012, the fair market values of these investments in the System Pools are as follows:

September 30, 2013 and 2012

	ENDOWMENT FUND		PRIME FUND		INTERMEDIATE FUND	
	2013	2012	2013	2012	2013	2012
Mortgage Backed Securities	\$	\$	\$	\$	\$ 120,283,662	\$ 50,978,064
Collateralized Mortgage Obligations		428,837		176,195	50,078,274	57,695,598
TOTAL	\$	\$ 428,837	\$	\$ 176,195	\$ 170,361,936	\$ 108,673,662

Mortgage Backed Securities. These securities are issued by the Federal National Mortgage Association (Fannie Mae), Government National Mortgage Association (Ginnie Mae) and Federal Home Loan Mortgage Association (Freddie Mac) and include short embedded prepayment options. Unanticipated prepayments by the obligees of the underlying asset reduce the total expected rate of return.

Collateralized Mortgage Obligations. Collateralized mortgage obligations (CMOs) generate a return based upon either the payment of interest or principal on

mortgages in an underlying pool. The relationship between interest rates and prepayments makes the fair value highly sensitive to changes in interest rates. In falling interest rate environments, the underlying mortgages are subject to a higher propensity of prepayments. In a rising interest rate environment, the opposite is true.

At September 30, 2013 and 2012, the effective durations for these securities held in the System Pools are as follows:

September 30, 2013 and 2012

	ENDOWMENT FUND		PRIME FUND		INTERMEDIATE FUND	
	2013	2012	2013	2012	2013	2012
Mortgage backed securities					0.7	1.7
Collateralized mortgage obligations		2.6		2.7	1.0	1.1

There are no mortgage backed securities or CMOs in the Short Term Fund at September 30, 2013 and 2012.

There are no mortgage backed securities or CMOs in UAB's separately held investments at September 30, 2013 and 2012.

Foreign Currency Risk

The strategic asset allocation policy for the Endowment Fund, the Prime Fund, and UAB's separately held investments includes an allocation to non-United States equity and fixed income securities. Each international equity manager must hold a minimum of 30 individual stocks with equity holdings in a single company remaining below 8% of the investment manager's portfolio, measured at market value. Currency hedging of foreign bonds and stocks is allowed under System policy. As of September 30, 2013 and 2012, all foreign investments in the System Pools and UAB's separately held investments are denominated in U.S. dollars and are in international commingled funds, which in turn invest in equity securities and bonds of foreign issuers except for approximately \$1.0 and \$8.9 million of foreign bonds denominated in U.S. dollars and held by the Intermediate Fund at September 30, 2013 and 2012, respectively.

Securities Lending

Board policies permit security lending as a mechanism to augment income. Loans of the securities are required to be collateralized by cash, letters of credit or securities issued or guaranteed by the U.S. Government or its agencies. The collateral must equal at least 102% of the current market value of the loaned securities. Securities lending contracts must state acceptable collateral for securities loaned, duties of the borrower, delivery of loaned securities and acceptable investment of the collateral.

At September 30, 2013 and 2012, there were no securities on loan from the investment pools.

Joint Ventures

UAB accounts for its ownership of the PLTF as a joint venture, using the equity method in the amount of approximately \$50,450,000 and \$38,913,000 at September 30, 2013 and 2012, respectively. See note 20 for further discussion of the PLTF.

(6) Accounts Receivable

The composition of accounts receivable at September 30, 2013 and 2012 is summarized as follows:

	2013	2012 (RESTATED)
Patient care	\$ 316,232,867	\$ 275,701,352
Receivables from sponsoring agencies	59,222,421	57,633,120
Student accounts	21,573,744	12,621,641
Other	26,063,161	21,157,202
	\$ 423,092,193	\$ 367,113,315
Less: Provision for doubtful accounts from patient care	159,237,478	149,925,173
Less: Provision for doubtful accounts from student accounts	1,556,559	1,537,193
Less: Provision for doubtful accounts other	1,546,472	1,513,680
Total accounts receivable	\$ 260,751,683	\$ 214,137,269

(7) Loans and Pledges Receivable

The composition of loans and pledges receivable at September 30, 2013 and 2012, is summarized in the table.

The principal repayment and interest rate terms of federal and university loans vary considerably. The allowance for doubtful accounts only applies to University-funded notes and the University portion of federal student loans, since the University is not ob-

ligated to fund the federal portion of uncollected student loans. Federal loan programs are funded principally with federal advances to UAB under the Perkins and various health professions loan programs.

Pledges for permanent endowments do not meet eligibility requirements, as defined by GASB Statement No. 33, until the related gift is received. Due to uncertainties with regard to their realization and valuation, bequest intentions and other conditional promises are not recognized as assets until the specified conditions are met.

	2013	2012
LOANS RECEIVABLE:		
Federal loan program	\$ 17,367,247	\$ 17,802,292
University loan funds	1,999,468	1,941,183
Other	992,312	1,254,042
Total loans receivable	\$ 20,359,027	\$ 20,997,517
Less allowance for doubtful accounts	2,460,058	2,300,116
Total loans receivable, net	\$ 17,898,969	\$ 18,697,401
Less: current portion	2,312,259	2,403,659
Total loans receivable outstanding, noncurrent	\$ 15,586,710	\$ 16,293,742
GIFT PLEDGES OUTSTANDING:		
Operations	\$ 12,344,563	\$ 12,120,132
Capital	7,308,139	7,431,019
Total gift pledges	\$ 19,652,702	\$ 19,551,151
Less: current portion	8,315,206	7,429,210
Total gift pledges, noncurrent	\$ 11,337,496	\$ 12,121,941

(8) Capital Assets

Capital assets activity for the years ended September 30, 2013 and 2012 is summarized on the following 2 tables:

Net interest costs capitalized for the University and Component Units in 2013 and 2012, respectively, were approximately \$2,717,000 and \$3,049,000 (net of \$1,240,000 and \$912,000 investment earnings in 2013 and 2012, respectively). There were no net interest costs capitalized in 2013 or 2012 for the Hospital.

September 30, 2013

	BEGINNING BALANCE (RESTATED)	ADDITIONS	SALES/RETIREMENTS/ TRANSFERS	ENDING BALANCE
UNIVERSITY AND COMPONENT UNITS				
Capital assets not being depreciated				
Land	\$ 57,225,762	\$ 17,866,026	\$	\$ 75,091,788
Construction in progress	91,610,079	15,266,892	85,418,242	21,458,729
	\$ 148,835,841	\$ 33,132,918	\$ 85,418,242	\$ 96,550,517
Capital assets being depreciated				
Land Improvements	\$ 24,183,330	\$ 1,594,491	\$	\$ 25,777,821
Buildings	1,120,451,449	176,702,373	12,946,398	1,284,207,424
Fixed Equipment Systems	48,043,336	1,316,420	6,928,391	42,431,365
Equipment	375,058,133	17,370,182	1,307,505	391,120,810
Library Materials	93,442,514	3,297,826		96,740,340
	\$ 1,661,178,762	\$ 200,281,292	\$ 21,182,294	\$ 1,840,277,760
Total Capital Assets	\$ 1,810,014,603	\$ 233,414,210	\$ 106,600,536	\$ 1,936,828,277
Less: Accumulated Depreciation	1,007,432,609	40,459,249	15,981,839	1,031,910,019
Total Net Capital Assets	\$ 802,581,994	\$ 192,954,961	\$ 90,618,697	\$ 904,918,258
HOSPITAL				
Capital assets not being depreciated				
Land	\$ 19,044,954	\$	\$	\$ 19,044,954
Construction in progress	7,446,251	7,845,385	1,371,288	13,920,348
	\$ 26,491,205	\$ 7,845,385	\$ 1,371,288	\$ 32,965,302
Capital assets being depreciated				
Land Improvements	\$ 537,526	\$ 87,203	\$	\$ 624,729
Buildings	835,208,553	7,692,056		842,900,609
Fixed Equipment Systems	10,002,839			10,002,839
Equipment	354,745,244	32,508,036	2,768,320	384,484,960
	\$ 1,200,494,162	\$ 40,287,295	\$ 2,768,320	\$ 1,238,013,137
Total Capital Assets	\$ 1,226,985,367	\$ 48,132,680	\$ 4,139,608	\$ 1,270,978,439
Less: Accumulated Depreciation	595,885,983	57,843,816	2,717,026	651,012,773
Total Net Capital Assets	\$ 631,099,384	\$ (9,711,136)	\$ 1,422,582	\$ 619,965,666
TOTAL UAB				
Capital assets not being depreciated				
Land	\$ 76,270,716	\$ 17,866,026	\$	\$ 94,136,742
Construction in progress	99,056,330	23,112,277	86,789,530	35,379,077
	\$ 175,327,046	\$ 40,978,303	\$ 86,789,530	\$ 129,515,819
Capital assets being depreciated				
Land Improvements	\$ 24,720,856	\$ 1,681,694	\$	\$ 26,402,550
Buildings	1,955,660,002	184,394,429	12,946,398	2,127,108,033
Fixed Equipment Systems	58,046,175	1,316,420	6,928,391	52,434,204
Equipment	729,803,377	49,878,218	4,075,825	775,605,770
Library Materials	93,442,514	3,297,826		96,740,340
	\$ 2,861,672,924	\$ 240,568,587	\$ 23,950,614	\$ 3,078,290,897
Total Capital Assets	\$ 3,036,999,970	\$ 281,546,890	\$ 110,740,144	\$ 3,207,806,716
Less: Accumulated Depreciation	1,603,318,592	98,303,065	18,698,865	1,682,922,792
Total Net Capital Assets	\$ 1,433,681,378	\$ 183,243,825	\$ 92,041,279	\$ 1,524,883,924

September 30, 2012

	BEGINNING BALANCE (RESTATED)		ADDITIONS (RESTATED)		SALES/RETIREMENTS/ TRANSFERS (RESTATED)		ENDING BALANCE (RESTATED)
UNIVERSITY AND COMPONENT UNITS							
Capital assets not being depreciated							
Land	\$ 47,722,663	\$	10,163,099	\$	660,000	\$	57,225,762
Construction in progress	36,549,097		67,964,923		12,903,941		91,610,079
	\$ 84,271,760	\$	78,128,022	\$	13,563,941	\$	148,835,841
Capital assets being depreciated							
Land Improvements	\$ 22,132,510	\$	2,050,820	\$		\$	24,183,330
Buildings	1,105,433,812		18,963,223		3,945,586		1,120,451,449
Fixed Equipment Systems	46,068,563		1,974,773				48,043,336
Equipment	377,874,390		14,745,014		17,561,271		375,058,133
Library Materials	90,131,630		3,310,884				93,442,514
	\$ 1,641,640,905	\$	41,044,714	\$	21,506,857	\$	1,661,178,762
Total Capital Assets	\$ 1,725,912,665	\$	119,172,736	\$	35,070,798	\$	1,810,014,603
Less: Accumulated Depreciation	958,142,343		67,505,834		18,215,568		1,007,432,609
Total Net Capital Assets	\$ 767,770,322	\$	51,666,902	\$	16,855,230	\$	802,581,994
HOSPITAL							
Capital assets not being depreciated							
Land	\$ 19,470,486	\$		\$	425,532	\$	19,044,954
Construction in progress	9,152,554		5,378,341		7,084,644		7,446,251
	\$ 28,623,040	\$	5,378,341	\$	7,510,176	\$	26,491,205
Capital assets being depreciated							
Land Improvements	\$ 340,061	\$	\$197,465	\$		\$	537,526
Buildings	823,167,504		12,041,049				835,208,553
Fixed Equipment Systems	10,002,839						10,002,839
Equipment	334,595,514		22,138,603		1,988,873		354,745,244
	\$ 1,168,105,918	\$	34,377,117	\$	1,988,873	\$	1,200,494,162
Total Capital Assets	\$ 1,196,728,958	\$	39,755,458	\$	9,499,049	\$	1,226,985,367
Less: Accumulated Depreciation	542,513,377		55,542,120		2,169,514		595,885,983
Total Net Capital Assets	\$ 654,215,581	\$	(15,786,662)	\$	7,329,535	\$	631,099,384
TOTAL UAB							
Capital assets not being depreciated							
Land	\$ 67,193,149	\$	10,163,099	\$	1,085,532	\$	76,270,716
Construction in progress	45,701,651		73,343,264		19,988,585		99,056,330
	\$ 112,894,800	\$	83,506,363	\$	21,074,117	\$	175,327,046
Capital assets being depreciated							
Land Improvements	\$ 22,472,571	\$	\$2,248,285	\$		\$	24,720,856
Buildings	1,928,601,316		31,004,272		3,945,586		1,955,660,002
Fixed Equipment Systems	56,071,402		1,974,773				58,046,175
Equipment	712,469,904		36,883,617		19,550,144		729,803,377
Library Materials	90,131,630		3,310,884				93,442,514
	\$ 2,809,746,823	\$	75,421,831	\$	23,495,730	\$	2,861,672,924
Total Capital Assets	\$ 2,922,641,623	\$	158,928,194	\$	44,569,847	\$	3,036,999,970
Less: Accumulated Depreciation	1,500,655,720		123,047,954		20,385,082		1,603,318,592
Total Net Capital Assets	\$ 1,421,985,903	\$	35,880,240	\$	24,184,765	\$	1,433,681,378

(9) Long-Term Debt

Long-term debt activity for the years ended September 30, 2013 and 2012 is summarized as follows:

A portion of UAB's long term debt has been issued with variable interest rates. The interest rates are determined in accordance with the individual related indenture of the related outstanding debt. UAB's bonds are collateralized by pledged revenues as defined in the applicable indentures.

September 30, 2013

	BEGINNING BALANCE (RESTATED)	NEW DEBT	PRINCIPAL REPAYMENT	ENDING BALANCE
UNIVERSITY				
Leases Payable for purchase of equipment, 4.55% to 5.04%, due various dates through 2013	\$ 41,805	\$	\$ 41,805	\$
Birmingham General Revenue Bonds Series 1993B, variable rate interest(0.2% at September 30, 2013), due annually through 2014	2,200,000		1,100,000	1,100,000
Birmingham General Revenue Bonds Series 2002, 3.0% to 3.8%, due annually through 2014	2,370,000		1,165,000	1,205,000
Birmingham General Revenue Bonds Series 2003A, 3.4% to 4.5% due annually through 2030	52,600,000		49,840,000	2,760,000
Birmingham General Revenue Bonds Series 2005A, 4.0% to 5.0% due annually from 2007 through 2021	35,555,000		4,685,000	30,870,000
Birmingham General Revenue Bonds Series 2005B, 4.0% to 4.5% due annually through 2028	44,505,000		2,250,000	42,255,000
Birmingham General Revenue Bonds Series 2010A, 2.0% to 4.5% due annually through 2041	53,930,000		660,000	53,270,000
Birmingham General Revenue Bonds Series 2010B, 1.0% to 5.8% due annually through 2041	52,785,000		180,000	52,605,000
Birmingham General Revenue Bonds Series 2010C, 2.0% to 4.0% due annually through 2028	30,068,209		2,765,045	27,303,164
Birmingham General Revenue Bonds Series 2013A1, 1.1% due annually through 2020		19,195,000		19,195,000
Birmingham General Revenue Bonds Series 2013A2, 2.25% to 5.0% due annually through 2044		72,595,000		72,595,000
Birmingham General Revenue Bonds Series 2013B, 1.99% due annually through 2029		45,190,000		45,190,000
Birmingham General Revenue Bonds Series 2013C, 1.0% to 1.45% due annually through 2019		3,095,000		3,095,000
Birmingham General Revenue Bonds Series 2013D1, 1.97% due annually through 2023		20,425,000		20,425,000
Birmingham General Revenue Bonds Series 2013D2, 4.0% to 5.0% due annually through 2044		78,325,000		78,325,000
	\$ 274,055,014	\$ 238,825,000	\$ 62,686,850	\$ 450,193,164
Less (Plus): unamortized bond discount (premium)				(2,390,311)
TOTAL UNIVERSITY DEBT				\$ 452,583,475
Less: current portion				16,010,937
TOTAL UNIVERSITY DEBT, NONCURRENT				\$ 436,572,538
HOSPITAL				
Lease Payable, 3.75% due monthly through 2020	\$ 3,754,143	\$	\$ 590,801	\$ 3,163,342
Birmingham Hospital Revenue Bonds Series 2004A, 5.0% due annually through 2014	10,155,000		4,955,000	5,200,000
Birmingham Hospital Revenue Bonds Series 2006A, 4.% due annually through 2041	242,045,000		865,000	241,180,000
Birmingham Hospital Revenue Bonds Series 2008A, 4% to 5.75% due annually through 2025	101,080,000		1,955,000	99,125,000
Birmingham General Revenue Bonds Series 2010C, 2.0% to 4.0% due annually through 2018	1,421,791		219,955	1,201,836
Birmingham Hospital Revenue Bonds Series 2012A, 2.57% due annually through 2027	20,580,000		1,132,000	19,448,000
Birmingham Hospital Revenue Bonds Series 2012B, variable interest rate (0.06% at September 30, 2013), due annually through 2042	65,000,000			65,000,000
Birmingham Hospital Revenue Bonds Series 2012C, variable interest rate (0.07% at September 30, 2013), due annually through 2042	65,000,000			65,000,000
	\$ 509,035,934	\$	\$ 9,717,756	\$ 499,318,178
Less (Plus): unamortized bond discount (premium)				(4,203,746)
TOTAL HOSPITAL DEBT				503,521,924
Less: current portion				10,147,512
TOTAL HOSPITAL DEBT, NONCURRENT				\$ 493,374,412
TOTAL UAB	\$ 783,090,948	\$ 238,825,000	\$ 72,404,606	\$ 949,511,342
Less (Plus): unamortized bond discount (premium)				(6,594,057)
TOTAL UAB DEBT				956,105,399
Less: current portion				26,158,449
TOTAL UAB DEBT, NONCURRENT				\$ 929,946,950

September 30, 2012

	BEGINNING BALANCE (RESTATED)	NEW DEBT (RESTATED)	PRINCIPAL REPAYMENT (RESTATED)	ENDING BALANCE (RESTATED)
UNIVERSITY				
Leases Payable for purchase of equipment, 4.55% to 5.04%, due various dates through 2013	\$ 142,462	\$	\$ 100,657	\$ 41,805
Birmingham General Revenue Bonds Series 1993B, variable rate interest(0.33% at September 30, 2012), due annually through 2014	3,200,000		1,000,000	2,200,000
Birmingham General Revenue Bonds Series 2002, 3.0% to 3.8%, due annually through 2014	3,490,000		1,120,000	2,370,000
Birmingham General Revenue Bonds Series 2003A, 3.4% to 4.5% due annually through 2030	55,185,000		2,585,000	52,600,000
Birmingham General Revenue Bonds Series 2005A, 4.0% to 5.0% due annually through 2021	40,065,000		4,510,000	35,555,000
Birmingham General Revenue Bonds Series 2005B, 4.0% to 4.5% due annually through 2028	46,670,000		2,165,000	44,505,000
Birmingham General Revenue Bonds Series 2010A, 2.0% to 4.5% due annually through 2041	54,650,000		720,000	53,930,000
Birmingham General Revenue Bonds Series 2010B, 1.0% to 5.8% due annually through 2041	52,975,000		190,000	52,785,000
Birmingham General Revenue Bonds Series 2010C, 2.0% to 4.0% due annually through 2028	32,902,942		2,834,733	30,068,209
	\$ 289,280,404	\$	\$ 15,225,390	\$ 274,055,014
Less (Plus): unamortized bond discount (premium)				(2,046,918)
TOTAL UNIVERSITY DEBT				\$ 276,101,932
Less: current portion				15,516,849
TOTAL UNIVERSITY DEBT, NONCURRENT				\$ 260,585,083

HOSPITAL				
Lease Payable, 3.75% due monthly through 2020	\$ 4,334,690	\$	\$ 580,547	\$ 3,754,143
Birmingham Hospital Revenue Bonds Series 2004A, 5.0% due annually through 2014	14,875,000		4,720,000	10,155,000
Birmingham Hospital Revenue Bonds Series 2006A, 4. % due annually through 2041	242,975,000		930,000	242,045,000
Highlands Bonds Series 2007A, variable rate interest due annually through 2013	40,000,000		40,000,000	
Birmingham Hospital Revenue Bonds Series 2008A, 4% to 5.75% due annually through 2025	102,830,000		1,750,000	101,080,000
Birmingham Hospital Revenue Bonds Series 2008B, variable interest rate, due annually through 2031	109,930,000		109,930,000	
Birmingham General Revenue Bonds Series 2010C, 2.0% to 4.0% due annually through 2028	1,647,058		225,267	1,421,791
Birmingham Hospital Revenue Bonds Series 2012A, 2.57% due annually through 2027		20,580,000		20,580,000
Birmingham Hospital Revenue Bonds Series 2012B, variable interest rate (0.17% at September 30, 2012), due annually through 2042		65,000,000		65,000,000
Birmingham Hospital Revenue Bonds Series 2012C, variable interest rate (0.17% at September 30, 2012), due annually through 2042		65,000,000		65,000,000
	\$ 516,591,748	\$ 150,580,000	\$ 158,135,814	\$ 509,035,934
Less (Plus): unamortized bond discount (premium)				(4,470,636)
TOTAL HOSPITAL DEBT				513,506,570
Less: current portion				9,717,757
TOTAL HOSPITAL DEBT, NONCURRENT				\$ 503,788,813

TOTAL UAB	\$ 805,872,152	\$ 150,580,000	\$ 173,361,204	\$ 783,090,948
Less (Plus): unamortized bond discount (premium)				(6,517,554)
TOTAL UAB DEBT				789,608,502
Less: current portion				25,234,606
TOTAL UAB DEBT, NONCURRENT				\$ 764,373,896

Maturities and interest on notes, leases, and bonds payable for the next five years and in the subsequent five-year incremental periods are presented in the

table below. Future interest payments for variable rate debt are computed by applying the rate in effect at September 30, 2013.

UNIVERSITY				
YEAR	PRINCIPAL	INTEREST	TOTAL	
2014	\$ 16,010,937	\$ 14,621,176	\$ 30,632,113	
2015	19,291,216	15,887,569	35,178,785	
2016	20,147,454	15,211,653	35,359,107	
2017	20,335,661	14,525,848	34,861,509	
2018	21,037,896	13,842,554	34,880,450	
2019-2023	96,375,000	59,689,664	156,064,664	
2024-2028	83,965,000	44,306,365	128,271,365	
2029-2033	64,200,000	30,262,312	94,462,312	
2034-2038	54,585,000	18,252,296	72,837,296	
2039-2043	46,870,000	5,846,006	52,716,006	
2044	7,375,000	157,888	7,532,888	
TOTAL UNIVERSITY	\$ 450,193,164	\$ 232,603,331	\$ 682,796,495	
HOSPITAL				
YEAR	PRINCIPAL	INTEREST	TOTAL	
2014	\$ 10,147,512	\$ 18,338,867	\$ 28,486,379	
2015	10,590,281	17,897,843	28,488,124	
2016	11,065,520	17,419,576	28,485,096	
2017	11,538,244	16,924,973	28,463,217	
2018	11,825,224	16,385,781	28,211,005	
2019-2023	66,758,397	72,453,088	139,211,485	
2024-2028	77,583,000	57,645,598	135,228,598	
2029-2033	86,230,000	54,594,403	140,824,403	
2034-2038	107,115,000	36,180,778	143,295,778	
2039-2041	106,465,000	7,981,767	114,446,767	
TOTAL HOSPITAL	\$ 499,318,178	\$ 315,822,674	\$ 815,140,852	
TOTAL UAB				
YEAR	PRINCIPAL	INTEREST	TOTAL	
2014	\$ 26,158,449	\$ 32,960,043	\$ 59,118,492	
2015	29,881,497	33,785,412	63,666,909	
2016	31,212,974	32,631,229	63,844,203	
2017	31,873,905	31,450,821	63,324,726	
2018	32,863,120	30,228,335	63,091,455	
2019-2023	163,133,397	132,142,752	295,276,149	
2024-2028	161,548,000	101,951,963	263,499,963	
2029-2033	150,430,000	84,856,715	235,286,715	
2034-2038	161,700,000	54,433,074	216,133,074	
2039-2043	153,335,000	13,827,773	167,162,773	
2044	7,375,000	157,888	7,532,888	
TOTAL UAB	\$ 949,511,342	\$ 548,426,005	\$ 1,497,937,347	

See Note 11 for information regarding the pledged revenues, which collateralize certain outstanding debt.

The University defeased certain indebtedness by depositing funds in escrow trust accounts sufficient to provide for the subsequent payment of principal and interest on the defeased indebtedness. Under the trust agreements, all funds deposited in the trust accounts are invested in obligations of the U.S. government. Neither the assets of the trust accounts nor the defeased indebtedness are included in the accompanying statement of net assets as of September 30, 2013 and 2012. The principal outstanding on the defeased indebtedness at September 30, 2013 and 2012, respectively, was \$49,840,000 and \$0, which all related to the University.

In July 2012, the Hospital refinanced two series of its hospital revenue bonds: the Series 2008B Bonds,

which were variable rate demand bonds (VRDOs) with a principal balance of \$109,930,000 collateralized by a letter of credit from Bank of America (BA); and the Series 2007A Bonds, which were variable rate obligations with a principal balance of \$40,000,000. The Series 2008B Bonds refunded obligations that provided funding for the North Pavilion project. The Series 2007A Bonds provided interim financing for the Highlands acquisition. The Series 2007A Bonds had an original maturity of October 1, 2012 if the debt was not refinanced. To accomplish this refinancing, the Hospital issued its 2012A, 2012B, and 2012C hospital revenue bonds in the amounts of \$20,580,000, \$65,000,000, and \$65,000,000, respectively. The issuance of the 2012 bonds allowed the Hospital to reduce its borrowing costs and refinance certain obligations on a long-term basis. These bonds were issued at a discount of \$215,378 resulting in total cash received of \$150,364,622.

The 2012B and 2012C bonds include a demand obligation feature that allows the bondholder to tender the bonds back to the Hospital at any date. The Hospital has obtained a letter of credit (“LOC”) in the aggregate amount of the bonds to repay any tendered amounts in the event the remarketing agent is unable to resell the bonds in the allotted time (7 days from the notice of intent to tender). The LOC for 2012B bond expires on July 31, 2015 and the LOC for the 2012C bonds expire on July 31, 2017. Under the terms of the 2012B LOC, no principal amounts are due during the remarketing period, which is 367 days following the date of any draw on the LOC. Thereafter, any amount drawn is payable in quarterly installments over a two-year period. Under the terms of the 2012C LOC, no principal amounts are due for one year subsequent to the date of any draw on the LOC. Thereafter, any amount drawn converts to a term loan that is payable in quarterly installments over a two-year period.

Similarly, the Series 2008B bonds, which were repaid during 2012 with proceeds from the 2012 offering, included a demand obligation feature that allowed the bondholder to tender the bonds back to the Hospital at any date. The Hospital obtained a letter of credit (LOC) in the aggregate amount of the bonds to repay any tendered amounts in the event the remarketing agent is unable to resell the bonds in the allotted time (7 days from the notice of intent to tender).

In March 2013, the University issued \$19,195,000 in Series 2013A-1 General Revenue Bonds. The bonds pay interest at a rate of 1.1% with principal due annually through October 1, 2020. The proceeds of this offering are being used for the purposes of constructing facilities, additions, and improvements at UAB; funding capitalized interest on a portion of the Series 2013A-1 Bonds through October 1, 2015; and paying costs and expenses associated with this issue. In March 2013, the University issued \$72,595,000 in Series 2013A-2 General Revenue Bonds. The bonds pay interest at varying rates of 2.25% to 5.0% with principal due annually through October 1, 2043. The proceeds of this offering are being used for the purposes of constructing facilities, additions, and improvements at UAB; funding capitalized interest on a portion of the Series 2013A-2 Bonds through

October 1, 2015; and paying costs and expenses associated with this issue. In March 2013, the University issued \$45,190,000 in Series 2013B General Revenue Bonds. The bonds pay interest at a rate of 1.99% with principal due annually through October 1, 2029. The proceeds of this offering are being used for the purposes of advance refunding Series 2003A General Revenue Bonds; and paying costs and expenses associated with this issue. In March 2013, the University issued \$3,095,000 in Series 2013C General Revenue Bonds. The bonds pay interest at varying rates of 1.0% to 1.45% with principal due annually through October 1, 2019. The proceeds of this offering are being used for the purposes of advance refunding Series 2003A General Revenue Bonds; and paying costs and expenses associated with this issue. These bonds were issued at a premium of \$2,104,514 resulting in total cash received of \$142,179,514.

In August 2013, the University issued \$20,425,000 in Series 2013D-1 General Revenue Bonds. The bonds pay interest at a rate of 1.97% with principal due annually through October 1, 2023. The proceeds of this offering are being used for the purposes of constructing housing facilities, as well as purchasing two existing housing facilities; funding capitalized interest on a portion of the Series 2013D-1 Bonds through October 1, 2015; and paying costs and expenses associated with this issue. In August 2013, the University issued \$78,325,000 in Series 2013D-2 General Revenue Bonds. The bonds pay interest at varying rates of 4.0% to 5.0% with principal due annually through October 1, 2043. The proceeds of this offering are being used for the purposes of constructing housing facilities, as well as purchasing two existing housing facilities; funding capitalized interest on a portion of the Series 2013D-2 Bonds through October 1, 2015; and paying costs and expenses associated with this issue. These bonds were issued at a premium of \$1,141,688 resulting in total cash received of \$99,891,688.

UAB’s general revenue bonds and the Hospital Series 2004A, 2006A, 2008A, 2012A, 2012B, and 2012C Revenue Trust Indentures contain certain restrictive financial covenants. UAB’s management believes that it was in compliance with respect to these covenants at September 30, 2013 and 2012.

(10) Other Noncurrent Liabilities

The activity with respect to other noncurrent liabilities for the year ended September 30, 2013 and 2012, is as follows for UAB:

September 30, 2013

	BEGINNING BALANCE (RESTATED)	ADDITIONS	DEDUCTIONS	ENDING BALANCE
Federal Advances - loan funds	\$ 14,925,390	\$ 161,028	\$ (358,941)	\$ 14,727,477
Unearned revenue	14,349,359		(228,427)	14,120,932
Other noncurrent liabilities	1,473	2,301,066	(588)	2,301,951
Total advances federal loans and other noncurrent liabilities	\$ 29,276,222	\$ 2,462,094	\$ (587,956)	\$ 31,150,360

September 30, 2012

	BEGINNING BALANCE (RESTATED)	ADDITIONS (RESTATED)	DEDUCTIONS (RESTATED)	ENDING BALANCE (RESTATED)
Federal Advances - loan funds	\$ 15,425,453	\$ 240,406	\$ (740,469)	\$ 14,925,390
Unearned revenue	14,577,781	147,726	(376,148)	14,349,359
Other noncurrent liabilities	289,010		(287,537)	1,473
Total advances federal loans and other noncurrent liabilities	\$ 30,292,244	\$ 388,132	\$ (1,404,154)	\$ 29,276,222

(11) Pledged Revenues

Pledged revenues for 2013 and 2012, as defined by the Series 2004A, 2006A, 2008A, 2012A, 2012B and 2012C Hospital Revenue Trust Indentures, are as follows:

HOSPITAL BONDS	2013	2012
Total pledged revenues	\$ 1,295,916,857	\$ 1,211,793,337

Pledged revenues for 2013 and 2012, as defined by the Series 1993B, 2002, 2003A, 2005A, 2005B, 2010A, 2010B, 2010C, 2013A, 2013B, 2013C and 2013D General Revenue Trust Indentures, are as follows:

UNIVERSITY BONDS	2013	2012
Tuition and fees	\$ 193,958,793	\$ 175,184,111
Indirect cost recovery	76,305,429	80,901,702
Sales and service of educational activities	58,133,856	55,906,284
Auxiliary sales and services	23,792,255	21,281,904
Endowment and investment income	29,808,601	27,096,839
Other sources	35,458,475	39,442,801
TOTAL PLEDGED REVENUES	\$ 417,457,409	\$ 399,813,641

(12) Employee Benefits

Retirement and Pension Plans

Most employees of the University, the Hospital, and UABRF participate in the Teachers' Retirement System of Alabama (TRS), a cost-sharing, multiple-employer public retirement system. Certain employees also participate in an optional 403(b) plan (403(b) Plan). TRS is a defined benefit plan and the 403(b) Plan is a defined contribution plan. The TRS was established as of September 15, 1939, under the provisions of Act 419 of the Legislature of 1939 for the purpose of providing retirement allowances and other specified benefits for qualified persons employed by State-supported educational institutions. The responsibility for the general administration and operation of the TRS is vested in its Board of Control.

Participants in TRS who retire at age 60 with 10 years of credited service, or after completing 25 years of credited service, regardless of age, are entitled to an annual benefit, payable monthly for life. Service retirement benefits are calculated by three methods, with the participants receiving payments under the method which yields the highest monthly benefit. These methods include (1) minimum guaranteed, (2) money purchase, or (3) formula. Under the formula method, participants are allowed 2.0125% of their final average salary (average of three highest years of annual compensation during the last 10 years of service) for each year of service. A participant terminating before reaching retirement age, but after completing 10 years of credited service, is eligible for a vested allowance at age 60 provided accumulated employee contributions are not withdrawn. TRS also provides death and disability benefits.

During 2013, TRS created a Tier 2 Defined Benefit plan for all participants hired on or after January 1, 2013. New participants pay lower contribution rates, but will not be able to draw a retirement benefit until they reach age 62. Upon the creation of the Tier 2 Defined Benefit plan, all existing TRS participants became Tier 1 participants keeping the same benefits as before the creation of Tier 2.

Covered employees are required by statute to contribute to TRS. UAB, as the employer, contributes to TRS. The contribution requirements for fiscal years 2013, 2012, and 2011, respectively, were approximately \$138,146,000, \$137,065,000, and \$134,826,000, which consisted of \$79,253,000, \$79,548,000, and \$96,297,000 from UAB and \$58,893,000, \$57,607,000, and \$38,529,000 from employees. UAB's contribution rate for the year ended September 30, 2013 was 10.08% for Tier 1 covered employees and 9.44% for Tier 2 employees. UAB's contribution was 10% of salaries and wages for covered employees in 2012 and 12.51% in 2011. Tier 1 covered employees (except for law enforce-

ment employees) were required by statute to contribute 7.5% in 2013 and 7.25% in 2012 of earned compensation to TRS. The contribution by Tier 1 law enforcement employees was 8.5% in 2013 and 8.25% in 2012 of earned compensation. Tier 2 covered employees (except for law enforcement employees) were required by statute to contribute 6.0% of earned compensation to TRS in 2013. The contribution by Tier 2 law enforcement employees was 7.0% of earned compensation in 2013. All regular employees of UAB are members of TRS, with the exception of temporary employees who, by definition, are those employees hired for a predetermined period of employment of less than one year and employees working less than one half of a regular schedule.

The actuarial accrued liability ("AAL"), which is the actuarial present value of credited projected benefits, is a standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases and step-rate benefits, estimated to be payable in the future as a result of employee service to date. The actuarial value of assets, which is the actuarial present value of assets, is a standardized disclosure method of the present value of accumulated assets, adjusted for projected investment performance and contributions. TRS does not make separate measurements of assets and the AAL for individual employers. The AAL and the actuarial valuation of assets at September 30, 2012 (the most recent valuation date) for TRS as a whole, determined through actuarial valuations performed as of that date, were \$28.3 billion and \$18.8 billion, respectively, resulting in an under-funded AAL of \$9.5 billion. Complete financial presentation and disclosure of the financial position and activities of the TRS are presented in the September 30, 2012 annual financial report of TRS. That report is publicly available and may be obtained by contacting TRS.

As previously noted, some employees participate in the optional 403(b) Plan, which is a defined contribution plan. In defined contribution plans, benefits depend solely on amounts contributed plus investment earnings. All full-time regular monthly employees are eligible to participate from the date of employment. UAB contributes a matching amount of up to 5% of total salaries for participating employees. UAB's contribution is funded as it accrues and, along with that of the employee, is immediately and fully vested. The contributions for 2013 and 2012, respectively, excluding employee amounts not eligible for matching, were approximately \$34,307,000 and \$31,357,000 which included approximately \$17,154,000 and \$15,678,000 each from UAB and its employees.

The University, the Hospital, and UABRF total salaries and wages for fiscal year 2013 and 2012, respectively, were approximately \$967,667,000 and \$921,253,000. Total salaries and wages during fiscal years 2013 and 2012 for covered employees participating in TRS were approximately \$786,243,000

and \$794,579,000, respectively. Total salaries and wages during fiscal years 2013 and 2012 for covered employees participating in the 403(b) Plan were approximately \$360,771,000 and \$327,589,000, respectively.

Triton sponsors a 401(k) plan covering substantially all employees who have completed at least six months of service. Information regarding this benefit is presented in Triton's annual report.

The LLC sponsors a voluntary 403(b) retirement plan for eligible employees. The 403(b) plan is a voluntary, defined-contribution, tax-deferred as well as Roth after tax plan governed by Internal Revenue Code 403(b). Eligible employees can choose between both TIAA and VALIC for investments. Employees are vested after 3 years of employment. Eligibility for matching is for all full-time and part-time regular, twelve-hour shift, and weekend staff employees.

Compensated Absences

Certain UAB employees accumulate vacation and sick leave at varying rates depending upon their years of continuous service and their payroll classification, subject to maximum limitations. Upon termination of employment, employees are paid all unused accrued vacation at their regular rate of pay up to a designated maximum number of days. In accordance with GASB Statement No. 16, *Accounting for Compensated Absences*, the financial statements include accruals of approximately \$74,064,000 and \$44,705,000 as of September 30, 2013 and 2012, respectively, for accrued vacation pay and salary-related payments associated with vacation pay. There is no such accrual recognized for sick leave benefits because there is no terminal cash benefit available to employees for accumulated sick leave.

(13) Other Postemployment Benefits

UAB offers other postemployment health care benefits (OPEB) to all employees who officially retire from UAB. Health care benefits are offered through the Alabama Retired Education Employees Health Core Trust Plan (PEEHIP) with TRS or certain retired employees may elect to continue to participate in UAB's group health plan until they are eligible for Medicare by paying the full cost of the plan premium. Retired employees age 65 or older who are eligible for Medicare must enroll in the Medicare Coordinated Plan under which Medicare is the primary insurer and UAB's health care plan becomes the secondary insurer. Despite the availability of the UAB plan, most retirees elect to participate in the PEEHIP with TRS, in which case the retirees pay a portion of the PEEHIP premium, with UAB paying an allocation towards the cost of retiree coverage.

Certain retirees may also elect to continue their

basic term life insurance coverage and accidental death and dismemberment insurance up to certain maximum amounts. The retirees pay the full amount of the premiums in such cases. Retirees are not eligible for tuition assistance benefits themselves. However, their unmarried dependent children may qualify in some cases.

PEEHIP is a cost-sharing multiple-employer defined benefit OPEB plan administered by the Public Education Employees Health Insurance Board. PEEHIP offers a basic hospital/medical plan that provides basic medical coverage for up to 365 days of care during each hospital confinement. The basic hospital/medical plan also provides for physicians' benefits, outpatient care, prescription drugs, and mental health benefits. Major medical benefits under the basic hospital/medical plan are subject to a lifetime contract maximum of \$1,000,000 for each covered individual. The financial report for PEEHIP can be obtained by contacting TRS. The Code of Alabama 1975, Section 16-25-A-8 provides authority to set the contribution requirements for retirees and employers. The required contribution rates of retirees are as follows as of September 30, 2013 and 2012, respectively:

Retired Member Rates

- Individual Coverage/Non-Medicare Eligible - \$151
- Family Coverage/Non-Medicare Eligible Retired Member and Non-Medicare Eligible Dependent(s) - \$391
- Family Coverage/Non-Medicare Eligible Retired Member and Dependent Medicare Eligible - \$250
- Individual Coverage/Medicare Eligible Retired Member - \$10
- Family Coverage/Medicare Eligible Retired Member and Non-Medicare Eligible Dependent(s) - \$250
- Family Coverage/Medicare Eligible Retired Member and Dependent Medicare Eligible - \$109

The required contribution rates of the employer were \$336 and \$370 per employee per month in the years ended September 30, 2013 and 2012, respectively. 100% of 2013 and 2012 contributions were paid in 2013 and 2012, respectively. UAB contributed \$16,071,600 and \$16,732,900 to PEEHIP in 2013 and 2012, respectively. The required contribution rate is determined by PEEHIP in accordance with State statute.

The UAB Plan is considered a single-employer plan and consists of hospital benefits, major medical benefits, a prescription drug program and a basic term life insurance up to an established maximum policy limit. The health care benefits cover medical and hospitalization costs for retirees and their

dependents. The portion of the UAB plan related to health care may be amended by the approval of the President of UAB upon recommendation from the Benefits Committee. The portion of the UAB plan related to the life insurance may be amended by the System.

Employees included in the actuarial valuation include active employees, retirees and disabled employees enrolled in the medical plan and retirees not enrolled in the medical plan with retiree life insurance. Expenditures for postretirement health care benefits are paid monthly on a pay-as-you-go basis.

In accordance with GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, UAB accrued an additional \$4,288,767 and \$7,142,350 in retiree healthcare and benefit expense during the years ended September 30, 2013 and 2012, respectively.

The UAB Plan does not issue a stand-alone financial report.

UAB's annual retiree health and life insurance benefit expense and related information for the years ended September 30, 2013 and 2012 is as follows:

		2013		2012		2011
Annual required contribution	\$	9,194,860	\$	10,342,567	\$	6,539,591
Interest on obligations for retiree benefits		1,127,669		728,677		560,001
Adjustment to annual required contribution		(859,231)		(555,218)		(367,986)
Annual retiree benefit costs		9,463,298		10,516,026		6,731,606
UAB Contributions		(5,174,531)		(3,373,676)		(4,914,996)
Increase in obligations for retiree benefits		4,288,767		7,142,350		1,816,610
Obligations for retiree benefits, beginning of year		16,109,549		8,967,199		7,150,589
Total obligations for retiree benefits, end of year	\$	20,398,316	\$	16,109,549	\$	8,967,199

The annual retiree benefit cost, percentage of the annual retiree benefit cost contributed to the retiree benefit plan and the net obligation for retiree ben-

efits for UAB for year ended September 30, 2013 and 2012 are as follows:

		2013		2012		2011
Annual retiree benefit cost	\$	9,463,298	\$	10,516,026	\$	6,731,606
Percentage of annual cost contributed		54.68%		32.08%		73.01%
Net obligation to the retiree benefit plan	\$	20,398,316	\$	16,109,549	\$	8,967,199

Funded Status

Actuarial valuations represent a long-perspective and involve estimates of the value of report amounts and assumptions about the probability of occurrence of events into the future. Examples include assumptions about future employment, mortality, investment return and health care cost trends. Actuarially determined amounts are subject to peri-

odic revisions as actual rates are compared with past expectations and new estimates are made about the future.

The funded status of the plan as of October 1, 2011 and 2012 was as follows:

		2013		2012		2011
Actuarial accrued liability	\$	46,446,404	\$	44,358,077	\$	52,061,639
Actuarial value of plan assets						
Unfunded actuarial accrued liability	\$	46,446,404	\$	44,358,077	\$	52,061,639
Funded ratio		Zero		Zero		Zero
Covered payroll	\$	967,667,454	\$	921,253,387	\$	887,356,263
Unfunded actuarial accrued liability as a percentage of covered payroll		4.80%		4.81%		5.87%

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based upon the plan as understood by UAB and plan members, and include types of benefits provided at the time of each valuation and the historical cost pattern of sharing of benefit costs between UAB and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

Significant actuarial methods and assumptions used in the valuation were:

- actuarial valuation date, October 1, 2011
- actuarial cost method-projected unit cost method
- assumed return on investment of 7% per year, based on the estimated return on UAB's assets expected to be used to finance benefits;
- health care cost trend rate 9.5% and 7.8% for the years ended September 30, 2012 and September 30, 2011, respectively, reduced by increments to an ultimate rate of 5.0% over years through 2018;
- amortization of the initial unfunded actuarial liability over 30 years on a level percent of pay method with payroll growth rate of 3.25%

(14) Federal Direct Student Loan Program

The Federal Direct Student Loan Program (FDSLPL) was established under the Higher Education Act of 1965, as amended in the Student Loan Reform Act of 1993. The FDSLPL 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. UAB began participation in the FDSLPL on July 1, 1994. As a university qualified to originate loans, UAB is responsible for handling the complete loan process, including funds management, as well as promissory note functions. UAB is not responsible for collection of these loans. During the years ended September 30, 2013 and 2012, respectively, UAB disbursed approximately \$130,081,000 and \$130,039,000 under the FDSLPL.

(15) Grants and Contracts

At September 30, 2013 and 2012, UAB had been awarded approximately \$371,572,000 (unaudited) and \$366,519,000 (unaudited) in grants and contracts which had not been expended. These awards, which represent commitments of sponsors to provide funds for specific research, training, and service projects, have not been reflected in the financial statements.

In addition, during fiscal year 2009, the University began receiving and expending federal funding under the American Recovery and Reinvestment Act (ARRA), primarily in the form of sponsored research grants and State Fiscal Stabilization Funds. At September 30, 2013 and 2012, UAB had been awarded approximately \$7,153,000 (unaudited) and \$12,459,000 (unaudited) in ARRA funding which had not been expended. These awards have not been reflected in the financial statements.

(16) Net Patient Service Revenue

The Hospital has agreements with governmental and other third-party payors that provide for reimbursement to the Hospital at amounts different from its established rates. Contractual adjustments under third-party reimbursement programs represent the difference between the Hospital's billings at established rates for services and amounts reimbursed by third-party payors. A summary of the basis of reimbursement with major third-party payors follows:

Medicare—Substantially all acute-care services rendered to Medicare program beneficiaries are paid at prospectively determined rates. These rates vary according to patient classification systems that are based on clinical, diagnostic, and other factors. Additionally, the Hospital is reimbursed for both its direct and indirect medical education costs (as defined), principally based on per-resident prospective payment amounts and certain adjustments to prospective rate-per-discharge operating reimbursement payments. The Hospital generally is reimbursed for certain retroactively settled items at tentative rates with final settlement determined after submission of annual cost reports by the Hospital and audits by the Medicare fiscal intermediary. The Hospital's cost reports have been audited and settled for all fiscal years through 2006. Revenue from the Medicare program accounted for approximately 26% of the Hospital's net patient service revenue for the years ended September 30, 2013 and 2012.

Blue Cross—Inpatient services rendered to Blue Cross subscribers are paid at a prospectively determined per diem rate. Outpatient services are reimbursed at a prospectively determined rate or under a cost reimbursement methodology. The method of reimbursement is determined by the procedures that are performed. For outpatient services reimbursed under a cost reimbursement methodology, the Hospital is reimbursed at a tentative rate with a final settlement determined after submission of annual cost reports by the Hospital and audits thereof by Blue Cross. The Hospital's Blue Cross cost reports have been audited and settled for all fiscal years through 2009. Revenue from the Blue Cross program accounted for approximately 30% and 31% of the Hospital's net patient service revenue for each of the years ended September 30, 2013 and 2012, respectively.

Medicaid—Inpatient services rendered to Medicaid program beneficiaries are reimbursed at all-inclusive prospectively determined per diem rates. Outpatient services are reimbursed based on an established fee schedule. The Hospital participates in the Alabama Medicaid Plan and therefore, also receives supplemental payments based on formulas established by

the Alabama Medicaid Agency. The net benefit associated with the Hospital's essential provider designation, totaling approximately \$60,558,000 and \$58,907,000 in 2013 and 2012, respectively, is included in net patient service revenue in the accompanying statements of revenues, expenses, and changes in net position. There can be no assurance that the Hospital will continue to qualify for future participation in this program or that the program will not ultimately be discontinued or materially modified.

Revenue from the Medicaid program accounted for approximately 16% and 15% of the Hospital's net patient service revenue for the years ended September 30, 2013 and 2012, respectively.

Other—The Hospital has also entered into payment agreements with certain commercial insurance carriers, health maintenance organizations, and preferred provider organizations. The bases for payments to the Hospital under these agreements include discounts from established charges, capitation, and prospectively determined daily and case rates.

The composition of Hospital operating revenue follows:

	2013	2012
Gross Patient Service Revenue	\$ 4,595,650,176	\$ 4,143,237,574
Less Provision for Contractual and Other Adjustments	(3,206,091,880)	(2,851,491,622)
Less Provision Bad Debts	(251,725,723)	(236,995,097)
Net Patient Service Revenue	\$ 1,137,832,573	\$ 1,054,750,855
Capitation Revenue	56,902,605	64,068,261
Other Operating Revenue	91,832,795	83,855,212
TOTAL HOSPITAL SALES REVENUE	\$ 1,286,567,972	\$ 1,202,674,328

(17) Charity Care

The Hospital maintains records to identify and monitor the level of charity care it provides. These records include the amount of charges foregone for

services and supplies furnished under its charity care policy, the estimated cost of those services, and supplies and equivalent service statistics. The following information measures the level of charity care provided during the years ended September 30, 2013 and 2012:

	2013	2012
Approximate charges forgone, based on established rates	\$ 256,380,000	\$ 216,552,000
Percentage of charity charges to total charges	5.6%	5.2%

(18) Credit Risk

The Hospital grants credit without collateral to its patients, most of whom are local residents and are insured under third-party payor agreements. The mix of receivables from patients and third-party payors at September 30, 2013 and 2012 follows:

	2013	2012
Other	45%	43%
Medicare	19	20
Blue Cross	27	28
Medicaid	9	9
	100%	100%

(19) Construction Commitments and Financing

UAB has contracted for the construction and renovation of several facilities. At September 30, 2013 and 2012, the estimated remaining cost to complete the construction and renovation of these facilities was approximately \$191,823,000 (unaudited) and \$109,756,000 (unaudited), respectively, which is expected to be financed from private gifts, grants, bond proceeds, and UAB reserves.

(20) Risk Management and Self-Insurance

UAB manages risks related to medical malpractice, general liability, and employee health care through a combination of self-insurance, risk pooling arrangements, and commercial insurance coverage.

UAB's medical malpractice liability is managed by PLTF, a professional liability trust fund. PLTF func-

tions as a risk-sharing vehicle for UAB and more than ten nongovernmental organizations. PLTF covers liabilities of the covered parties, including UAB, arising from reported claims, claims that are incurred but not reported, and future costs of handling these claims. The liabilities are generally based on present value actuarial valuations discounted using interest rates from 2% to 5%. The discount rate used in both 2013 and 2012 was 2%. The associated risks of claims are subject to aggregate limits, with excess liability coverage provided by independent insurers to protect participants against losses should a claim arise that exceeds PLTF coverage limits. Although UAB is the sponsor of PLTF, it is not the predominant participant in the fund.

The PLTF's policy committee establishes the premium rate of participants based on recommendations from consulting actuaries and considering the assumption of risk from the PLTF's date of inception. Premiums paid to the PLTF are provided by UAB, HSF, and other participants. In addition, certain legal and administrative services are provided to the PLTF by the University of Alabama System.

The PLTF agreement requires 10% of all PLTF assets to be held in liquid assets. At September 30, 2013 and 2012, the liquid assets of the PLTF, as defined by the agreement, were in compliance with the agreement.

General liability is subject to various claims and aggregate limits, with excess liability coverage provided by an independent insurer. General liability and employee health care claims and expenses are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Those losses include an estimate of claims that have been incurred but not reported and the future costs of handling claims. The general liability is generally based on actuarial valuations and is reported at present value. The discount rate used for the general liability was 2% in both 2013 and 2012. Changes in the total self-insured liabilities for the years ended September 30, 2013 and 2012 are presented as follows for UAB:

SELF INSURED LIABILITIES	2013	2012 (RESTATED)
Balance, beginning of year	\$ 14,531,084	\$ 9,360,771
Claims incurred and changes in estimates	72,076,282	75,543,057
Claim payments	(73,929,226)	(70,372,744)
BALANCE, END OF YEAR	\$ 12,678,140	\$ 14,531,084

(21) Commitments and Contingencies

UAB has sovereign immunity and is, therefore, in the opinion of UAB counsel, immune to ordinary tort actions including those based on medical malpractice or general injury to patients. Consequently, while UAB is sometimes named as defendant in malpractice actions and other actions for injuries arising in the Hospital, it has consistently been dismissed from those lawsuits on the basis of the sovereign immunity doctrine. That doctrine also protects UAB from vicarious liability arising from the negligence of its employees. To the extent that UAB employees are sued in their individual capacity for action related to their official duties within the line and scope of their employment, UAB has defended those actions and paid for any resulting costs through its self-insured trust fund. While UAB is not aware of any impending threat to this doctrine, UAB is a named insured under the terms of the PLTF and GLTF and excess insurance purchased from commercial companies (Note 19). There are some exceptions to the sovereign immunity doctrine, most notably federal court cases arising under the federal constitution or federal statutes.

UAB is engaged in various legal actions in the ordinary course of business. Management does not believe the ultimate outcome of these actions will have a

material adverse effect on the financial statements. However, the settlement of legal actions is subject to inherent uncertainties and it is possible that such outcomes could differ materially from management's current expectations.

Amounts received or receivable from grantor agencies are subject to audit and adjustments by such agencies, principally the United States Government. Any disallowed claims, including amounts already collected, may constitute a liability of UAB. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although UAB expects any such amounts to be immaterial.

The University and UABRF entered into a services agreement in November 2009. The agreement requires UABRF to undertake and manage UAB's interest in a joint venture for the purpose of implementing a drug development program (DDP) through investigation and evaluation of promising proteins and chemical compounds. The agreement was never funded and was terminated effective July 31, 2013.

In addition, in November 2009, UABRF (on behalf of UAB), SRI and Jubilant Organosys, Ltd. (Jubilant) entered into a joint venture to implement a drug development program to discover new pharmaceutical compounds for human and veterinary use (drug development program). The joint venture was terminated effective July 31, 2013.

(22) Operating Expenses by Function

Total operating expenses by functional classification for the years ended September 30, 2013 and 2012 are as follows for UAB:

September 30, 2013	SALARIES, WAGES, AND BENEFITS	SUPPLIES AND SERVICES	DEPRECIATION AND AMORTIZATION	SCHOLARSHIPS AND FELLOWSHIPS	TOTAL
Instruction	\$ 232,225,126	\$ 23,821,286			\$ 256,046,412
Research	158,835,071	85,187,000			244,022,071
Public service	56,566,590	27,450,568			84,017,158
Academic support	136,911,290	31,743,457			168,654,747
Student services	17,266,826	11,776,975			29,043,801
Institutional support	71,568,449	32,984,637			104,553,086
Operations and maintenance of plant	27,178,633	35,760,442			62,939,075
Scholarships and fellowships				\$ 20,999,390	20,999,390
Hospital	588,944,375	536,428,907			1,125,373,282
Auxiliary	38,421,311	442,181,428			480,602,739
Depreciation			\$ 98,303,065		98,303,065
TOTAL OPERATING EXPENSES	\$ 1,327,917,671	\$ 1,227,334,700	\$ 98,303,065	\$ 20,999,390	\$ 2,674,554,826

September 30, 2012	SALARIES, WAGES, AND BENEFITS	SUPPLIES AND SERVICES	DEPRECIATION	SCHOLARSHIPS AND FELLOWSHIPS	TOTAL
	(Restated)	(Restated)	(Restated)	(Restated)	(Restated)
Instruction	\$ 224,190,242	\$ 23,227,468			\$ 247,417,710
Research	159,292,354	88,420,940			247,713,294
Public service	54,228,038	17,896,872			72,124,910
Academic support	123,460,490	29,962,225			153,422,715
Student services	17,241,447	8,489,860			25,731,307
Institutional support	65,760,057	26,368,084			92,128,141
Operations and maintenance of plant	26,359,477	32,605,308			58,964,785
Scholarships and fellowships				\$ 19,158,774	19,158,774
Hospital	536,212,418	498,350,263			1,034,562,681
Auxiliary	37,542,944	428,560,390			466,103,334
Depreciation			\$ 123,047,954		123,047,954
TOTAL OPERATING EXPENSES	\$ 1,244,287,467	\$ 1,153,881,410	\$ 123,047,954	\$ 19,158,774	\$ 2,540,375,605

(23) Segment Reporting

As discussed in Note 1, UAB's two significant identifiable activities that have bonds outstanding where revenue is pledged in support of the bonds are the University and the Hospital.

Condensed financial statement information related to the University and Hospital for the years ended September 30, 2013 and 2012 is as follows:

UNIVERSITY	2013	2012 (RESTATED)
CONDENSED STATEMENT OF NET POSITION		
Current assets	\$ 458,495,626	\$ 412,426,979
Capital assets, net	903,768,432	801,214,461
Other assets	740,312,860	643,045,923
TOTAL ASSETS	\$ 2,102,576,918	\$ 1,856,687,363
DEFERRED OUTFLOW OF RESOURCES		
Current liabilities	\$ 228,914,407	\$ 192,666,516
Long-term debt	436,572,538	260,585,083
Other noncurrent liabilities	14,727,477	14,925,391
TOTAL LIABILITIES	\$ 680,214,422	\$ 468,176,990
DEFERRED INFLOW OF RESOURCES		
Invested in capital	\$ 567,327,757	\$ 555,058,171
Restricted nonexpendable	273,422,983	252,616,872
Restricted expendable	182,971,009	183,897,791
Unrestricted	399,923,206	397,624,082
TOTAL NET POSITION	\$ 1,423,644,955	\$ 1,389,196,916
CONDENSED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION		
Tuition and fees, net	\$ 146,183,606	\$ 130,569,653
Grant and contract revenue	373,172,028	367,310,018
Sales and services, auxiliary	58,133,856	21,281,904
Other operating revenues	59,250,730	95,349,085
Salaries, wages, and benefits	(716,942,278)	(677,685,032)
Supplies and services	(266,134,359)	(253,634,899)
Depreciation expense	(40,045,346)	(66,839,816)
Scholarships and fellowships	(20,999,390)	(19,158,339)
OPERATING LOSS	\$ (407,381,153)	\$ (402,807,426)
State appropriations	\$ 226,249,827	\$ 235,090,129
Investment income	48,260,826	71,929,201
Interest expense	(10,799,714)	(6,838,327)
Gifts	31,956,966	32,332,717
Other nonoperating revenues	23,943,896	31,653,883
(LOSS) BEFORE OTHER CHANGES IN NET POSITION	\$ (87,769,352)	\$ (38,639,823)
Capital gifts	\$ 4,419,032	\$ 418,160
Endowment gifts	9,568,250	11,009,611
Other	8,740,788	14,205,901
Intergovernmental transfers	99,489,321	83,994,034
INCREASE IN NET POSITION	\$ 34,448,039	\$ 70,987,883
Net position, beginning of year	\$ 1,389,196,916	\$ 1,318,209,033
NET POSITION, END OF YEAR	\$ 1,423,644,955	\$ 1,389,196,916
CONDENSED STATEMENT OF CASH FLOWS		
Net cash provided by (used in):		
Operating activities	\$ (343,769,182)	\$ (327,562,787)
Noncapital financing activities	393,747,014	398,036,422
Capital and related financing activities	34,778,378	(110,079,784)
Investing activities	(70,476,217)	(9,968,914)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	\$ 14,279,993	\$ (49,575,063)
Cash and cash equivalents, beginning of year	\$ 111,100,469	\$ 160,675,532
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 125,380,462	\$ 111,100,469

HOSPITAL	2013	2012 (RESTATED)
CONDENSED STATEMENT OF NET POSITION		
Current assets	\$ 392,201,450	\$ 311,195,825
Capital assets, net	619,965,666	631,099,384
Other assets	568,598,392	542,758,190
TOTAL ASSETS	\$ 1,580,765,508	\$ 1,485,053,399
DEFERRED OUTFLOW OF RESOURCES		
Current liabilities	\$ 95,142,916	\$ 77,437,604
Long-term debt	493,374,412	503,788,813
Other noncurrent liabilities	14,120,932	14,349,359
TOTAL LIABILITIES	\$ 602,638,260	\$ 595,575,776
DEFERRED INFLOW OF RESOURCES		
Invested in capital	\$ 127,846,054	\$ 129,716,271
Restricted nonexpendable	128,099	128,099
Restricted expendable	29,511,285	27,975,954
Unrestricted	832,044,122	743,780,755
TOTAL NET POSITION	\$ 989,529,560	\$ 901,601,079
CONDENSED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION		
Operating revenues	\$ 1,278,463,833	\$ 1,194,902,008
Operating expenses	(1,125,473,278)	(1,034,562,682)
Depreciation expense	(57,843,816)	(55,542,120)
OPERATING INCOME	\$ 95,146,739	\$ 104,797,206
State appropriations	\$ 32,180,013	\$ 33,550,226
Investment income	38,659,513	55,634,553
Interest expense	(20,096,054)	(21,140,183)
Gifts	111,010	348,648
Other nonoperating revenues	24,198,705	281,797
INCOME BEFORE OTHER CHANGES IN NET POSITION	\$ 170,199,926	\$ 173,472,247
Capital gifts	\$ 28,329	\$ 34,212
Other		21,187
Intergovernmental transfers	(82,299,774)	(70,350,359)
INCREASE IN NET POSITION	\$ 87,928,481	\$ 103,177,287
Net position, beginning of year	\$ 901,601,079	\$ 798,423,792
NET POSITION, END OF YEAR	\$ 989,529,560	\$ 901,601,079
CONDENSED STATEMENT OF CASH FLOWS		
Net cash provided by (used in):		
Operating activities	\$ 133,794,448	\$ 173,320,736
Noncapital financing activities	(50,008,751)	(36,217,223)
Capital and related financing activities	(50,126,792)	(61,129,999)
Investing activities	(41,616,452)	(90,229,119)
NET DECREASE IN CASH AND CASH EQUIVALENTS	\$ (7,957,547)	\$ (14,255,605)
Cash and cash equivalents, beginning of year	38,149,797	52,405,402
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 30,192,250	\$ 38,149,797

(24) Major Component Unit Reporting

As discussed in Note 1, Triton is included in UAB's financial statements as a blended component unit. Triton financial information for the years ended December 31, 2012 and 2011 is included in UAB's financial statements and presented as follows:

TRITON HEALTH SYSTEMS, LLC	2013		2012	
CONDENSED STATEMENT OF NET ASSETS				
Current assets	\$	196,647,562	\$	182,166,351
Capital assets, net		552,186		769,892
Other assets		14,833,106		15,498,262
TOTAL ASSETS	\$	212,032,854	\$	198,434,505
Current liabilities	\$	58,642,408	\$	68,315,148
Other noncurrent liabilities		2,301,066		
TOTAL LIABILITIES	\$	60,943,474	\$	68,315,148
Invested in capital net of related debt	\$	552,186	\$	769,892
Restricted nonexpendable		100,000		100,000
Unrestricted		150,437,194		129,249,465
TOTAL NET ASSETS	\$	151,089,380	\$	130,119,357
CONDENSED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS				
Operating revenues	\$	571,244,193	\$	579,322,188
Operating expenses		(526,806,239)		(507,676,864)
Depreciation and amortization expense		(413,902)		(657,256)
OPERATING INCOME	\$	44,024,052	\$	70,988,068
Investment income		603,110		741,137
Income tax expense		(6,919,898)		(18,124,588)
INCOME BEFORE OTHER CHANGES IN NET ASSETS	\$	37,707,264	\$	53,604,617
Distributions to members	\$	(16,737,241)	\$	(11,177,875)
INCREASE IN NET ASSETS	\$	20,970,023	\$	42,426,742
Net assets, beginning of year		130,119,357		87,692,615
NET ASSETS, END OF YEAR	\$	151,089,380	\$	130,119,357
CONDENSED STATEMENT OF CASH FLOWS				
Net cash provided by (used in):				
Operating activities	\$	26,453,289	\$	45,608,243
Noncapital financing activities		(16,737,241)		(11,177,875)
Capital and related financing activities		(196,197)		(228,725)
Investing activities		51,239,832		(27,979,227)
NET INCREASE IN CASH AND CASH EQUIVALENTS	\$	60,759,683	\$	6,222,416
Cash and cash equivalents, beginning of year	\$	114,874,451	\$	108,652,035
CASH AND CASH EQUIVALENTS, END OF YEAR	\$	175,634,134	\$	114,874,451

(25) Recently Issued Pronouncements

The GASB issued Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements* (GASB 60), in November 2010. The objective of this Statement is to improve financial reporting by addressing issues related to service concession arrangements (SCAs), which are a type of public-private or public-public partnership. As used in this Statement, an SCA is an arrangement between a transferor (a government) and an operator (governmental or nongovernmental entity) in which (1) the transferor conveys to an operator the right and related obligation to provide services through the use of infrastructure or another public asset (a “facility”) in exchange for significant consideration and (2) the operator collects and is compensated by fees from third parties. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2011. The adoption of this statement had no material impact on UAB’s financial statements.

The GASB issued Statement No. 61, *The Financial Reporting Entity: Omnibus—an amendment of GASB Statements No. 14 and No. 34*, in November 2010. The objective of this Statement is to improve financial reporting for a governmental financial reporting entity. The requirements of Statement No. 14, *The Financial Reporting Entity*, and the related financial reporting requirements of Statement No. 34, *Basic Financial Statements and Management’s Discussion and Analysis for State and Local Governments*, were amended to better meet user needs and to address reporting entity issues that have arisen since the issuance of those Statements. This Statement modifies certain requirements for inclusion of component units in the financial reporting entity. This Statement also amends the criteria for reporting component units as if they were part of the primary government (that is, blending) in certain circumstances. Also, additional reporting guidance is provided for blending a component unit if the primary government is a business-type entity that uses a single column presentation for financial reporting. The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2012. Refer to Note 3 for the discussion of the impact that the adoption of this statement had on UAB’s financial statements.

The GASB issued Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, in December 2010. The objective of this Statement is to incorporate into the GASB’s authoritative literature certain accounting and financial reporting guidance that is included in FASB Statements and Interpretations, Accounting Principles Board Opinions and AICPA Accounting Research Bulletins issued on or before November 30, 1989, which do not conflict with or contradict GASB pronouncements. This Statement also supercedes GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, thereby eliminating the election provided in paragraph 7 of that Statement for enterprise funds and business-type activities to apply post-November 30, 1989 FASB Statements and Interpretations that do not conflict with or contradict GASB pronouncements. However, those entities can continue to apply, as other accounting literature, post-November 30, 1989 FASB pronouncements that do not conflict with or contradict GASB pronouncements, including this Statement. The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2011. The adoption of this statement had no material impact on UAB’s financial statements.

The GASB issued Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* (GASB 63), in June 2011. The objective of this Statement is to provide financial reporting guidance for deferred outflows of resources and deferred inflows of resources. Concept Statement No. 4, *Elements of Financial Statements*, introduced and defined those elements as a consumption of net assets by the government that is applicable to a future period, and an acquisition of net assets by the government that is applicable to a future reporting period, respectively. Previous financial reporting standards do not include guidance for reporting those financial statement elements, which are distinct from assets and liabilities. GASB 63 also renames the measure “net assets” to be “net position”. The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2011. Refer to Note 3 for the discussion of the impact that the adoption of this statement had on UAB’s financial statements.

The GASB issued Statement No. 64, *Derivative*

Instruments: Application of Hedge Accounting Termination Provisions – an amendment of GASB Statement No. 53 (GASB 64), in June 2011. The objective of this Statement is to clarify whether an effective hedging relationship continues after the replacement of a swap counterparty or swap counterparty's credit support provider. This Statement sets forth criteria that establish when the effective hedging relationship continues and hedge accounting should continue to be applied. The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2011. Since the University does not hold any derivative instruments, GASB 64 did not have an impact on the University's financial statements.

The GASB issued Statement No. 65, *Items Previously Reported as Assets and Liabilities* (GASB 65), in March 2012. This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2012. Refer to Note 3 for the discussion of the impact that the adoption of this statement had on UAB's financial statements.

The GASB issued Statement No. 66, *Technical Corrections – 2012 – an amendment of GASB Statements No. 10 and No. 62* (GASB 66), in March 2012. The objective of this Statement is to improve accounting and financial reporting for a governmental financial reporting entity by resolving conflicting guidance that resulted from the issuance of two pronouncements, Statements No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, and No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 and AICPA Pronouncements*. The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2012. The University is currently evaluating the impact, if any, that GASB 66 will have on its financial statements.

The GASB issued Statement No. 67, *Financial Reporting for Pension Plans – an amendment of GASB Statement No. 25* (GASB 67), in June 2012. The objective of this Statement is to improve financial reporting by state and local governmental pen-

sion plans. This Statement is effective for financial statements for fiscal years beginning after June 15, 2013. The University is currently evaluating the impact, if any, that GASB 67 will have on its financial statements.

The GASB issued Statement No. 68, *Financial Reporting for Pension Plans – an amendment of GASB Statement No. 27* (GASB 68), in June 2012. The objective of this Statement is to improve financial reporting by state and local governmental pension plans. This Statement is effective for financial statements for fiscal years beginning after June 15, 2014. The University is currently evaluating the impact, if any, that GASB 68 will have on its financial statements.

The GASB issued Statement No. 69, *Government combinations and Disposals of Government Operations* ("GASB 69"), in January 2013. The objective of this Statement is to establish accounting and financial reporting standards related to government combinations and disposals of government operations. This Statement is effective for fiscal years beginning after December 15, 2013. UAB is currently evaluating the impact, if any, that GASB 69 will have on its financial statements.

The GASB issued Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees* ("GASB 70"), in April 2013. The objective of this Statement is to improve accounting and financial reporting by state and local governments that extend and receive nonexchange financial guarantees. This Statement is effective for fiscal years beginning after June 13, 2013. UAB is currently evaluating the impact, if any, that GASB 70 will have on its financial statements.

The GASB issued Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68* ("GASB 71"), in November 2013. The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability. The provisions of this Statement should be applied simultaneously with the provisions of Statement No. 68. UAB is currently evaluating the impact, if any, that GASB 71 will have on its financial statements.

The University of Alabama at Birmingham

Required Supplementary Information

September 30, 2013 and 2012

Required Supplementary Information

The following required supplementary information relates to UAB's single-employer other postemployment benefit plan (OPEB).

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based up the plan as understood by UAB and plan members, and include types of benefits provided at the time of each valuation and the historical cost pattern of sharing of benefit costs between UAB and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

Significant actuarial methods and assumptions used in the valuation were :

- actuarial valuation date, October 1, 2011
- actuarial cost method-projected unit cost method;
- assumed return on investment of 7% per year, based on the estimated return on UAB's assets expected to be used to finance benefits;
- health care cost trend rate 9.5% and 7.8% for the years ended September 30, 2012 and 2011, respectively, reduced by increments to an ultimate rate of 5.0% over years through 2018;
- amortization of the initial unfunded actuarial liability over 30 years on a level percent of pay method with payroll growth rate of 3.25%;

Schedule of Funding Progress

RETIREE HEALTH AND LIFE INSURANCE PLAN							
Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	(Deficit)	Funded Ratio	Annual Covered Payroll	(Deficit)/Covered Payroll	
October 1, 2012	None	\$ 46,446,404	\$ (46,446,404)	Zero	\$ 967,667,454	-4.8%	
October 1, 2011	None	\$ 44,358,077	\$ (44,358,077)	Zero	\$ 921,253,387	-4.8%	
October 1, 2010	None	\$ 52,061,639	\$ (52,061,639)	Zero	\$ 887,356,263	-5.9%	
October 1, 2009	None	\$ 51,649,871	\$ (51,649,871)	Zero	\$ 838,331,004	-6.2%	
October 1, 2008	None	\$ 53,920,021	\$ (53,920,021)	Zero	\$ 838,658,508	-6.4%	

The University of Alabama at Birmingham Administration

As of September 30, 2013



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