

University of Alabama at Birmingham

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

For the Year Ended September 30, 2015

EIN: 63-6005396

University of Alabama at Birmingham
Report on Federal Awards in Accordance with OMB Circular A-133
September 30, 2015

Table of Contents

	Page
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 <i>Government Auditing Standards</i>	1-2
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.....	3-5
Schedule of Expenditures of Federal Awards Year Ended September 30, 2015.....	6-33
Notes to Schedule of Expenditures of Federal Awards.....	34-36
Part II	Schedule of Findings and Questioned Costs
Schedule of Findings and Questioned Costs Year Ended September 30, 2015.....	37
Part III	Summary of Status of Prior Audit Findings
Summary of Status of Prior Audit Findings.....	38
Part IV	2015 Financial Report

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, 2015 and the related notes to the financial statements, which collectively comprise UAB's basic financial statements, and have issued our report thereon dated January 25, 2016. Other auditors 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. 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 these component units. Our report includes an emphasis of a matter regarding the presentation of the financial statements as discussed in Note 1 to the financial statements. Our report also includes an emphasis of a matter regarding the adoption of a new accounting standard as discussed in Notes 1 and 11 to the financial statements.

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 UAB's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering UAB's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

PricewaterhouseCoopers LLP

January 25, 2016



**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, 2015. 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. SRI is a separate component unit of UAB and its compliance with such terms and conditions is audited by other auditors and is, therefore, outside the scope of this report.

UAB’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, 2015. Accordingly, our audit, described below, did not include the operations of these component units.

UAB’s basic financial statements include the operations of the Alabama Care Plan, a blended component unit of UAB, which received federal awards which are not included in the schedule of expenditures of federal awards during the year ended September 30, 2015. Our audit, described below, did not include the operations of the Alabama Care Plan because we have conducted a separate audit and issued a separate report in accordance with OMB Circular A-133 for this entity.

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 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, 2015.

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 is, therefore, outside the scope of this report.

UAB'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, 2015. 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.

UAB's basic financial statements include the operations of the Alabama Care Plan, a blended component unit of UAB, which received federal awards which are not included in the schedule of expenditures of federal awards during the year ended September 30, 2015. We did not consider internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs for the Alabama Care Plan because we have conducted a separate audit and issued a separate report in accordance with OMB Circular A-133 for this entity.

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



weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of 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. However, material weaknesses may exist that have not been identified.

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.

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, 2015, and have issued our report thereon dated January 25, 2016, 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 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

PricewaterhouseCoopers LLP

June 29, 2016, except for our report on the Schedule of Expenditures of Federal Awards, for which the date is January 25, 2016.

University of Alabama at Birmingham
Schedule of Expenditures of Federal Awards
Year Ended September 30, 2015

Federal Grantor	Pass-Through Grantor	Contract/Award or Pass-Through Num	CFDA Number	Total Expenditures
RESEARCH AND DEVELOPMENT CLUSTER				
<u>Department of Agriculture</u>				
Pass-Through				
Grants for Agricultural Research, Special Research Grants	AUBURN UNIVERSITY	14-AGR-373037-UAB	10.200	\$ 16,023
Total Pass-Through				<u>16,023</u>
Total Department of Agriculture				16,023
<u>Department of Defense</u>				
Direct				
Basic and Applied Scientific Research			12.300	120,490
Military Medical Research and Development			12.420	5,109,459
Basic Scientific Research			12.431	1,074,625
Basic, Applied, and Advanced Research in Science and Engineering			12.630	28,822
Uniformed Services University Medical Research Projects			12.750	3,462
Air Force Defense Research Sciences Program			12.800	183,214
Mathematical Sciences Grants Program			12.901	17,519
Research and Technology Development			12.910	200,475
Contract #DOD IPA WARD			12.	203,236
Contract #DOD - IPA - Meakin			12.	143,435
Contract #DOD W81EWF41637598			12.	61,472
Contract #FA8650-13-C-7339			12.	45,895
Contract #FA8651-11-C-0291			12.	3,347
Total Direct				<u>7,195,451</u>
Pass-Through				
Military Medical Research and Development	TUSKEGEE UNIVERSITY	W81XWH-13-1-0499	12.420	56,982
Military Medical Research and Development	UNIVERSITY OF VIRGINIA	W81XWH-10-1-0461	12.420	15,072
Military Medical Research and Development	THE CURATORS OF THE UNIVERSITY OF MISSOURI	W81XWH-11-2-0155	12.420	6,586
Military Medical Research and Development	HENRY FORD HEALTH SYSTEM	W81XWH-11-1-0671	12.420	5,232
Military Medical Research and Development	UNIVERSITY OF TEXAS HEALTH SCIENCE CTR AT HOUSTON	W81XWH-11-1-0240	12.420	(3,038)
Basic, Applied, and Advanced Research in Science and Engineering	ALABAMA STATE UNIVERSITY	5-522776-12	12.630	453
Uniformed Services University Medical Research Projects	THE GENEVA FOUNDATION	HT9404-13-1-TS08 (N13-P13)	12.750	95,354
Contract	HIGH PERFORMANCE TECHNOLOGIES INC	GS04T09DBC0017	12.	387,703
Contract	IBIS BIOSCIENCES INC	HR001-13-C-0103	12.	277,776
Contract	BATTELLE MEMORIAL INSTITUTE	W911NF-11-D-0001	12.	35,662
Contract	SOUTHERN RESEARCH INSTITUTE	HDTRA1-12-C-0093	12.	5,882
Contract	THE GENEVA FOUNDATION	HU001-10-1TS05	12.	3,974

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, 2015**

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>				
Contract	ANTHROTRONIX INC	N00014-09-C-0051-P000010	12.	598
Contract	HIGH PERFORMANCE TECHNOLOGIES INC	GS01T09DBC0017	12.	(1,105)
Unknown	JOHNS HOPKINS UNIVERSITY	W81XWH-10-2-0090	12.	17,517
Unknown	GREENVILLE HOSP SYS	W81XWH-12-1-0530	12.	9,338
Total Pass-Through				<u>913,986</u>
Total Department of Defense				8,109,437
<u>Department of Interior</u>				
Direct				
Conservation Grants Private Stewardship for Imperiled Species			15.632	10,385
Marine Turtle Conservation Fund			15.645	17,946
Total Direct				<u>28,331</u>
Total Department of Interior				28,331
<u>Department of Justice</u>				
Direct				
National Institute of Justice Research, Evaluation, and Development Project Grants			16.560	31,272
Total Direct				<u>31,272</u>
Pass-Through				
National Institute of Justice Research, Evaluation, and Development Project Grants	RESEARCH TRIANGLE INSTITUTE	9-321-0213168-51830L	16.560	14,746
Total Pass-Through				<u>14,746</u>
Total Department of Justice				46,018
<u>Department of Transportation</u>				
Direct				
Contract #DTFT60-04-Z-7001			20.	14,644
Total Direct				<u>14,644</u>
Pass-Through				
University Transportation Centers Program	GEORGIA INSTITUTE OF TECHNOLOGY	DTRT12-G-UTC12	20.701	130,796
University Transportation Centers Program	UNIVERSITY OF FLORIDA	TASK ORDER # 009	20.701	21,663
University Transportation Centers Program	UNIVERSITY OF FLORIDA	TASK ORDER #008	20.701	14,229
University Transportation Centers Program	UNIVERSITY OF FLORIDA	TASK ORDER #1	20.701	10,262

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, 2015**

Federal Grantor	Pass-Through Grantor	Contract/Award or Pass-Through Num	CFDA Number	Total Expenditures
RESEARCH AND DEVELOPMENT CLUSTER, CONTINUED				
<u>Department of Transportation, continued</u>				
University Transportation Centers Program	UNIVERSITY OF FLORIDA	TASK ORDER # 005	20.701	9,224
University Transportation Centers Program	UNIVERSITY OF FLORIDA	TASK ORDER # 2	20.701	3,150
Contract	UNIVERSITY OF TENNESSEE(KNOXVILL	DTRT13-G-UTC34	20.	40,437
Contract	UNIVERSITY OF FLORIDA	DTRT12-G-UTC04	20.	4,211
Unknown	ALABAMA DEPT OF TRANSPORTATION	930-842	20.	212,037
Unknown	ALABAMA DEPT OF TRANSPORTATION	930-843	20.	35,100
Unknown	UNIVERSITY OF FLORIDA	UF-EIES-1200009	20.	8,325
Unknown	UNIVERSITY OF FLORIDA	UF-EIES-120000009-UAB	20.	5,750
Unknown	ALABAMA DEPT OF TRANSPORTATION	930-914	20.	4,878
Total Pass-Through				<u>500,062</u>
Total Department of Transportation				514,706
<u>National Aeronautics and Space Administration</u>				
Direct				
Science			43.001	1,151,399
Exploration			43.003	293,405
Space Operations			43.007	210,905
Contract #NNJ10HB16B			43.	4,699,732
Contract #NNJ15HA80B			43.	1,182,544
Contract #NNX09AV81G			43.	12,932
Contract #NNX11AC61G			43.	(1,838)
Total Direct				<u>7,549,079</u>
Pass-Through				
Exploration	GEORGIA INSTITUTE OF TECHNOLOGY	NNJ12ZSA002N	43.003	5,730
Contract	UNIVERSITY OF ALABAMA IN HUNTSVILLE	NNX10AJ80H	43.	38,319
Contract	NATIONAL SPACE BIOMEDICAL RESEARCH INSTITUTE	NONE	43.	7,264
Contract	NATIONAL INSTITUTE OF AEROSPACE ASSOCIATES INC	NNL09AA00A	43.	6,470
Unknown	CENTER FOR THE ADVANCEMENT OF SCIENCE IN SPACE	NNH11CD70A	43.	33,158
Unknown	THE CENTER FOR THE ADVANCEMENT OF SCIENCE IN SPAC	NNH11CD70A	43.	18,265
Total Pass-Through				<u>109,206</u>
Total National Aeronautics and Space Administration				7,658,285
<u>National Science Foundation</u>				
Direct				

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, 2015**

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>				
Engineering Grants			47.041	810,338
Mathematical and Physical Sciences			47.049	870,722
Geosciences			47.050	75,206
Computer and Information Science and Engineering			47.070	465,281
Biological Sciences			47.074	1,102,589
Social, Behavioral, and Economic Sciences			47.075	153,977
Education and Human Resources			47.076	2,469,737
Polar Programs			47.078	138,902
International Science and Engineering (OISE)			47.079	65,906
Contract #PLR-1342923			47.	123,132
Total Direct				6,275,790
Pass-Through				
Engineering Grants	CETOTECH INC	1345804	47.041	25,000
Mathematical and Physical Sciences	FLORIDA STATE UNIVERSITY	NSF#DMR-1229217/FSU 22700-520-031355	47.049	45,424
Mathematical and Physical Sciences	UNIVERSITY OF SOUTH FLORIDA	DMR-1409473	47.049	31,765
Computer and Information Science and Engineering	UNIVERSITY OF ALABAMA IN TUSCALOOSA	CNS-1335263	47.070	11,116
Biological Sciences	IOWA ST UNIV	IOS-1257857	47.074	43,139
Biological Sciences	UNIVERSITY OF FLORIDA	IOS-1051890	47.074	41,914
Social, Behavioral, and Economic Sciences	NORTHERN KENTUCKY UNIV	SMA-1359547	47.075	7,370
Education and Human Resources	TUSKEGEE UNIVERSITY	HRD-1137681	47.076	31,927
Education and Human Resources	UNIVERSITY OF WISCONSIN IN MADISON	DUE-1231286	47.076	25,022
Education and Human Resources	AUBURN UNIVERSITY	HRD-0929268	47.076	4,000
International Science and Engineering (OISE)	MEDICAL UNIVERSITY OF SOUTH CAROLINA	15-517	47.079	7,391
Office of Experimental Program to Stimulate Competitive Research	TUSKEGEE UNIVERSITY	EPS-1158862	47.081	399,685
Contract	MACOMB COMMUNITY COLLEGE	NONE	47.	19,388
Unknown	NATIONAL CENTER FOR ENGINEERING PATHWAYS/VENTURE	N/A	47.	1,323
Total Pass-Through				694,464
Total National Science Foundation				6,970,254
<u>Department of Veterans Affairs</u>				
Direct				
Contract - Intergovernmental Personnel Agreements			64.	2,749,272
Contract #VA247-13-C-0429			64.	346,750
Contract #1101BX001756-01A2			64.	41,277

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, 2015**

Federal Grantor	Pass-Through Grantor	Contract/Award or Pass-Through Num	CFDA Number	Total Expenditures
RESEARCH AND DEVELOPMENT CLUSTER, CONTINUED				
<u>Department of Veterans Affairs, continued</u>				
Contract #YUAN			64.	25,893
Contract #MILLION VET PROGRAM			64.	(10,685)
Total Direct				<u>3,152,507</u>
Total Department of Veterans Affairs				3,152,507
<u>Department of Energy</u>				
Direct				
Stewardship Science Grant Program			81.112	194,732
Total Direct				<u>194,732</u>
Pass-Through				
Office of Science Financial Assistance Program	UNIVERSITY OF SOUTH FLORIDA	DE-SC0012635	81.049	108,644
Office of Science Financial Assistance Program	UNIVERSITY OF ALABAMA IN HUNTSVILLE	DE-SC0006652	81.049	61,413
Office of Science Financial Assistance Program	UNIVERSITY OF ALABAMA IN TUSCALOOSA	DE-FG02-08ER46537	81.049	59,146
Conservation Research and Development	CATERPILLAR INC	DEEE0005980	81.086	107,016
Conservation Research and Development	QUESTEK INNOVATIONS LLC	DE-EE0005980	81.086	7,876
Fossil Energy Research and Development	ADVANCED RESOURCED INTERNATIONAL	EP-P28631/C13564	81.089	86,194
Fossil Energy Research and Development	MONTANA STATE UNIVERSITY	DE-FE0004478	81.089	68,098
Fossil Energy Research and Development	OKLAHOMA STATE UNIVERSITY	06-AC26-07NT42677	81.089	52,838
Fossil Energy Research and Development	MONTANA STATE UNIVERSITY	DE-FE0024296	81.089	5,587
Stewardship Science Grant Program	CARNEGIE INSTITUTE OF WASHINGTON	DE-NA002006	81.112	130,430
Total Pass-Through				<u>687,242</u>
Total Department of Energy				881,974
<u>Department of Education</u>				
Direct				
National Institute on Disability and Rehabilitation Research			84.133	1,428,119
Total Direct				<u>1,428,119</u>
Pass-Through				
Title I Grants to Local Educational Agencies	ALABAMA DEPT OF EDUCATION	PL.108-446	84.010	496
National Institute on Disability and Rehabilitation Research	REHABILITATION INSTITUTE OF CHICAGO	H133E120010	84.133	97,130
National Institute on Disability and Rehabilitation Research	UNIVERSITY OF ILLINOIS AT CHICAGO	H133B130007	84.133	65,402
Unknown	ALABAMA DEPT OF CHILDREN'S AFFAIRS	UNKNOWN	84.	<u>104,900</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, 2015**

Federal Grantor	Pass-Through Grantor	Contract/Award or Pass-Through Num	CFDA Number	Total Expenditures
RESEARCH AND DEVELOPMENT CLUSTER, CONTINUED				
<u>Department of Education, continued</u>				
Total Pass-Through				267,928
Total Department of Education				1,696,047
<u>Department of Health and Human Services</u>				
Direct				
Family Smoking Prevention and Tobacco Control Act Regulatory Research			93.077	398,520
Environmental Health			93.113	3,226,979
Oral Diseases and Disorders Research			93.121	12,795,901
Centers for Research and Demonstration for Health Promotion and Disease Prevention			93.135	633,650
Coordinated Services and Access to Research for Women, Infants, Children, and Youth			93.153	879,667
Human Genome Research			93.172	62,549
Research Related to Deafness and Communication Disorders			93.173	444,795
Research and Training in Complementary and Alternative Medicine			93.213	241,431
National Research Service Awards_Health Services Research Training			93.225	445,146
Research on Healthcare Costs, Quality and Outcomes			93.226	1,509,434
Mental Health Research Grants			93.242	6,079,750
Geriatric Academic Career Awards			93.250	57,735
Occupational Safety and Health Program			93.262	1,292,877
Alcohol Research Programs			93.273	1,420,671
Drug Abuse and Addiction Research Programs			93.279	463,421
The Affordable Care Act: Centers for Disease Control and Prevention_Investigations			93.283	528,255
Discovery and Applied Research for Technological Innovations to Improve Human Health			93.286	366,757
Minority Health and Health Disparities Research			93.307	7,593,092
Trans-NIH Research Support			93.310	2,888,696
Rare Disorders: Research, Surveillance, Health Promotion, and Education			93.315	67,143
National Center for Advancing Translational Sciences			93.350	4,580,306
Research Infrastructure Programs			93.351	624,416
Nursing Research			93.361	893,043
Cancer Cause and Prevention Research			93.393	3,823,108
Cancer Detection and Diagnosis Research			93.394	2,886,776
Cancer Treatment Research			93.395	4,363,196
Cancer Biology Research			93.396	2,347,031
Cancer Centers Support Grants			93.397	9,856,730
Cancer Research Manpower			93.398	1,193,559
ACL National Institute on Disability, Independent Living, and Rehabilitation Researc			93.433	2,109,544

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, 2015**

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				
Health Promotion and Disease Prevention Research Centers: PPHF 2012 - Affordable Car			93.542	58,290
Cardiovascular Diseases Research			93.837	16,800,317
Lung Diseases Research			93.838	8,626,702
Blood Diseases and Resources Research			93.839	695,177
Arthritis, Musculoskeletal and Skin Diseases Research			93.846	8,202,737
Diabetes, Digestive, and Kidney Diseases Extramural Research			93.847	18,820,101
Extramural Research Programs in the Neurosciences and Neurological Disorders			93.853	20,708,019
Allergy, Immunology and Transplantation Research			93.855	39,829,539
Biomedical Research and Research Training			93.859	5,276,860
Child Health and Human Development Extramural Research			93.865	10,421,929
Aging Research			93.866	6,524,143
Vision Research			93.867	4,404,359
PPHF-2012 Geriatric Education Centers			93.969	204,188
International Research and Research Training			93.989	312,029
Contract #HHSN268200900047C			93.	1,999,699
Contract #HHSN272201300012I			93.	1,961,611
Contract #HHSN268201300025C			93.	1,908,218
Contract #HHSN272201100016I			93.	994,153
Contract #HHSN261201200021I			93.	958,294
Contract #HHSN272201100034C			93.	832,462
Contract #HHSN268201100025C			93.	800,424
Contract #HHSN272201100038C Opt 1			93.	685,087
Contract #FA3101-13-C-0032			93.	538,636
Contract #HHSN272201100035C			93.	529,060
Contract #HHSN275201300014C			93.	459,775
Contract #HHSN272201000027I			93.	438,894
Contract #HHSN268201300026C			93.	436,085
Contract #FA9101-13-C-0032			93.	422,352
Contract #HHSN266200400073C			93.	373,833
Contract #HHSN272201100037C			93.	340,778
Contract #HHSN272201100036C			93.	336,712
Contract #200-2011-42023			93.	326,713
Contract #HHSN263201200010C			93.	298,020
Contract #200-2013-56733/MSG08			93.	259,655
Contract #HHSN268201300026C-OPT 2			93.	216,376
Contract #HHSN268200736191C			93.	215,424

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, 2015**

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 #OPTION 6 - HHSN268201300025C			93.	179,948
Contract #HHSN268201300026C-OPT 3			93.	112,318
Contract #HHSN272201100038C			93.	89,886
Contract #14IPA1404866			93.	42,458
Contract #HSCEMD-15-Z-00002			93.	32,186
Contract #HHSN268200900047C OPTION 1			93.	14,394
Contract #N01-CN-75022-70			93.	1,668
Total Direct				<u>230,763,687</u>
Pass-Through				
Global AIDS	CENTRE FOR INFECTIOUS DISEASE RESEARCH IN ZAMBIA	5U2GGH000226-04	93.067	107,805
Global AIDS	CENTRE FOR INFECTIOUS DISEASE RESEARCH IN ZAMBIA	5U2GGH00226-04	93.067	27,616
Research of the Responsible Conduct of Research (RCR)	UNIVERSITY OF FLORIDA	ORR1IR130004	93.085	36,657
Environmental Health	INDIANA UNIVERSITY	1R01ES021735-01	93.113	125,755
Environmental Health	WAYNE STATE UNIVERSITY	1R01ES022606	93.113	84,610
Environmental Health	DUKE UNIVERSITY	7R21ES022875-03	93.113	26,585
Environmental Health	UNIVERSITY OF SOUTH CAROLINA RESEARCH FOUNDATION	1R15ES022409-01	93.113	6,762
Environmental Health	YALE UNIV	1R21ES022875-01	93.113	(7,254)
Oral Diseases and Disorders Research	UNIVERSITY AT BUFFALO	1RD1DE02267301	93.121	75,792
Oral Diseases and Disorders Research	UNIVERSITY OF AKRON	1R15DE022664-01	93.121	35,696
Oral Diseases and Disorders Research	UNIVERSITY OF KANSAS	5R01DE022054-04S1	93.121	35,460
Oral Diseases and Disorders Research	AGILE SCIENCES INC	2R44DE021312-02	93.121	7,206
Oral Diseases and Disorders Research	HEALTH DECISION TECHNOLOGIES	2R44DE021327-02	93.121	5,302
Oral Diseases and Disorders Research	THE RESEARCH FOUNDATION OF SUNY	DE018902	93.121	2,166
Oral Diseases and Disorders Research	VISTA ENGINEERING INC.	2R42DE019335-03A1	93.121	968
Oral Diseases and Disorders Research	MICROBIOTIX, INC	1 R43 DE023005	93.121	95
Human Genome Research	UNIVERSITY OF WASHINGTON	5R01HG005115-06	93.172	293,515
Human Genome Research	BAYLOR COLLEGE OF MEDICINE	1R01HG008115	93.172	90,507
Human Genome Research	HUDSON ALPHA INSTITUTE FOR BIOTECHNOLOGY	1UM1HG007301-01	93.172	69,243
Human Genome Research	HUDSON ALPHA INSTITUTE FOR BIOTECHNOLOGY	UM1HG007301	93.172	35,578
Human Genome Research	MOREHOUSE SCHOOL OF MEDICINE	SP50HG004488-05	93.172	(5,663)
Research Related to Deafness and Communication Disorders	BAEBIES INC	7R44DC012967	93.173	45,929
Research Related to Deafness and Communication Disorders	UNIVERSITY OF MINNESOTA	R01DC006452	93.173	20,330
Research Related to Deafness and Communication Disorders	THE FEINSTEIN INSTITUTE FOR MEDICAL RESEARCH	5U01DC007946	93.173	4,283
Research Related to Deafness and Communication Disorders	ADVANCED LIQUID LOGIC INC	4R44DC012967-02	93.173	(42)
Disabilities Prevention	HEMOPHILIA OF GEORGIA INC	2U27DD000862-04	93.184	43,717

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, 2015**

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				
Disabilities Prevention	HEMOPHILIA OF GEORGIA INC	5U27DD000862	93.184	151
Research and Training in Complementary and Alternative Medicine	MASSACHUSETTS GENERAL HOSPITAL	2U01AT000613-12	93.213	2,351
Research and Training in Complementary and Alternative Medicine	MASSACHUSETTS GENERAL HOSPITAL	5U01AT000613	93.213	165
National Center on Sleep Disorders Research	CALIFORNIA PACIFIC MED. CTR. RES. INST.	5R01HL071194-09	93.233	35,940
Mental Health Research Grants	UNIVERSITY OF WASHINGTON	R01MH098675	93.242	165,054
Mental Health Research Grants	UNIVERSITY OF CALIFORNIA IN SAN FRANCISCO	5R01MH102198-02	93.242	161,544
Mental Health Research Grants	UNIVERSITY OF NORTH CAROLINA AT CHAPEL HILL	1R01MH100970	93.242	85,510
Mental Health Research Grants	YALE UNIV	5R25MH087217-05 REVISED	93.242	16,343
Mental Health Research Grants	DUKE UNIVERSITY	5R01-MH086362	93.242	3,538
Mental Health Research Grants	THE REGENTS OF THE UNIVERSITY OF CALIFORNIA	R01MH095683	93.242	3,469
Substance Abuse and Mental Health Services_Projects of Regional and National Signifi	HEALTH SERVICE CENTER	T102320	93.243	558
Alcohol Research Programs	UNIVERSITY OF WASHINGTON	5U01AA020793-04	93.273	36,669
Alcohol Research Programs	UNIVERSITY OF WASHINGTON	U01AA020793	93.273	(20,562)
Drug Abuse and Addiction Research Programs	MEDICAL UNIVERSITY OF SOUTH CAROLINA	U10DA013727	93.279	67,059
Drug Abuse and Addiction Research Programs	VIRGINIA COMMONWEALTH UNIVERSITY	1R01DA033200-01A1	93.279	58,663
Drug Abuse and Addiction Research Programs	UNIVERSITY OF PITTSBURGH	2R01DA030385-05	93.279	19,832
Drug Abuse and Addiction Research Programs	UNIVERSITY OF PITTSBURGH	5R01DA034619-02	93.279	12,473
Drug Abuse and Addiction Research Programs	UNIVERSITY OF ALABAMA IN TUSCALOOSA	1R21DA035389-01A1	93.279	9,159
Drug Abuse and Addiction Research Programs	UNIVERSITY OF PITTSBURGH	5R01DA026312-03	93.279	6,656
Drug Abuse and Addiction Research Programs	UNIVERSITY OF WASHINGTON	1U01DA037702-01	93.279	5,502
The Affordable Care Act: Centers for Disease Control and Prevention_Investigations	UNIVERSITY OF COLORADO HEALTH SCIENCES CENTER	3 U01 IP000475-04S1	93.283	131,890
The Affordable Care Act: Centers for Disease Control and Prevention_Investigations	NATIONAL AFRICAN AMERICAN TOBACCO PREVENTION NET)	5U58DP004975-02	93.283	25,000
Discovery and Applied Research for Technological Innovations to Improve Human Health	INDIANA UNIVERSITY	5R01EB012027-03	93.286	220,227
Discovery and Applied Research for Technological Innovations to Improve Human Health	UNIVERSITY OF CINCINNATI	1R21EB016737-01A1	93.286	2,981
Minority Health and Health Disparities Research	BAYOU LA BATRE CLINIC	1U54MD008602	93.307	861,655
Minority Health and Health Disparities Research	JACKSON STATE UNIVERSITY	1P20MD0006899-01	93.307	70,453
Minority Health and Health Disparities Research	UNIVERSITY OF TEXAS HEALTH SCIENCE CTR AT HOUSTON	U24MD006941	93.307	3,021
Minority Health and Health Disparities Research	UNIVERSITY OF TEXAS HEALTH SCIENCE CTR AT HOUSTON	5U24MD006941	93.307	(851)
Minority Health and Health Disparities Research	BAYOU LA BATRE CLINIC	1U54MD008602-01	93.307	(8,437)
Trans-NIH Research Support	UNIVERSITY OF SOUTH ALABAMA	3R01CA155638-02S1	93.310	4,798
National Center for Advancing Translational Sciences	VIVO BIOSCIENCES INC	1R41TR001009-01A1	93.350	91,046
Research Infrastructure Programs	UNIVERSITY OF TEXAS HEALTH CENTER AT SAN ANTONIO	5R24OD010933-04	93.351	21,276
Research Infrastructure Programs	VANDERBILT UNIVERSITY MEDICAL CENTER	3R25OD011119-04S1	93.351	16,200
Nursing Research	UNIVERSITY OF MARYLAND	1R01NR012686-01	93.361	158,645
Nursing Research	RHODE ISLAND MEMORIAL HOSPITAL	1R01NR014782-01A1	93.361	39,092
Nursing Research	DUKE UNIVERSITY	5U24NR014637	93.361	27,677

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, 2015**

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>				
Nursing Research	NORTHWESTERN UNIVERSITY	1R21NR013660-01	93.361	700
National Center for Research Resources	GEORGIA REGENTS UNIVERSITY	1U01HL117684-01	93.389	(15,516)
Cancer Cause and Prevention Research	DUKE UNIVERSITY	1R01CA142081-01A1	93.393	82,256
Cancer Cause and Prevention Research	UNIVERSITY OF SOUTH ALABAMA	1R01CA155638	93.393	79,505
Cancer Cause and Prevention Research	UNIVERSITY OF VIRGINIA	5R01CA142081-05	93.393	33,998
Cancer Detection and Diagnosis Research	UNIVERSITY OF WASHINGTON	5P01CA042045-24	93.394	36,750
Cancer Detection and Diagnosis Research	UNIVERSITY OF WASHINGTON	5P01CA042045	93.394	19,251
Cancer Detection and Diagnosis Research	UNIVERSITY OF LOUISVILLE RESEARCH FOUNDATION, INC	1R15CA173693-01	93.394	11,095
Cancer Detection and Diagnosis Research	UNIVERSITY OF OKLAHOMA	1R01CA193378-01	93.394	2,674
Cancer Treatment Research	CHILDREN'S HOSPITAL OF PHILADELPHIA	U10CA098543	93.395	214,489
Cancer Treatment Research	OREGON HEALTH & SCIENCES UNIVERSITY	U10CA180888	93.395	94,672
Cancer Treatment Research	CHILDREN'S HOSPITAL OF PHILADELPHIA	U10CA180886-01	93.395	80,330
Cancer Treatment Research	JOHNS HOPKINS UNIVERSITY	UM1 CA137443	93.395	70,502
Cancer Treatment Research	CHILDREN'S HOSPITAL OF PHILADELPHIA	1U10CA180886	93.395	70,280
Cancer Treatment Research	JOHNS HOPKINS UNIVERSITY	U01CA137443	93.395	64,118
Cancer Treatment Research	ALBERT EINSTEIN COLLEGE OF MEDICINE OF YESHIVA U	1R01CA174634-01A1	93.395	44,410
Cancer Treatment Research	UNIVERSITY OF CALIFORNIA IN SAN DIEGO	1R01CA148791-02	93.395	32,524
Cancer Treatment Research	CHILDREN'S HOSPITAL OF PHILADELPHIA	U10CA095861	93.395	32,427
Cancer Treatment Research	CHILDREN'S HOSPITAL OF PHILADELPHIA	UM1CA097452	93.395	29,321
Cancer Treatment Research	CHILDREN'S HOSPITAL OF PHILADELPHIA	1U10CA180886-01	93.395	21,630
Cancer Treatment Research	CHILDREN'S HOSPITAL OF PHILADELPHIA	U10CA180886	93.395	18,654
Cancer Treatment Research	CHILDREN'S HOSPITAL OF PHILADELPHIA	1UG1CA189955-01	93.395	18,575
Cancer Treatment Research	JOHNS HOPKINS UNIVERSITY	U01CA137443-01	93.395	12,872
Cancer Treatment Research	ALBERT EINSTEIN COLLEGE OF MEDICINE OF YESHIVA U	R01CA174634	93.395	11,870
Cancer Treatment Research	NRG ONCOLOGY INC	1U10CA180868-01	93.395	7,420
Cancer Treatment Research	SOUTHWEST ONCOLOGY GROUP	CA32102	93.395	7,281
Cancer Treatment Research	NRG ONCOLOGY INC	5U10CA180868-02	93.395	5,715
Cancer Treatment Research	CHILDREN'S HOSPITAL OF PHILADELPHIA	5 U10 CA98543-04	93.395	3,405
Cancer Treatment Research	DUKE UNIVERSITY	CA31946	93.395	3,177
Cancer Treatment Research	SOUTHEASTERN GYNECOLOGIC ONCOLOGY	27469-02	93.395	2,726
Cancer Treatment Research	ST. JUDE CHILDREN'S RESEARCH HOSPITAL	5U24CA055727-21	93.395	2,621
Cancer Treatment Research	CHILDREN'S HOSPITAL OF PHILADELPHIA	5R01CA165277-03	93.395	1,765
Cancer Treatment Research	UNIVERSITY OF NORTH CAROLINA AT CHAPEL HILL	7D43CA153784-03	93.395	644
Cancer Treatment Research	UNIVERSITY OF CHICAGO	U10 CA31946	93.395	(466)
Cancer Treatment Research	EASTERN COOPERATIVE ONCOLOGY GROUP	CA21115	93.395	(137,442)
Cancer Biology Research	CEDARS-SINAI MEDICAL CENTER	5P01CA098912-07	93.396	82,862

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, 2015**

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>				
Cancer Biology Research	CEDARS-SINAI MEDICAL CENTER	5P01CA098912	93.396	68,767
Cancer Biology Research	MICHIGAN STATE UNIVERSITY	R21CA1715251	93.396	42,657
Cancer Biology Research	CEDARS-SINAI MEDICAL CENTER	P01CA098912	93.396	7,028
Cancer Biology Research	UNIVERSITY OF SOUTH CAROLINA RESEARCH FOUNDATION	7U01CA158428-04	93.396	3,882
Cancer Centers Support Grants	JOHNS HOPKINS UNIVERSITY	5P50CA098252	93.397	812,867
Cancer Centers Support Grants	BECKMAN RESEARCH INSTITUTE OF THE CITY OF HOPE	5P50CA107399-09	93.397	144,794
Cancer Centers Support Grants	UNIVERSITY OF TEXAS SOUTHWESTERN MEDICAL CENTER	3U54CA1608-04S1	93.397	20,724
Cancer Centers Support Grants	UNIVERSITY OF NEW MEXICO	5U54CA164336-04	93.397	13,273
Cancer Centers Support Grants	UNIVERSITY OF NEW MEXICO	5U54CA164336-05	93.397	5,767
Cancer Centers Support Grants	BECKMAN RESEARCH INSTITUTE OF THE CITY OF HOPE	5P50CA1407399-09	93.397	1,427
PPHF 2012 National Public Health Improvement Initiative	ALABAMA DEPT OF PUBLIC HEALTH	5U58CD001273-04	93.507	(6,515)
Foster Care_ Title IV-E	UNIVERSITY OF ALABAMA IN TUSCALOOSA	C50161203	93.658	2,990
Children's Health Insurance Program	ALABAMA DEPT OF PUBLIC HEALTH	7500515	93.767	40,916
Cardiovascular Diseases Research	GEORGIA REGENTS UNIVERSITY	2P01HL069999-11A1	93.837	718,065
Cardiovascular Diseases Research	UNIVERSITY OF COLORADO HEALTH SCIENCES CENTER	1R24HL123767-01	93.837	323,383
Cardiovascular Diseases Research	UNIVERSITY OF LOUISVILLE RESEARCH FOUNDATION, INC	2P01HL078825-06	93.837	183,016
Cardiovascular Diseases Research	GEORGIA REGENTS UNIVERSITY	5P01HL06999-12	93.837	172,569
Cardiovascular Diseases Research	UNIVERSITY OF TEXAS HEALTH SCIENCE CTR AT HOUSTON	5U01HL077863-11	93.837	157,379
Cardiovascular Diseases Research	UNIVERSITY OF WASHINGTON	5U01HL077863-10	93.837	148,077
Cardiovascular Diseases Research	WAKE FOREST UNIVERSITY SCHOOL OF MEDICINE	2P01HL051952-21A1	93.837	145,491
Cardiovascular Diseases Research	UNIVERSITY OF CALIFORNIA IN DAVIS	2P01HL08101	93.837	98,747
Cardiovascular Diseases Research	UNIVERSITY OF CINCINNATI	2R01HL067093-10	93.837	72,516
Cardiovascular Diseases Research	UNIVERSITY OF WASHINGTON	5R01HL103612-04	93.837	57,072
Cardiovascular Diseases Research	UNIVERSITY OF MICHIGAN	U01HL094345	93.837	46,876
Cardiovascular Diseases Research	UNIVERSITY OF TEXAS HEALTH CENTER AT TYLER	R18HL092955	93.837	41,992
Cardiovascular Diseases Research	UNIVERSITY OF MINNESOTA	5R01HL053560-14	93.837	37,571
Cardiovascular Diseases Research	KAISER FOUNDATION RESEARCH INSTITUTE	1R01HL122658	93.837	35,327
Cardiovascular Diseases Research	KAISER FOUNDATION RESEARCH INSTITUTE	1R01HL122658-01A1	93.837	35,245
Cardiovascular Diseases Research	UNIVERSITY OF LOUISVILLE RESEARCH FOUNDATION, INC	1R15HL115556-01A1	93.837	32,719
Cardiovascular Diseases Research	MEDICAL COLLEGE OF WISCONSIN	1U01HL107437	93.837	30,901
Cardiovascular Diseases Research	UNIVERSITY OF COLORADO HEALTH SCIENCES CENTER	1UH2HL123442-01	93.837	28,723
Cardiovascular Diseases Research	UNIVERSITY OF TEXAS HEALTH SCIENCE CTR AT HOUSTON	5U01HL077863-10	93.837	22,961
Cardiovascular Diseases Research	MASSACHUSETTS GENERAL HOSPITAL	1U01HL123336-01	93.837	18,427
Cardiovascular Diseases Research	ELGAVISH PARAMAGNETICS INC	2R42HL084844-02A1	93.837	14,928
Cardiovascular Diseases Research	NEW YORK UNIVERSITY MEDICAL SCHOOL	U01HL105907	93.837	14,882
Cardiovascular Diseases Research	NORTHWESTERN UNIVERSITY	5R01HL107877-04	93.837	14,384

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, 2015**

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>				
Cardiovascular Diseases Research	BRIGHAM & WOMENS HOSPITAL	5U01HL101422	93.837	10,526
Cardiovascular Diseases Research	BOSTON UNIVERSITY MEDICAL CAMPUS	5P01HL081587-09	93.837	10,127
Cardiovascular Diseases Research	BOSTON UNIVERSITY MEDICAL CAMPUS	P01HL081587-08A1	93.837	8,866
Cardiovascular Diseases Research	SEATTLE CHILDREN'S HOSPITAL	1UM1HL119073-02	93.837	5,883
Cardiovascular Diseases Research	JOHNS HOPKINS UNIVERSITY	1R34HL108756-02 REVISED	93.837	4,114
Cardiovascular Diseases Research	CHILDREN'S HOSPITAL OF PHILADELPHIA	R01HL112745	93.837	3,600
Cardiovascular Diseases Research	VANDERBILT UNIVERSITY MEDICAL CENTER	7K23HL087114-06	93.837	3,509
Cardiovascular Diseases Research	MEDICAL COLLEGE OF WISCONSIN	5U01HL107437	93.837	3,067
Cardiovascular Diseases Research	FRED HUTCHINSON CANCER RESEARCH CENTER	5R01HL05065	93.837	2,234
Cardiovascular Diseases Research	COLUMBIA UNIVERSITY IN THE CITY OF NEW YORK	5P01HL088117-05	93.837	1,280
Cardiovascular Diseases Research	YALE UNIV	R01HL081153	93.837	19
Lung Diseases Research	NATIONAL JEWISH MEDICAL AND RESEARCH CENTER	2R01HL089897	93.838	185,961
Lung Diseases Research	PROGENRA, INC	RHL114299B	93.838	85,155
Lung Diseases Research	NORTHWESTERN UNIVERSITY	1R01HL122477-01	93.838	84,312
Lung Diseases Research	BRIGHAM & WOMENS HOSPITAL	5U01HL102225-03	93.838	53,582
Lung Diseases Research	NORTHWESTERN UNIVERSITY	R01HL122477	93.838	52,045
Lung Diseases Research	SYNEDGEN INC	1R43HL118867-01	93.838	28,450
Lung Diseases Research	UNIVERSITY OF PENNSYLVANIA	5U01HL086622-05	93.838	21,000
Lung Diseases Research	UNIVERSITY OF PENNSYLVANIA	2R01HL087115-06A1	93.838	10,396
Lung Diseases Research	UNIVERSITY OF PENNSYLVANIA	5R01HL087115-07	93.838	4,029
Lung Diseases Research	DUKE UNIVERSITY	012	93.838	2,764
Blood Diseases and Resources Research	GEORGIA REGENTS UNIVERSITY	5U01HL117684-02	93.839	495,108
Blood Diseases and Resources Research	GEORGIA REGENTS UNIVERSITY	5U01HL117684-03	93.839	116,277
Blood Diseases and Resources Research	CHILDREN'S HOSPITAL OF PHILADELPHIA	P01HL064190	93.839	93,426
Blood Diseases and Resources Research	UNIVERSITY OF WASHINGTON	1R56HL126538-01	93.839	25,909
Blood Diseases and Resources Research	CHILDRENS HOSPITAL MEDICAL CENTER CINCINNATI OH	R01HL095647	93.839	13,969
Blood Diseases and Resources Research	UNIVERSITY OF WASHINGTON	1U01HL116383-01	93.839	11,372
Blood Diseases and Resources Research	CHILDRENS HOSPITAL MEDICAL CENTER CINCINNATI OH	7R01HL095647-05	93.839	3,531
Blood Diseases and Resources Research	UNIVERSITY OF PENNSYLVANIA	5R01HL066176-10	93.839	1,428
Arthritis, Musculoskeletal and Skin Diseases Research	UNIVERSITY OF NORTH CAROLINA AT CHAPEL HILL	5R01AR060852-03	93.846	132,897
Arthritis, Musculoskeletal and Skin Diseases Research	BOSTON UNIVERSITY MEDICAL CAMPUS	2P60AR047785-12	93.846	34,925
Arthritis, Musculoskeletal and Skin Diseases Research	UNIVERSITY OF WASHINGTON	1U01AR057954-04	93.846	30,818
Arthritis, Musculoskeletal and Skin Diseases Research	NORTHWESTERN UNIVERSITY	1UH2AR067687-01	93.846	26,145
Arthritis, Musculoskeletal and Skin Diseases Research	CALIFORNIA PACIFIC MED. CTR. RES. INST.	1R01AR065268-01A1	93.846	16,491
Arthritis, Musculoskeletal and Skin Diseases Research	BOSTON UNIVERSITY MEDICAL CAMPUS	5R01AR062506-01A1	93.846	5,723
Arthritis, Musculoskeletal and Skin Diseases Research	O.N. DIAGNOSTICS, LLC	2R44AR057616-03A1	93.846	856

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, 2015**

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>				
Arthritis, Musculoskeletal and Skin Diseases Research	BOSTON UNIVERSITY MEDICAL CAMPUS	5P60AR047785-12	93.846	(12)
Diabetes, Digestive, and Kidney Diseases Extramural Research	COLUMBIA UNIVERSITY IN THE CITY OF NEW YORK	2R01DK082753-05	93.847	400,870
Diabetes, Digestive, and Kidney Diseases Extramural Research	THE GEORGE WASHINGTON UNIVERSITY	1U01DK098246-03	93.847	389,955
Diabetes, Digestive, and Kidney Diseases Extramural Research	UNIVERSITY OF TEXAS AT AUSTIN	5R01DK062148	93.847	201,573
Diabetes, Digestive, and Kidney Diseases Extramural Research	MOUNT SINAI SCHOOL OF MEDICINE	2U54DK083909-06	93.847	154,990
Diabetes, Digestive, and Kidney Diseases Extramural Research	SEATTLE CHILDREN'S HOSPITAL	1R01DK103608-01	93.847	100,213
Diabetes, Digestive, and Kidney Diseases Extramural Research	UNIVERSITY OF TEXAS AT AUSTIN	3R01DK062148-10S1	93.847	95,947
Diabetes, Digestive, and Kidney Diseases Extramural Research	GEORGIA REGENTS UNIVERSITY	1U24DK076169-09	93.847	94,808
Diabetes, Digestive, and Kidney Diseases Extramural Research	KAISER FOUNDATION RESEARCH INSTITUTE	R01 DK084997-01A1	93.847	75,136
Diabetes, Digestive, and Kidney Diseases Extramural Research	UNIVERSITY OF TEXAS SOUTHWESTERN MEDICAL CENTER	U01DK058369	93.847	68,879
Diabetes, Digestive, and Kidney Diseases Extramural Research	BRIGHTOUTCOME INC	1R43DK097972-01	93.847	64,311
Diabetes, Digestive, and Kidney Diseases Extramural Research	MAYO CLINIC ROCHESTER	U01 DK056957	93.847	52,961
Diabetes, Digestive, and Kidney Diseases Extramural Research	EMORY UNIVERSITY	1DP3DK094346-01	93.847	49,591
Diabetes, Digestive, and Kidney Diseases Extramural Research	FAST BIOMEDICAL	1R44DK093274-01 REVISED	93.847	38,995
Diabetes, Digestive, and Kidney Diseases Extramural Research	MASSACHUSETTS GENERAL HOSPITAL	2R01DK053093-15A1	93.847	38,512
Diabetes, Digestive, and Kidney Diseases Extramural Research	CHILDRENS HOSPITAL MEDICAL CENTER CINCINNATI OH	5UM1DK072493-09	93.847	35,963
Diabetes, Digestive, and Kidney Diseases Extramural Research	THE GEORGE WASHINGTON UNIVERSITY	3U01DK096037-03S1	93.847	34,579
Diabetes, Digestive, and Kidney Diseases Extramural Research	THE CHILDREN'S MERCY HOSPITAL	2U01DK066143	93.847	25,068
Diabetes, Digestive, and Kidney Diseases Extramural Research	MAYO CLINIC ROCHESTER	5U01DK056957-15	93.847	20,694
Diabetes, Digestive, and Kidney Diseases Extramural Research	WASHINGTON UNIVERSITY IN ST LOUIS	2U01DK082315-06	93.847	19,628
Diabetes, Digestive, and Kidney Diseases Extramural Research	THE GEORGE WASHINGTON UNIVERSITY	1R01DK104845-01	93.847	19,074
Diabetes, Digestive, and Kidney Diseases Extramural Research	DUKE UNIVERSITY	5P30DK096493-03	93.847	18,761
Diabetes, Digestive, and Kidney Diseases Extramural Research	UNIVERSITY OF MINNESOTA	5K23DK087919-04	93.847	18,333
Diabetes, Digestive, and Kidney Diseases Extramural Research	PENNINGTON BIOMEDICAL RESEARCH CENTER	9R01DK089641	93.847	17,743
Diabetes, Digestive, and Kidney Diseases Extramural Research	UNIVERSITY OF NORTH CAROLINA AT CHAPEL HILL	5UM1DK100867-02	93.847	15,538
Diabetes, Digestive, and Kidney Diseases Extramural Research	COLUMBIA UNIVERSITY IN THE CITY OF NEW YORK	1R01DK105124-01	93.847	13,469
Diabetes, Digestive, and Kidney Diseases Extramural Research	KAISER FOUNDATION RESEARCH INSTITUTE	5R01DK090047-01A1	93.847	9,127
Diabetes, Digestive, and Kidney Diseases Extramural Research	JOHNS HOPKINS UNIVERSITY	5U01DK062431-13	93.847	8,478
Diabetes, Digestive, and Kidney Diseases Extramural Research	GEORGIA REGENTS UNIVERSITY	3U24DK076169-08S4	93.847	6,437
Diabetes, Digestive, and Kidney Diseases Extramural Research	THE CHILDREN'S MERCY HOSPITAL	U01DK066143	93.847	3,995
Diabetes, Digestive, and Kidney Diseases Extramural Research	THE RESEARCH INSTITUTE AT NATIONWIDE CHILDRENS HO	5UM1DK100866-02	93.847	1,775
Diabetes, Digestive, and Kidney Diseases Extramural Research	CHILDREN'S HOSPITAL OF PHILADELPHIA	1R01DK085212-01A1	93.847	254
Diabetes, Digestive, and Kidney Diseases Extramural Research	THE CHILDREN'S MERCY HOSPITAL	2U01DK066143-11	93.847	22
Diabetes, Digestive, and Kidney Diseases Extramural Research	UNIVERSITY OF PITTSBURGH	1R01DK77906-01A2	93.847	(1,291)
Diabetes, Digestive, and Kidney Diseases Extramural Research	JOHNS HOPKINS UNIVERSITY	5U01DK062431-12	93.847	(1,683)
Diabetes, Digestive, and Kidney Diseases Extramural Research	MAYO CLINIC ROCHESTER	2 U01 DK056957	93.847	(6,680)

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, 2015

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	DISCOVERY BIOMED INC	2R44DK084658-02A1	93.847	(18,692)
Extramural Research Programs in the Neurosciences and Neurological Disorders	MOUNT SINAI SCHOOL OF MEDICINE	5U01NS045719-07	93.853	867,180
Extramural Research Programs in the Neurosciences and Neurological Disorders	UMDNJ/RUTGERS	2R01NS038384-12	93.853	380,844
Extramural Research Programs in the Neurosciences and Neurological Disorders	JOHNS HOPKINS UNIVERSITY	7R01NS075047-02	93.853	318,986
Extramural Research Programs in the Neurosciences and Neurological Disorders	UNIVERSITY OF CHICAGO	1U01NS069997-03	93.853	197,421
Extramural Research Programs in the Neurosciences and Neurological Disorders	CHILDREN'S HOSPITAL BOSTON	U01NS082320	93.853	143,814
Extramural Research Programs in the Neurosciences and Neurological Disorders	CHILDREN'S HOSPITAL BOSTON	5U01NS082320-03	93.853	143,776
Extramural Research Programs in the Neurosciences and Neurological Disorders	UNIVERSITY OF CINCINNATI	R01NS039512	93.853	123,322
Extramural Research Programs in the Neurosciences and Neurological Disorders	JOHNS HOPKINS UNIVERSITY	5U01NS062851-03	93.853	66,839
Extramural Research Programs in the Neurosciences and Neurological Disorders	JOHNS HOPKINS UNIVERSITY	1U01NS080824-01A1	93.853	61,769
Extramural Research Programs in the Neurosciences and Neurological Disorders	MASSACHUSETTS GENERAL HOSPITAL	1U10NS077420	93.853	57,201
Extramural Research Programs in the Neurosciences and Neurological Disorders	UNIVERSITY OF BRITISH COLUMBIA	2 U01 NS038529-09	93.853	40,526
Extramural Research Programs in the Neurosciences and Neurological Disorders	NORTHWESTERN UNIVERSITY	U01NS080818	93.853	30,839
Extramural Research Programs in the Neurosciences and Neurological Disorders	MEDICAL COLLEGE OF WISCONSIN	R01NS035929-13	93.853	28,208
Extramural Research Programs in the Neurosciences and Neurological Disorders	EMORY UNIVERSITY	3 U01 NS038455-13	93.853	28,143
Extramural Research Programs in the Neurosciences and Neurological Disorders	UNIVERSITY OF FLORIDA	R01NS073346	93.853	22,762
Extramural Research Programs in the Neurosciences and Neurological Disorders	NORTHWESTERN UNIVERSITY	U01NS080818-02	93.853	22,548
Extramural Research Programs in the Neurosciences and Neurological Disorders	UNIVERSITY OF CALIFORNIA IN SAN FRANCISCO	U01NS058634-05	93.853	21,361
Extramural Research Programs in the Neurosciences and Neurological Disorders	THE REGENTS OF THE UNIVERSITY OF CALIFORNIA	R01NS071463	93.853	18,555
Extramural Research Programs in the Neurosciences and Neurological Disorders	MEDICAL COLLEGE OF WISCONSIN	5R01NS035929-14	93.853	11,674
Extramural Research Programs in the Neurosciences and Neurological Disorders	CHILDREN'S HOSPITAL BOSTON	1U54NS092090-01	93.853	10,186
Extramural Research Programs in the Neurosciences and Neurological Disorders	CHILDRENS HOSPITAL MEDICAL CENTER CINCINNATI OH	5R01NS065840-04	93.853	6,640
Extramural Research Programs in the Neurosciences and Neurological Disorders	CHILDREN'S HOSPITAL BOSTON	5U01NS082320-02	93.853	4,819
Extramural Research Programs in the Neurosciences and Neurological Disorders	REGENTS OF THE UNIVERSITY OF MINNESOTA	1U01NS062091-01A2	93.853	4,487
Extramural Research Programs in the Neurosciences and Neurological Disorders	MAYO CLINIC JACKSONVILLE	5U01NS080168-02	93.853	1,029
Extramural Research Programs in the Neurosciences and Neurological Disorders	UNIVERSITY OF CALIFORNIA IN SAN FRANCISCO	1U01NS058634-01A2	93.853	604
Extramural Research Programs in the Neurosciences and Neurological Disorders	UNIVERSITY OF TEXAS AT DALLAS	2R01NS065926-05A1	93.853	466
Extramural Research Programs in the Neurosciences and Neurological Disorders	MASSACHUSETTS GENERAL HOSPITAL	2P50NS037409-10A1	93.853	446
Extramural Research Programs in the Neurosciences and Neurological Disorders	CHILDRENS HOSPITAL MEDICAL CENTER CINCINNATI OH	5U01NS045911	93.853	170
Extramural Research Programs in the Neurosciences and Neurological Disorders	JOHNS HOPKINS UNIVERSITY	5 R01NS046309-06	93.853	28
Extramural Research Programs in the Neurosciences and Neurological Disorders	UMDNJ/RUTGERS	R01 NS38384	93.853	(308)
Extramural Research Programs in the Neurosciences and Neurological Disorders	EMORY UNIVERSITY	2U01NS038455-11A1	93.853	(4,585)
Allergy, Immunology and Transplantation Research	EMORY UNIVERSITY	1U01AI084150	93.855	793,801
Allergy, Immunology and Transplantation Research	EMORY UNIVERSITY	5P01AI078907-04	93.855	392,707
Allergy, Immunology and Transplantation Research	FRED HUTCHINSON CANCER RESEARCH CENTER	2UM1AI068614-08	93.855	341,636
Allergy, Immunology and Transplantation Research	BRIGHAM & WOMENS HOSPITAL	7UM1AI068636	93.855	307,280

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, 2015**

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	UNIVERSITY OF CALIFORNIA IN DAVIS	1R01AI097629-01	93.855	302,552
Allergy, Immunology and Transplantation Research	BRIGHAM & WOMENS HOSPITAL	2UM1AI068636-08	93.855	223,722
Allergy, Immunology and Transplantation Research	EMORY UNIVERSITY	2R01AI064060-06A1	93.855	220,551
Allergy, Immunology and Transplantation Research	UNIVERSITY OF MINNESOTA	1U19AI070119-09	93.855	193,511
Allergy, Immunology and Transplantation Research	BRIGHAM & WOMENS HOSPITAL	5UM1AI068636	93.855	171,919
Allergy, Immunology and Transplantation Research	EMORY UNIVERSITY	R01AI064060-10	93.855	162,565
Allergy, Immunology and Transplantation Research	UNIVERSITY OF CALIFORNIA IN DAVIS	2R56AI049342-10A1	93.855	145,258
Allergy, Immunology and Transplantation Research	TULANE UNIVERSITY	1R01AI097080-02	93.855	141,580
Allergy, Immunology and Transplantation Research	MAGEE-WOMENS RESEARCH INSTIUTUE & FOUNDATION	UM1AI068633	93.855	133,273
Allergy, Immunology and Transplantation Research	CHILDRENS HOSPITAL LOS ANGELES	UM1AI06716	93.855	115,963
Allergy, Immunology and Transplantation Research	DUKE UNIVERSITY	1UM1AI00645	93.855	104,710
Allergy, Immunology and Transplantation Research	THE REGENTS OF THE UNIVERSITY OF CALFORNIA	1R01AI097629	93.855	102,293
Allergy, Immunology and Transplantation Research	JOHNS HOPKINS UNIVERSITY	5U01AI069918-09	93.855	90,366
Allergy, Immunology and Transplantation Research	FLORIDA STATE UNIVERSITY	1P01AI074805-01A1/FSU#227000-520-023294	93.855	73,004
Allergy, Immunology and Transplantation Research	EMORY UNIVERSITY	2R01AI064060-11	93.855	67,486
Allergy, Immunology and Transplantation Research	BIODTECH INC	1R43AI114445-01	93.855	59,999
Allergy, Immunology and Transplantation Research	JOHNS HOPKINS UNIVERSITY	UM1AI068632	93.855	56,866
Allergy, Immunology and Transplantation Research	EMORY UNIVERSITY	2R01AI064060-11A1	93.855	48,039
Allergy, Immunology and Transplantation Research	TULANE UNIVERSITY	1R01AI097080	93.855	46,397
Allergy, Immunology and Transplantation Research	UNIVERSITY OF TEXAS AT EL PASO	1R01AI102663-01	93.855	46,184
Allergy, Immunology and Transplantation Research	SOUTHERN RESEARCH INSTITUTE	1R21AI101924	93.855	43,811
Allergy, Immunology and Transplantation Research	OKLAHOMA MEDICAL RESEARCH FOUNDATION	1P01AI083194-01	93.855	42,233
Allergy, Immunology and Transplantation Research	BRIGHAM & WOMENS HOSPITAL	5UM1AI068636-10	93.855	32,664
Allergy, Immunology and Transplantation Research	MICROBIOTIX, INC	2R44AI082799	93.855	31,038
Allergy, Immunology and Transplantation Research	DUKE UNIVERSITY	5UM1AI00645-04	93.855	26,746
Allergy, Immunology and Transplantation Research	ALBERT EINSTEIN COLLEGE OF MEDICINE OF YESHIVA U	5R01-AI097096-04	93.855	23,636
Allergy, Immunology and Transplantation Research	ALBERT EINSTEIN COLLEGE OF MEDICINE OF YESHIVA U	R01AI1097096	93.855	20,579
Allergy, Immunology and Transplantation Research	ACTUATED MEDICAL INC	2R44AI080335-02A1	93.855	17,996
Allergy, Immunology and Transplantation Research	THERAPEUTICS SYSTEMS RESEARCH LAB	2R44AI00401-03	93.855	17,280
Allergy, Immunology and Transplantation Research	MICROBIOTIX, INC	2R44AI072861	93.855	16,618
Allergy, Immunology and Transplantation Research	GEORGE MASON UNIVERSITY	2R01AI0043894-11A2	93.855	13,816
Allergy, Immunology and Transplantation Research	UNIVERSITY OF CALIFORNIA IN SAN FRANCISCO	1U01AL113362-01	93.855	10,893
Allergy, Immunology and Transplantation Research	THERAPEUTICS SYSTEMS RESEARCH LAB	1R43AI00401-01A1	93.855	10,685
Allergy, Immunology and Transplantation Research	JOHNS HOPKINS UNIVERSITY	U01AI109657-01	93.855	10,025
Allergy, Immunology and Transplantation Research	JOHNS HOPKINS UNIVERSITY	5U01AI069918-10	93.855	9,466
Allergy, Immunology and Transplantation Research	DREXEL UNIVERSITY	5U01AI095085-03	93.855	5,642

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, 2015**

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	DUKE UNIVERSITY	UM1A104681	93.855	3,042
Allergy, Immunology and Transplantation Research	CHILDREN'S HOSPITAL OF PHILADELPHIA	U54AI082973	93.855	2,482
Allergy, Immunology and Transplantation Research	BENAROYA RESEARCH INSITUTE AT VIRGINIA MASON	5UM1A109565-025	93.855	193
Allergy, Immunology and Transplantation Research	JOHNS HOPKINS UNIVERSITY	1 U01A1109657-01	93.855	(2,248)
Biomedical Research and Research Training	TECHNION(ISRAEL INSTITUTE OF TECHNOLOGY) R& D FOUNI	4R01GM094792-04	93.859	72,769
Biomedical Research and Research Training	SOLUBLE THERAPEUTICS, LLC	1R41GM109565-01A1	93.859	70,108
Biomedical Research and Research Training	UNIVERSITY OF PITTSBURGH	5PS50GM082251-08	93.859	65,908
Biomedical Research and Research Training	WEST VIRGINIA UNIVERSITY	P20GM109098	93.859	45,167
Biomedical Research and Research Training	ST. JUDE CHILDREN'S RESEARCH HOSPITAL	5U01GM92666-05	93.859	8,769
Biomedical Research and Research Training	UNIVERSITY OF ILLINOIS AT CHICAGO	R01GM096191-03	93.859	8,308
Biomedical Research and Research Training	UNIVERSITY OF PITTSBURGH	P50GM082251	93.859	6,908
Biomedical Research and Research Training	UNIVERSITY OF PITTSBURGH	1R01GM101197-01A1	93.859	1,954
Biomedical Research and Research Training	UNIVERSITY OF MISSISSIPPI MEDICAL CENTER	1R01GM103799	93.859	1,598
Child Health and Human Development Extramural Research	RTI INTERNATIONAL	5U10HD034216-15	93.865	470,075
Child Health and Human Development Extramural Research	THE GEORGE WASHINGTON UNIVERSITY	U10HD036801	93.865	461,299
Child Health and Human Development Extramural Research	HARVARD SCHOOL OF PUBLIC HEALTH	5U01HD052102-19 HSPH S	93.865	344,204
Child Health and Human Development Extramural Research	WASHINGTON UNIVERSITY IN ST LOUIS	1U01HD077384-01A1	93.865	246,733
Child Health and Human Development Extramural Research	UNIVERSITY OF NORTH CAROLINA AT GREENSBORO	1R15HD071431-01A1	93.865	127,953
Child Health and Human Development Extramural Research	UNIVERSITY OF MARYLAND	R01HD067126	93.865	115,471
Child Health and Human Development Extramural Research	REGENTS OF THE UNIVERSITY OF COLORADO	1R01HD080477-01	93.865	88,928
Child Health and Human Development Extramural Research	PENNSYLVANIA STATE UNIVERSITY (THE)	1R01HD066982-01	93.865	68,711
Child Health and Human Development Extramural Research	UNIVERSITY OF CAPE TOWN	1R01HD083026-01	93.865	50,868
Child Health and Human Development Extramural Research	OREGON HEALTH & SCIENCES UNIVERSITY	1R01HD0696910-01A1	93.865	41,806
Child Health and Human Development Extramural Research	UNIVERSITY OF NORTH CAROLINA AT CHAPEL HILL	1R01HD061622-01A1	93.865	29,158
Child Health and Human Development Extramural Research	INVOTEK INC	1R43HD080283-01	93.865	28,697
Child Health and Human Development Extramural Research	UNIVERSITY OF MARYLAND	1R01HD067126	93.865	27,563
Child Health and Human Development Extramural Research	UNIVERSITY OF TEXAS MEDICAL BRANCH	5U10HD047891-10	93.865	13,737
Child Health and Human Development Extramural Research	UNIVERSITY OF WISCONSIN IN MADISON	1R01HD071089-01A1	93.865	7,331
Child Health and Human Development Extramural Research	OREGON HEALTH & SCIENCES UNIVERSITY	5R01HD069610-04	93.865	6,218
Child Health and Human Development Extramural Research	BENTON TECHNOLOGIES INC	1R43HD072823-01	93.865	4,734
Child Health and Human Development Extramural Research	WAYNE STATE UNIVERSITY	5U10HD021385	93.865	2,280
Child Health and Human Development Extramural Research	UNIVERSITY OF UTAH	5U10HD034208-20S	93.865	1,298
Child Health and Human Development Extramural Research	HARVARD SCHOOL OF PUBLIC HEALTH	U01HD052102	93.865	(3,429)
Aging Research	UNIVERSITY OF FLORIDA	2R37AG033906-11	93.866	479,927
Aging Research	UNIVERSITY OF KENTUCKY RESEARCH FOUNDATION	1R01AG046920-01A1	93.866	260,065
Aging Research	UNIVERSITY OF IOWA	1R01AG033035-01A2	93.866	206,881

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, 2015**

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>				
Aging Research	UNIVERSITY OF PENNSYLVANIA	3U01AG030644-02S3	93.866	85,025
Aging Research	UNIVERSITY OF KENTUCKY RESEARCH FOUNDATION	1R01AG034605	93.866	53,220
Aging Research	ALZHEIMER'S DISEASE COOPERATIVE STUDY	2U01AG24904-06	93.866	46,866
Aging Research	WAKE FOREST UNIVERSITY SCHOOL OF MEDICINE	R224AG044325	93.866	18,353
Aging Research	UNIVERSITY OF CALIFORNIA IN SAN DIEGO	2U19AG010483-22	93.866	15,024
Aging Research	UNIVERSITY OF PENNSYLVANIA	1R01AG037679-01A1	93.866	14,280
Aging Research	UNIVERSITY OF PITTSBURGH	1R01AG045176-01	93.866	6,904
Aging Research	UNIVERSITY OF SOUTHERN CALIFORNIA	1R01AG037561-01A1	93.866	6,348
Aging Research	UNIVERSITY OF NORTH CAROLINA AT CHAPEL HILL	5K23AG038548-02	93.866	1,534
Aging Research	UNIVERSITY OF FLORIDA	9R01AG033906-06	93.866	368
Aging Research	UNIVERSITY OF CALIFORNIA IN SAN DIEGO	5R01AG030048	93.866	(49,549)
Vision Research	UNIVERSITY OF CALIFORNIA IN SAN DIEGO	1R01EY023704-01	93.867	218,728
Vision Research	UNIVERSITY OF CALIFORNIA - BERKELEY	R01EY023591	93.867	158,416
Vision Research	NEW YORK UNIVERSITY	5R01EY021470	93.867	134,799
Vision Research	UNIVERSITY OF CALIFORNIA IN SAN DIEGO	1R01EY019869-01	93.867	123,321
Vision Research	UNIVERSITY OF MISSISSIPPI MEDICAL CENTER	2R01EY014263-09	93.867	68,524
Vision Research	UNIVERSITY OF FLORIDA	R01EY024280	93.867	24,027
Vision Research	SALUS UNIVERSITY	1U10EY022599-01A1	93.867	8,732
Vision Research	JAEB CENTER FOR HEALTH RESEARCH INC	U10EY11751	93.867	3,960
Vision Research	ST LUKES ROOSEVELT HOSPITAL CENTER	1U10EY017281-01A1	93.867	23
Specially Selected Health Projects	CHILDREN'S HOSPITAL OF PHILADELPHIA	U10CA180886	93.888	6,987
HIV Prevention Activities_Health Department Based	ALABAMA DEPT OF PUBLIC HEALTH	1U62PS003632-02 PS12-1201	93.940	592,994
International Research and Research Training	THE FLORIDA INTL UNIVERSITY OF BOARD OF TRUSTEES	1D43TW009125-01	93.989	24,019
International Research and Research Training	UNIVERSIDAD PERUANA CAYETANO HEREDIA	1D43TW009763-01	93.989	21,519
International Research and Research Training	UNIVERSIDAD PERUANA CAYETANO HEREDIA	5D43TW009763-02	93.989	10,858
International Research and Research Training	NATIONAL INSTITUTE OF HEALTH SCEINCES,SRI LANKA	5R01TW009401-02	93.989	7,248
International Research and Research Training	UNIV OF ZAMBIA SCH OF MED	1R24TW008873-03	93.989	(490)
Contract	UNIVERSITY OF ROCHESTER	HHSN272201200005C	93.	401,257
Contract	STEEL FOUNDER'S SOCIETY OF AMERICA	CAST-008	93.	257,311
Contract	UNIVERSITY OF ROCHESTER	HHSN272201200005C	93.	195,083
Contract	JOHNS HOPKINS UNIVERSITY	UM1AI068632	93.	144,067
Contract	WAKE FOREST UNIVERSITY SCHOOL OF MEDICINE	HHSN26800900019 C	93.	143,661
Contract	MASSACHUSETTS GENERAL HOSPITAL	HHSN271201100006I	93.	134,307
Contract	UNIVERSITY OF CALIFORNIA IN SAN FRANCISCO	HHSN266200400074C	93.	90,824
Contract	UNITED SOYBEAN BOARD	1440-513-5299	93.	61,482
Contract	SOUTHERN RESEARCH INSTITUTE	NO1-CO-12400	93.	52,543

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, 2015**

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	REGENTS OF THE UNIVERSITY OF MINNESOTA	200-2012-52155	93.	52,542
Contract	UNIVERSITY OF CINCINNATI	HHSF223201110112A	93.	50,684
Contract	RAND CORPORATION	HFSM-500-20174-00399G	93.	33,985
Contract	UNIVERSITY OF TEXAS SOUTHWESTERN MEDICAL CENTER	HHSN268201200019C	93.	31,596
Contract	UNIVERSITY OF CHICAGO	HHSN275201200004I	93.	27,779
Contract	DUKE UNIVERSITY	HHSN-275201000031	93.	25,725
Contract	BRIGHAM & WOMENS HOSPITAL	NONE	93.	24,354
Contract	DUKE UNIVERSITY	HHSN-2752010000031	93.	21,560
Contract	SCIENCE APPLICATION INTERNATIONAL CORP	PO10210824/W15QKN-14-9-002-RPP2	93.	19,752
Contract	WESTAT CORPORATION	HHSN275201300003C	93.	18,550
Contract	WASHINGTON UNIVERSITY IN ST LOUIS	HHSN261201000061C	93.	15,450
Contract	UNIVERSITY OF WISCONSIN IN MADISON	N01-CN-35153	93.	15,324
Contract	UNIVERSITY OF WISCONSIN IN MADISON	HHSN261201200033I	93.	14,365
Contract	CHILDREN'S HOSPITAL OF PHILADELPHIA	N02-CM-62212	93.	12,942
Contract	ICF INCORPORATED LLC	HHSN316201200028W	93.	11,139
Contract	COLUMBIA UNIVERSITY IN THE CITY OF NEW YORK	NONE	93.	6,972
Contract	UNIVERSITY OF MARYLAND	HHSN27620110004C	93.	5,921
Contract	UNIVERSITY OF ROCHESTER	HHSN27221200005C	93.	4,892
Contract	DUKE UNIVERSITY	HHSN272200900023C	93.	2,536
Contract	WESTAT CORPORATION	HHSN261201100008C	93.	1,966
Contract	AMERICAN COLLEGE OF RADIOLOGY	NONE	93.	1,628
Contract	UNIVERSITY OF CALIFORNIA IN SAN FRANCISCO	HHSN26620040074C	93.	1,502
Contract	UNIVERSITY OF WISCONSIN IN MADISON	HHSN261201200033I	93.	1,470
Contract	ABT ASSOCIATES INC	HSA290201000031I	93.	1,248
Contract	CHILDREN'S HOSPITAL OF PHILADELPHIA	HHSN261200800001E	93.	825
Contract	UNIVERSITY OF WISCONSIN IN MADISON	N01CN05014-69	93.	733
Contract	UNIVERSITY OF CALIFORNIA IN SAN FRANCISCO	N01-AI-15416	93.	188
Contract	UNIVERSITY OF PENNSYLVANIA	HHSN268200800003C	93.	(4,368)
Contract	BAVARIAN NORDIC A/S	HHS0100200700034C	93.	(9,565)
Contract	EMMES CORPORATION	NONE	93.	(29,291)
Unknown	RTI INTERNATIONAL	1U01HD069031	93.	227,609
Unknown	WILLIAM BEAUMONT HOSPITAL	R01AG043383	93.	196,115
Unknown	LEGACY RESEARCH	R01EY011610	93.	126,628
Unknown	WAKE FOREST UNIVERSITY SCHOOL OF MEDICINE	U01AG029824	93.	75,574
Unknown	ALABAMA DEPT OF PUBLIC HEALTH	5U58DP004849-02	93.	48,710
Unknown	MASSACHUSETTS GENERAL HOSPITAL	P01NS087997	93.	43,280

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, 2015**

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>				
Unknown	AMERICAN COLLEGE OF RADIOLOGY	NONE	93.	40,630
Unknown	ALABAMA DEPT OF CHILDREN'S AFFAIRS	HVCE 2014-F100	93.	33,317
Unknown	RADIATION MONITORING DEVICES INC	2R44EY019197-02	93.	31,096
Unknown	UNIVERSITY OF SOUTH FLORIDA	U01 DK061055	93.	28,457
Unknown	CHILDREN'S HOSPITAL LOS ANGELES	UNK	93.	24,300
Unknown	EMORY UNIVERSITY	5U10EY013272-12	93.	21,681
Unknown	BRIGHAM & WOMENS HOSPITAL	5R01HL117713-03	93.	21,127
Unknown	ALABAMA DEPT OF PUBLIC HEALTH	1U58DP003854-01	93.	19,937
Unknown	CENTRE FOR INFECTIOUS DISEASE RESEARCH IN ZAMBIA	018(115616) SA1	93.	14,104
Unknown	UNIVERSITY OF PITTSBURGH	1U01NS081041-01A1	93.	10,679
Unknown	AMERICAN COLLEGE OF RADIOLOGY	U10CA21661	93.	8,111
Unknown	EMMES CORPORATION	1U01NS026835-01A1	93.	6,167
Unknown	AMERICAN COLLEGE OF RADIOLOGY	CA80098	93.	1,519
Unknown	EASTERN COOPERATIVE ONCOLOGY GROUP	NONE	93.	1,103
Unknown	UNIVERSITY OF PITTSBURGH	1R01MH103313-01A1	93.	815
Unknown	EMORY UNIVERSITY	U54NS065701	93.	440
Total Pass-Through				<u>26,893,785</u>
ARRA Pass-Through				
ARRA - DUKE 203-0666	DUKE UNIVERSITY	1UC4NR012584	93.701	28,965
ARRA - ACRIN 4701	AMERICAN COLLEGE OF RADIOLOGY	1R01HS019403-01	93.701	89
ARRA - SAIC-F 13XS142T01	LEIDOS BIOMEDICAL RESEARCH INC	HHSN261200800001E	93.	11,811
ARRA - 14X183ST PO#R003197	LEIDOS BIOMEDICAL RESEARCH, INC	HHSN261200800001E	93.	11,805
Total ARRA Pass-Through				<u>52,670</u>
Total Department of Health and Human Services				257,710,142
<u>Corporation for National and Community Services</u>				
Direct				
Contract #HHSN2722010000271			94.	<u>27,727</u>
Total Direct				<u>27,727</u>
Pass-Through				
Social Innovation Fund	AIDS UNITED	NONE	94.019	132,745
Social Innovation Fund	AIDS UNITED	10SIHDC001	94.019	59,327
Total Pass-Through				<u>192,072</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, 2015**

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>				
Total Corporation for National and Community Services				219,799
<u>U. S. Agency for International Development</u>				
Pass-Through				
USAID Foreign Assistance for Programs Overseas	POPULATION COUNCIL INC	GPO-A-00-00019	98.001	259,819
Total Pass-Through				<u>259,819</u>
Total U. S. Agency for International Development				259,819
TOTAL RESEARCH AND DEVELOPMENT CLUSTER				287,263,342
STUDENT FINANCIAL AID CLUSTER				
<u>Department of Education</u>				
Direct				
Federal Supplemental Education Opportunity Grant			84.007	784,229
Federal Work-Study Program			84.033	1,066,036
Federal Pell Grant			84.063	17,671,431
Direct Student Loans			84.268	136,484,916
Teacher Education Assistance for College and Higher Education Grants (TEACH)			84.379	44,545
Total Direct				<u>156,051,157</u>
Total Department of Education				156,051,157
<u>Department of Health and Human Services</u>				
Direct				
Nurse Faculty Loan Program			93.264	307,300
Scholarships for Health Professions Students from Disadvantaged Backgrounds			93.925	1,460,228
Total Direct				<u>1,767,528</u>
Total Department of Health and Human Services				1,767,528
TOTAL STUDENT FINANCIAL AID CLUSTER				157,818,685

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, 2015**

Federal Grantor	Pass-Through Grantor	Contract/Award or Pass-Through Num	CFDA Number	Total Expenditures
HEAD START				
<u>Department of Health and Human Services</u>				
Direct				
Head Start			93.600	934,889
Total Direct				<u>934,889</u>
Total Department of Health and Human Services				934,889
TOTAL HEAD START				934,889
HEALTH CARE INNOVATION AWARDS				
<u>Department of Health and Human Services</u>				
Direct				
Health Care Innovation Awards (HCIA)			93.610	4,054,553
Total Direct				<u>4,054,553</u>
Pass-Through				
Health Care Innovation Awards (HCIA)	ALABAMA QUALITY ASSURANCE FOUNDATION	1E1CMS331087-01-00	93.610	125,441
Health Care Innovation Awards (HCIA)	FOUNDATION FOR CALIFORNIA COMMUNITY COLLEGES	TC-006-13	93.610	96,005
Total Pass-Through				<u>221,446</u>
Total Department of Health and Human Services				4,275,999
TOTAL HEALTH CARE INNOVATION AWARDS				4,275,999
POST-9/11 VETERANS EDUCATIONAL ASSISTANCE				
<u>Department of Veterans Affairs</u>				
Direct				
Post-9/11 Veterans Educational Assistance			64.028	3,508,224
Total Direct				<u>3,508,224</u>
Total Department of Veterans Affairs				3,508,224
TOTAL POST-9/11 VETERANS EDUCATIONAL ASSISTANCE				3,508,224

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, 2015**

Federal Grantor	Pass-Through Grantor	Contract/Award or Pass-Through Num	CFDA Number	Total Expenditures
OTHER PROGRAMS				
<u>Department of Agriculture</u>				
Pass-Through				
Child and Adult Care Food Program	ALABAMA DEPT OF EDUCATION	NONE	10.558	16,539
Child and Adult Care Food Program	ALABAMA DEPT OF EDUCATION	ADS-0000	10.558	1,094
Total Pass-Through				<u>17,633</u>
Total Department of Agriculture				17,633
<u>Department of Defense</u>				
Direct				
Contract - Air Force Unknown			12.	671,544
Contract - Navy Unknown			12.	433,794
Contract - Health Profession Students			12.	172,209
Contract #FA4417-11-P-R045			12.	97,671
Contract - Go Army			12.	80,102
Contract - Medical Department Center and School			12.	29,050
Contract - Air Force Reserve			12.	22,688
Contract - Army Corp of Engineers			12.	8,368
Contract - Coast Guard Unknown			12.	3,750
Total Direct				<u>1,519,176</u>
Pass-Through				
Competitive Grants: Promoting K-12 Student Achievement at Military-Connected Schools	SUMTER SCHOOL DISTRICT	HE1254-13-1-0037	12.556	16,996
Competitive Grants: Promoting K-12 Student Achievement at Military-Connected Schools	SUMTER SCHOOL DISTRICT	HE1254-12-1-0008	12.556	7,427
				<u>24,423</u>
Contract	ALABAMA DEPT OF CHILDREN'S AFFAIRS	HV2015-C110	12.	375,206
Total Pass-Through				<u>399,629</u>
Total Department of Defense				1,918,805
<u>Department of Housing and Urban Development</u>				
Direct				
Supportive Housing Program			14.235	485,805
Total Direct				<u>485,805</u>
Total Department of Housing and Urban Development				485,805

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, 2015**

Federal Grantor	Pass-Through Grantor	Contract/Award or Pass-Through Num	CFDA Number	Total Expenditures
OTHER PROGRAMS, CONTINUED				
<u>Department of Justice</u>				
Pass-Through				
Second Chance Act Prisoner Reentry Initiative	JEFFERSON COUNTY COMMISSION	NONE	16.812	4,554
Unknown	JEFFERSON COUNTY COMMISSION	2012-DC-BX-008	16.	10,722
Unknown	ALABAMA DEPT OF PUBLIC HEALTH	2012-PM-BX-0008	16.	1,151
				<u>11,873</u>
Total Pass-Through				16,427
Total Department of Justice				16,427
<u>Department of Transportation</u>				
Direct				
National Highway Traffic Safety Administration (NHTSA) Discretionary Safety Grants			20.614	501,784
Total Direct				<u>501,784</u>
Pass-Through				
Unknown	ALABAMA DEPT OF TRANSPORTATION	K-14-2011	20.	184,271
Unknown	ALABAMA DEPT OF TRANSPORTATION	K-12-1764	20.	11,759
Unknown	ALABAMA DEPT OF TRANSPORTATION	K-13-1768	20.	9,565
Total Pass-Through				<u>205,595</u>
Total Department of Transportation				707,379
<u>Department of Energy</u>				
Direct				
Energy Efficiency and Renewable Energy Information Dissemination, Outreach, Training			81.117	102,022
Total Direct				<u>102,022</u>
Pass-Through				
Contract	OAK RIDGE ASSOCIATED UNIVERSITIES	DE-AC05-06OR23100	81.	1,689
Total Pass-Through				<u>1,689</u>
Total Department of Energy				103,711

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, 2015**

Federal Grantor	Pass-Through Grantor	Contract/Award or Pass-Through Num	CFDA Number	Total Expenditures
OTHER PROGRAMS, CONTINUED				
<u>Department of Education-TRIO Cluster</u>				
Direct				
TRIO_Student Support Services			84.042	402,814
Total Direct				<u>402,814</u>
Total Department of Education-TRIO Cluster				402,814
<u>Department of Education</u>				
Direct				
Graduate Assistance in Areas of National Need			84.200	219,789
Special Education - Personnel Development to Improve Services and Results for Childr			84.325	458,428
Gaining Early Awareness and Readiness for Undergraduate Programs			84.334	2,949,806
English Language Acquisition State Grants			84.365	966,849
Total Direct				<u>4,594,872</u>
Pass-Through				
Title I Grants to Local Educational Agencies	ALABAMA DEPT OF EDUCATION	X500685	84.010	205,743
Title I Grants to Local Educational Agencies	ALABAMA DEPT OF EDUCATION	11 297 I-A	84.010	20,819
Title I Grants to Local Educational Agencies	ALABAMA DEPT OF EDUCATION	297-1-A	84.010	8,800
				<u>235,362</u>
Special Education - Personnel Development to Improve Services and Results for Childr	SALUS UNIVERSITY	H325V090001	84.325	25,396
Mathematics and Science Partnerships	ALABAMA DEPT OF EDUCATION	PL 107-110	84.366	436,764
Mathematics and Science Partnerships	ALABAMA DEPT OF EDUCATION	PL 107-110 NCLB	84.366	284,512
Mathematics and Science Partnerships	ALABAMA DEPT OF EDUCATION	AMSTI	84.366	(90)
				<u>721,186</u>
Improving Teacher Quality State Grants	ALABAMA DEPT OF EDUCATION	PL 107-10	84.367	360,194
Improving Teacher Quality State Grants	ALABAMA COMM ON HIGHER EDUCATION	NCLB TITLE II	84.367	161,805
Improving Teacher Quality State Grants	ALABAMA COMM ON HIGHER EDUCATION	P.L. 107-110	84.367	47,581
Improving Teacher Quality State Grants	ALABAMA COMM ON HIGHER EDUCATION	PL 107-110	84.367	44,080
Improving Teacher Quality State Grants	NATIONAL WRITING PROJECT	AL-04-AL08-SEED2012	84.367	15,701
Improving Teacher Quality State Grants	ALABAMA DEPT OF EDUCATION	U500579	84.367	9,503
Improving Teacher Quality State Grants	ALABAMA DEPT OF EDUCATION	PL 107-110	84.367	5,574
Improving Teacher Quality State Grants	NATIONAL WRITING PROJECT	04-AL08-SEED2012	84.367	310
				<u>644,748</u>
School Improvement Grants	ALABAMA DEPT OF EDUCATION	312184-005215-180650	84.377	166,233
Total Pass-Through				<u>1,792,925</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, 2015**

Federal Grantor	Pass-Through Grantor	Contract/Award or Pass-Through Num	CFDA Number	Total Expenditures
OTHER PROGRAMS, CONTINUED				
<u>Department of Education, continued</u>				
Total Department of Education				6,387,797
<u>Department of Health and Human Services</u>				
Direct				
Public Health Emergency Preparedness			93.069	293,103
Area Health Education Centers Point of Service Maintenance and Enhancement Awards			93.107	1,161,086
Maternal and Child Health Federal Consolidated Programs			93.110	2,090,787
Nurse Anesthetist Traineeships			93.124	55,207
Coordinated Services and Access to Research for Women, Infants, Children, and Youth			93.153	89,918
Nursing Workforce Diversity			93.178	313,540
Disabilities Prevention			93.184	931,444
Research on Healthcare Costs, Quality and Outcomes			93.226	147,976
Grants to States to Support Oral Health Workforce Activities			93.236	486,984
Substance Abuse and Mental Health Services_Projects of Regional and National Signifi			93.243	814,015
Advanced Nursing Education Grant Program			93.247	412,385
Geriatric Academic Career Awards			93.250	76,121
Occupational Safety and Health Program			93.262	234,237
The Affordable Care Act: Centers for Disease Control and Prevention_Investigations			93.283	11,871
Advanced Education Nursing Traineeships			93.358	309,495
Nurse Education, Practice Quality and Retention Grants			93.359	1,063,928
Affordable Care Act (ACA) Public Health Training Centers Program, Resources Developm			93.516	(2,232)
Strong Start for Mothers and Newborns			93.611	271,995
University Centers for Excellence in Developmental Disabilities Education, Research,			93.632	526,115
PPHF 2012: Racial and Ethnic Approaches to Community Health Program financed solely			93.738	612,584
Health Careers Opportunity Program			93.822	405,923
Area Health Education Centers Infrastructure Development Awards			93.824	(67)
Grants for Primary Care Training and Enhancement			93.884	441,193
Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease			93.918	1,479,670
HIV Demonstration, Research, Public and Professional Education Projects			93.941	124,443
Preventive Health Services_Sexually Transmitted Diseases Control Grants			93.977	493,525
Contract #200-2011-40834			93.	39,838
Contract #200-2013-M-57217			93.	3,515
				<hr/>
Total Direct				12,888,599

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, 2015**

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>				
Pass-Through				
Global AIDS	CIDRZ FOUNDATION	5U01GH000486-02SA1	93.067	64,015
Global AIDS	UNIV OF ZAMBIA SCH OF MED	1U2GGH0000109	93.067	(6,392)
				<u>57,623</u>
Public Health Emergency Preparedness	ALABAMA DEPT OF PUBLIC HEALTH	5U90TP000500-03	93.069	28,624
Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP)	ALABAMA DEPT OF PUBLIC HEALTH	3U90TP000500-03S2	93.074	6,855
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	ALABAMA DEPT OF PUBLIC HEALTH	5U52PS400489-30	93.116	93,860
AIDS Education and Training Centers	EMORY UNIVERSITY	HRSA 5 H4AHA0067-13-08	93.145	155,201
AIDS Education and Training Centers	EMORY UNIVERSITY	5H4AHA00067-13-00	93.145	33,068
AIDS Education and Training Centers	EMORY UNIVERSITY	5H4AHA00067	93.145	830
				<u>189,099</u>
Disabilities Prevention	ALABAMA DEPT OF PUBLIC HEALTH	5U59DD000947-03	93.184	64,760
Substance Abuse and Mental Health Services_Projects of Regional and National Signifi	JEFFERSON COUNTY COMMISSION	1H79T1025496-1	93.243	119,945
Substance Abuse and Mental Health Services_Projects of Regional and National Signifi	MOREHOUSE SCHOOL OF MEDICINE	5UR1T1024252-03	93.243	33,216
Substance Abuse and Mental Health Services_Projects of Regional and National Signifi	MOREHOUSE SCHOOL OF MEDICINE	1UR1T12024252	93.243	6,133
Substance Abuse and Mental Health Services_Projects of Regional and National Signifi	MERCER UNIVERSITY	1U79T102372-01	93.243	5,040
				<u>164,334</u>
Health Systems Strengthening and HIV/AIDS Prevention, Care and Treatment under the P	ADDIS ABABA UNIVERSITY	T84HA21124-05	93.266	281,423
The Affordable Care Act: Centers for Disease Control and Prevention_Investigations	LOUISIANA STATE UNIVERSITY	U58DP005412-01	93.283	68,992
Affordable Care Act (ACA) Public Health Training Centers Program, Resources Developm	EMORY UNIVERSITY	1UB6HP27875-01-00	93.516	99,999
Prevention Public Health Fund 2012: Viral Hepatitis Prevention	CDC FOUNDATION	MOA # 391-13 SC	93.736	497
Children's Health Insurance Program	ALABAMA DEPT OF PUBLIC HEALTH	7500515	93.767	266,538
Children's Health Insurance Program	ALABAMA DEPT OF PUBLIC HEALTH	7540515	93.767	23,602
				<u>290,140</u>
National Bioterrorism Hospital Preparedness Program	ALABAMA DEPT OF PUBLIC HEALTH	5U90TP000500-03	93.889	50,000
Rural Health Care Services Outreach, Rural Health Network Development and Small Heal	REGIONAL HEALTH CARE NETWORK	R01RH26278-01-00	93.912	128,002
HIV Care Formula Grants	UNITED WAY OF CENTRAL ALABAMA INC	HRSA-10-055	93.917	1,008,336
HIV Prevention Activities_Health Department Based	ALABAMA DEPT OF PUBLIC HEALTH	U62/CCU423485	93.940	67,526
Epidemiologic Research Studies of Acquired Immunodeficiency Syndrome (AIDS) and Huma	TULANE UNIVERSITY	U62/CCU622410-04	93.943	2,157
Cooperative Agreements to Support State-Based Safe Motherhood and Infant Health Init	ALABAMA DEPT OF PUBLIC HEALTH	1U01DP003150-01	93.946	18,646
Preventive Health and Health Services Block Grant	ALABAMA DEPT OF PUBLIC HEALTH	B01OT009002-14S1	93.991	3,940

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, 2015**

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>				
Maternal and Child Health Services Block Grant to the States	ALABAMA DEPT OF REHABILITATION SERVICES	C40870013	93.994	24,231
Maternal and Child Health Services Block Grant to the States	ALABAMA DEPT OF PUBLIC HEALTH	B01MC26648	93.994	23,255
Maternal and Child Health Services Block Grant to the States	ALABAMA DEPT OF PUBLIC HEALTH	B04MC28081	93.994	21,791
Maternal and Child Health Services Block Grant to the States	ALABAMA DEPT OF PUBLIC HEALTH	B04MC26648	93.994	4,708
Maternal and Child Health Services Block Grant to the States	ALABAMA DEPT OF PUBLIC HEALTH	B04MC25323	93.994	1,759
Maternal and Child Health Services Block Grant to the States	ALABAMA DEPT OF PUBLIC HEALTH	B04MC25323-0	93.994	1,557
				<u>77,301</u>
Contract	ALABAMA DEPT OF PUBLIC HEALTH	U58SO000007	93.	267,328
Contract	ALABAMA DEPT OF PUBLIC HEALTH	5U58DP003854-03	93.	26,162
Contract	ALABAMA FAMILY PRACTICE RURAL HEALTH BOARD	NONE	93.	21,919
Contract	ALABAMA DEPT OF PUBLIC HEALTH	SM60416-01	93.	4,937
Contract	ALABAMA DEPT OF REHABILITATION SERVICES	MCHB	93.	4,874
Unknown	JEFFERSON COUNTY COMMISSION	UNKNOWN	93.	296,524
Unknown	TERUMO BCT INC	CTS-5001-REVISION B	93.	60,588
Unknown	ALABAMA DEPT OF PUBLIC HEALTH	3U58DP004791-02S1	93.	30,000
Unknown	NATIONAL USA FOUNDATION INC	298050-NUSAF-01	93.	29,997
Unknown	ALABAMA DEPT OF PUBLIC HEALTH	SM60416-03	93.	24,000
Unknown	ARKANSAS DEPT OF HEALTH	NA	93.	11,348
Unknown	ALABAMA DEPT OF PUBLIC HEALTH	H33MC06713	93.	10,417
Unknown	NATIONAL REACH COALITION	NRC-REACH	93.	9,566
Unknown	NATIONAL REACH COALITION	NONE	93.	16
Unknown	ALABAMA DEPT OF PUBLIC HEALTH	1U58DP004791-01	93.	(94)
				<u>797,582</u>
Total Pass-Through				3,499,696
ARRA Direct				
ARRA - D5BHP20434			93.403	210,013
ARRA - 90WT0007			93.721	1,028
Total ARRA Direct				<u>211,041</u>
Total Department of Health and Human Services				16,599,336
TOTAL OTHER PROGRAMS				26,639,707

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, 2015**

Federal Grantor	Pass-Through Grantor	Contract/Award or Pass-Through Num	CFDA Number	Total Expenditures
SPECIAL FEDERAL APPROPRIATIONS				
<u>Miscellaneous</u>				
Direct				
John J. Sparkman Center			99.	543,543
Lister Hill Center for Health Policy			99.	315,160
Total Direct				<u>858,703</u>
Total Miscellaneous				858,703
TOTAL SPECIAL FEDERAL APPROPRIATIONS				858,703
TOTAL FEDERAL				<u>\$ 481,299,549</u>

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, 2015

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, 2015. Other campuses of the University of Alabama System have separate OMB Circular A-133 audits. The amounts reported as federal expenditures were obtained from UAB's general ledger. The information in this Schedule is presented in accordance with the requirements of Office of Management and Budget ("OMB") Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this Schedule may differ from amounts presented in, or used in the preparation of, the statements of net position, the related statements of revenues, expenses, and changes in net position and cash flows of UAB.

The accompanying Schedule does not include the operations of the Alabama Care Plan, a regional care organization that is a blended component unit of The University of Alabama at Birmingham, which received \$4,035,790 in federal awards during the year ended September 30, 2015, as a separate audit was conducted and a separate report dated November 30, 2015 was issued in accordance with OMB Circular A-133 for this entity.

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. SRI received \$44,742,184 in federal awards during the year ended January 2, 2015 and a separate audit was conducted by the other auditors and a separate report dated September 28, 2015 was issued by the other auditors in accordance with OMB Circular A-133 for this entity.

The blended component units of UAB include Triton Health Systems, L.L.C. and UAB Research Foundation. These component units do not expend federal awards and therefore are not subject to requirements of OMB Circular A-133.

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. Negative amounts represent adjustments or credits to amounts reported as expenditures in prior years. Catalog of Federal Domestic Assistance ("CFDA") numbers and pass-through numbers are provided when available.

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 Federal Direct Student Loan ("FDSL"), Federal Perkins Loan ("Perkins"), and Federal Pell Grant ("Pell") program grants to students, the federal share of students' Federal Supplemental Educational Opportunity Grant ("FSEOG") program grants, Federal Work-Study ("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 47.0% for the year ended September 30,

University of Alabama at Birmingham
Notes to Schedule of Expenditures of Federal Awards
Year Ended September 30, 2015

2015. Base rates for other F&A cost recoveries range from 26.0% to 47.0% for the year ended September 30, 2015.

4. 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, 2015, UAB passed through approximately \$63.2 million to subgrantee organizations, which is presented in the table below:

CFDA #	Agency	Total
Various	Research and Development	\$ 60,014,084
14.235	Department of Housing and Urban Development	254,788
93.069	Department of Health and Human Services	92,960
93.107	Department of Health and Human Services	904,276
93.110	Department of Health and Human Services	20,000
93.184	Department of Health and Human Services	667,387
93.236	Department of Health and Human Services	330,000
93.243	Department of Health and Human Services	317,372
93.359	Department of Health and Human Services	90,658
93.738	Department of Health and Human Services	204,689
93.767	Department of Health and Human Services	15,981
93.824	Department of Health and Human Services	16,091
93.941	Department of Health and Human Services	111,984
93.977	Department of Health and Human Services	102,769
93.	Department of Health and Human Services	64,999
		<u>\$ 63,208,038</u>

University of Alabama at Birmingham
Notes to Schedule of Expenditures of Federal Awards
Year Ended September 30, 2015

5. Federal Student Loan Programs

Direct Loan Programs

The 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, 2015 and funds advanced by UAB to eligible students during the year ended September 30, 2015 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 2015	\$ 1,579,527	\$ 120,000	\$ 307,300	\$ 55,000	\$ 2,061,827
Total loan balance outstanding, September 30, 2015	\$ 12,503,972	\$ 1,827,048	\$ 1,183,243	\$ 447,571	15,961,834

Administrative Cost Allowance

During the program year ended June 30, 2015, UAB charged \$79,186 of administrative cost allowance to the FWS program and \$107,018 of administrative cost allowance to the Perkins program.

Federal Direct Loans

The FDSL program (CFDA Number 84.268) was established under the Higher Education Act of 1965, as amended in the Student Loan Reform Act of 1993. The FDSL 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 FDSL 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, 2015, UAB processed the following amount of student loans under FDSL:

	CFDA #	Total
Direct Student Loans	84.268	\$ 136,484,916

Part II
Schedule of Findings and Questioned Costs

**University of Alabama at Birmingham
 Schedule of Findings and Questioned Costs
 Year Ended September 30, 2015**

Section I - Summary of Auditor's 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:

Unmodified

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

93.610

Health Care Innovation Awards

64.028

Post-9/11 Veterans Educational Assistance

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.

Section III - Federal Award Findings and Questioned Costs

No matters were noted.

Part III
Summary of Status of Prior Audit Findings

University of Alabama at Birmingham
Summary of Status of Prior Audit Findings
Year Ended September 30, 2015

Finding Number 2014-001: Fiscal Operations Report and Application to Participate (FISAP) Reporting and Submission

According to OMB Circular A-110, Subpart C, Financial and Program Management Sections 20-21, accurate, current and complete disclosure of the financial results of each federally-sponsored project or program in accordance with the reporting requirements set forth in Section_.52. The University submitted the FISAP to the Department of Education for the 2013-2014 award year prior to the due date of October 1, 2014. This submitted report contained two errors regarding the Federal Perkins Loan Program. The cash on hand and in depository as of October 31, 2014 was not included, and the investment income was inappropriately included in the calculation of the total principal and interest repaid by borrowers from all sources. These errors were not corrected and the report was not resubmitted to the Department of Education by the December 15, 2014 deadline for corrections.

Status

The University corrected the 2013-2014 errors by resubmitting corrected FISAP reports in May and June 2015. No further corrections or submissions were required. Effective June 2015, the University departments responsible for preparing and filing the FISAP report implemented a dual verification procedure to ensure that the financial information is accurately submitted by the due date of October 1st and corrections filed by the December 15th deadline.

Part IV
2015 Financial Report



2015 Financial Report

The University of Alabama at Birmingham



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



Contents

2 Introduction to UAB

Overview/Vision/Mission

Highlights

Student Profile

Student Financial Aid

Student Headcount

Faculty Profile

Staff Profile

State Appropriations

Sponsored Grants and Contracts

Hospital

9 Financial Statements

Management's Responsibility for
Financial Reporting

Independent Auditor's Report

Management's Discussion and Analysis

Statements of Net Position

Statements of Revenues, Expenses,
and Changes in Net Position

Statements of Cash Flows

Notes to Financial Statements

60 UAB Administration

61 The Board of Trustees of The University of Alabama

Introduction to UAB

Vision

To be an internationally renowned research university — a first choice for education and health care.

Mission

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 100 city blocks in Alabama's largest metropolitan area. UAB is the state's largest single-site employer with more than 23,000 employees.

Fall 2015 welcomed UAB's highest-performing class ever academically, with an average ACT of 25 (top 21 percent nationally) and average high school GPA of 3.66. The Honors College enrolled its largest-ever class (an 18 percent increase to 1,260) and its incoming freshmen averaged a 4.14 GPA and 30.4 ACT. More students than ever are living on campus (2,586), including 70 percent of freshmen, and represent 21 countries.

UAB's FY15 funding from NIH (with contracts) is projected to top \$225 million, a 20% increase since FY13 (\$188 million), putting the University 22nd nationally (10th among public universities). Several individual schools also rank highly in NIH funding, such as Dentistry, which is 1st nationally.

In the Center for World University Rankings—which is based on factors such as quality of education, faculty publications, influence, citations in peer-reviewed journals, number of patents, and broad impact—UAB ranks 146th globally (top 1 percent) and 70th in the U.S., among only 8 universities in the Southeast (and the only Alabama university) to make the global top 150.

UAB Hospital is the largest hospital in Alabama (and 3rd largest public hospital in the U.S.) and was recently named among “100 Great Hospitals” by Becker's Hospital Review. UAB is home to the state's only level 1 adult trauma center and a world Comprehensive Transplant Institute, which has done the second most kidney transplants in the history of medicine and is currently conducting the longest-ever kidney transplant chain at a single site. UAB Medicine treats more than a million patients annually.

The information included in this introduction (pages 2-8) does not include data related to component units of UAB that are discussed in the notes to the financial statements.

2015 Overview

As a globally respected academic medical center, UAB excels at translating research into leading-edge patient care. 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 five-state region. The Center's Wallace Tumor Institute houses an Advanced Imaging Facility and the most powerful cyclotron at any U.S. academic medical center.

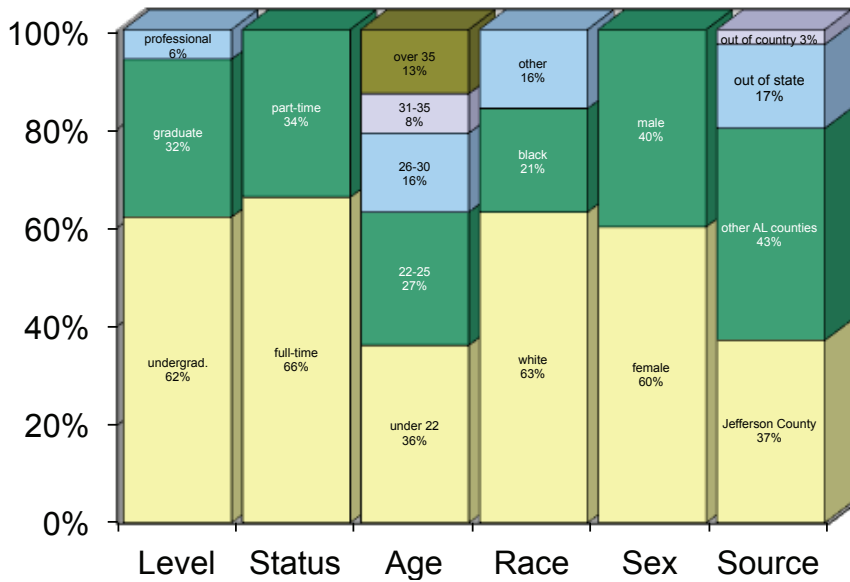
Students are active participants in a robust research enterprise beginning in their freshman year. UAB now offers new undergraduate programs in biomedical sciences and public health and is developing new BS degrees in Informatics, Immunology and Cancer Biology. In 2014-15, UAB produced the most finalists and winners of prestigious national honors and scholarships in its history (51), including the university's third Rhodes Scholar, the most at an Alabama university since the year 2000.

Graduate programs also continue to garner national recognition. In the latest U.S. News & World Report “Best Graduate Schools” issue, UAB has nine programs in the top 20, including its master's in health administration that ranks second in the nation.

UAB remains among only 51 universities—and the only one in Alabama—classified by the Carnegie Foundation for both “Very High Research Activity” and “Community Engagement.”

UAB has an economic impact on Alabama that exceeds \$5 billion annually and is key in growing a tech and knowledge-based economy for Alabama. The Alabama Drug Discovery Alliance (ADDA), a fruitful partnership with Southern Research, has roughly 18 potential new treatments in the pipeline. Innovation Depot, in which UAB is a founding partner, is the largest business incubator in the Southeast, with 100 start-up companies and a \$1.3 billion economic impact over the past five years.

Highlights



Student Profile

Total 18,698*
As of Fall 2014

*Excludes Advanced Professionals

Student Financial Aid

In fiscal year 2015, 73.9% of UAB's students received student financial aid from UAB. Financial aid disbursements of \$220.7 million were provided from the following sources:

Federal Government	
Student Loans	\$ 138,571,243
Grants	18,500,205
Work-Study	<u>1,276,038</u>
Subtotal Federal	\$ 158,347,486
State Government	\$ 150,185
University	
Loans	\$ 333,211
Scholarships	<u>61,822,519</u>
Subtotal University	\$ 62,155,730
Total	\$ <u>220,653,401</u>

Student Headcount

Enrollment for the fall semester of the 2014-2015 school year is outlined in the following table.

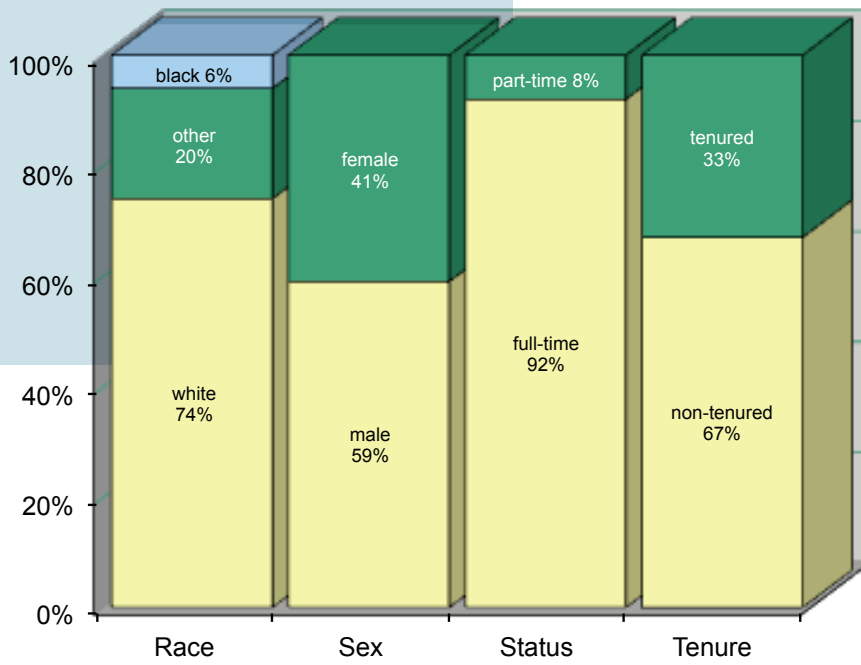
FALL 2014				
	UNDERGRADUATE	GRADUATE	FIRST PROFESSIONAL / ADVANCED PROFESSIONAL*	TOTAL
SCHOOL OF ARTS AND SCIENCES	6,157	538	15	6,710
SCHOOL OF BUSINESS	2,233	446		2,679
SCHOOL OF EDUCATION	932	793	1	1,726
SCHOOL OF ENGINEERING	913	472	2	1,387
UNCLASSIFIED		225		225
SUBTOTAL	10,235	2,474	18	12,727
ACADEMIC HEALTH CENTER:				
SCHOOL OF MEDICINE			1,705	1,705
SCHOOL OF DENTISTRY	20	1	327	348
SCHOOL OF OPTOMETRY			220	220
SCHOOL OF NURSING	606	1,819		2,425
SCHOOL OF HEALTH PROFESSIONS	691	922	15	1,628
SCHOOL OF PUBLIC HEALTH	127	354	9	490
JOINT HEALTH SCIENCES		342	88	430
SUBTOTAL, ACADEMIC HEALTH CENTER	1,444	3,438	2,364	7,246
TOTAL ENROLLMENT	11,679	5,912	2,382	19,973

*Includes 1,107 first professionals and 1,275 advanced professionals.

Faculty Profile

Total 2,436

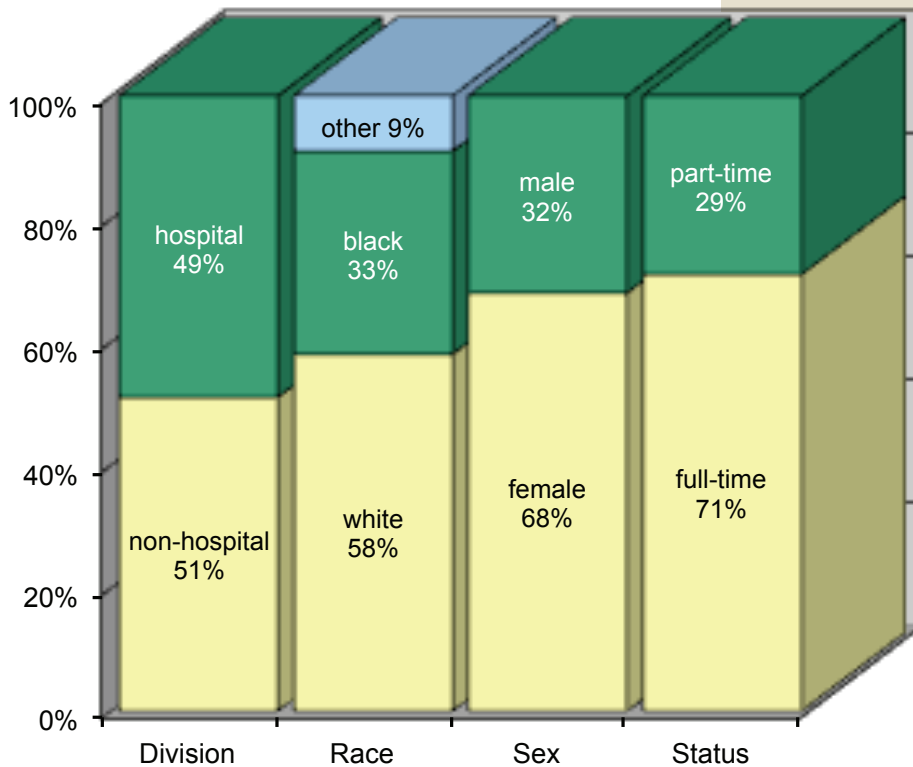
As of Fall 2014



Staff Profile

Total 17,766

As of Fall 2014



State Appropriations

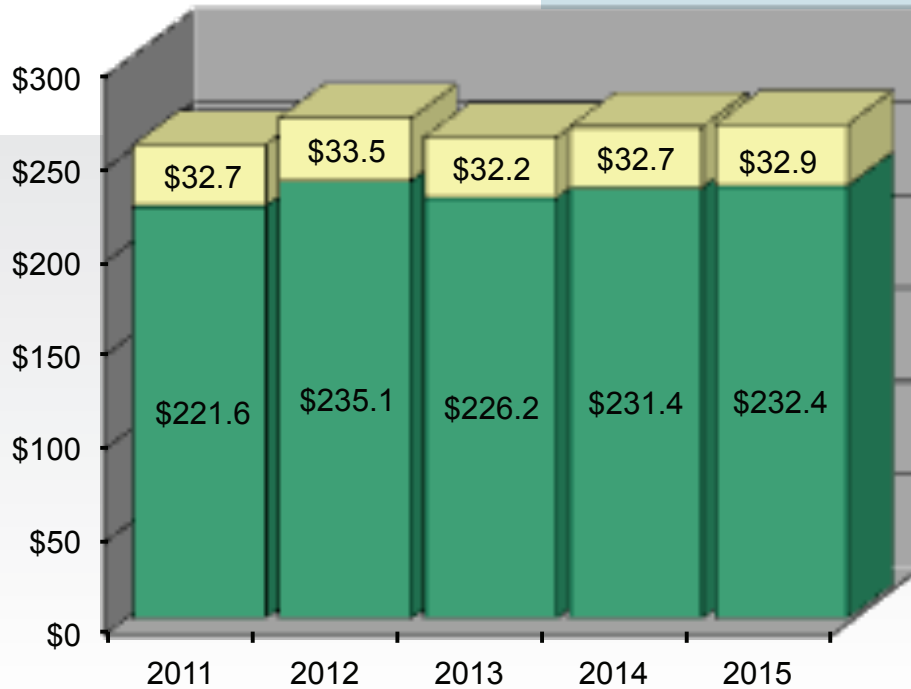
State appropriations for UAB are made by the Alabama State Legislature based upon a process which involves requests from the Board of Trustees of The University of Alabama, and budget recommendations by the Alabama Commission on Higher Education and the Governor. State funds are appropriated annually from the Educational Trust Fund (ETF) to UAB. For the fiscal year ended September 30, 2015, UAB received direct funding from the ETF in the amount of \$265,293,488.

Appropriations Received

Fiscal years ended September 30

(Dollars in millions)

■ University ■ Hospital



Sponsored Grants and Contracts

During fiscal year 2015, UAB received \$426.7 million in sponsored grants and contracts revenues (including \$77.1 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.

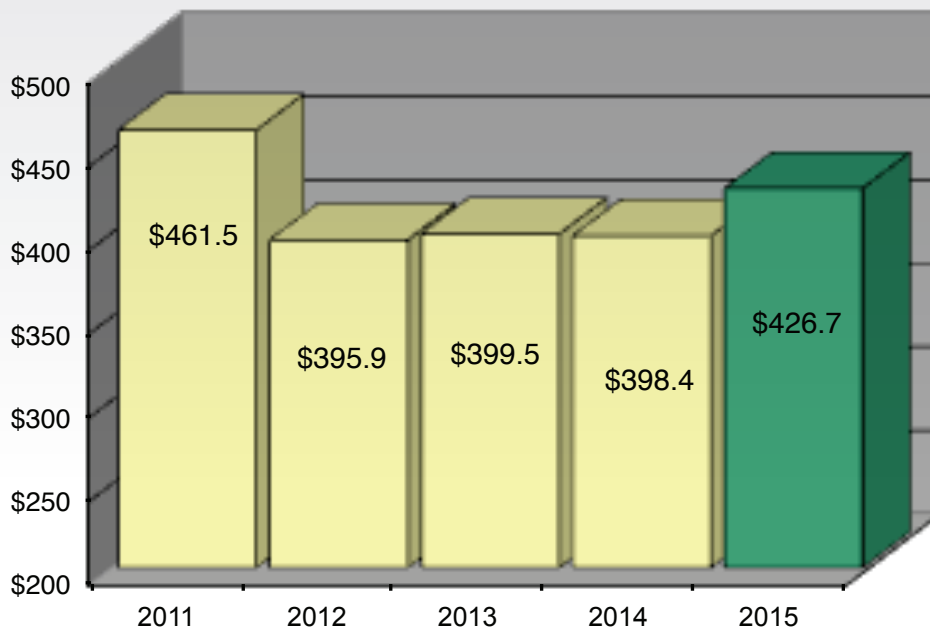
Revenues from grants and contracts (including indirect cost recovery) increased from \$398.4 million during 2014 to \$426.7 million during 2015, an increase of 7.1% for the period. Revenues from grants

and contracts were higher in fiscal year 2011 due to federal funding received under the American Recovery and Reinvestment Act (ARRA). UAB received approximately \$26.8 million in ARRA funds during the year ending September 30, 2011. These funds dropped to approximately \$500,000 for the year ending September 30, 2012. UAB did not receive any ARRA funds during the years ending September 30, 2015, 2014 and 2013.

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).

Operations

The Hospital has continued to experience strong growth from operations in fiscal year 2015. Inpatient discharges increased 6.3% and adjusted patient discharges increased 8.8%. Operating room cases increased 4.5% over fiscal year 2014. Also emergency room visits increased 8.8% during fiscal year 2015. 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 \$122 million or 10.1% in fiscal year 2015. The Hospital had an increase in net position of \$53.3 million in fiscal year 2015.

Hospital Awards and Accolades

Six UAB Medicine specialties are among the nation's top 50 in the 16 categories evaluated at over 4,700 U.S. hospitals this year by U.S. News and World Report. The rankings appear in the 2015-16 annual "America's Best Hospitals" special edition issue. UAB Hospital has been named by Becker's Hospital Review among the 2015 "100 Great Hospitals in America," a compilation of some of the most prominent, forward-thinking and focused healthcare facilities in the nation. UAB is the only Alabama hospital in 2015 to make the list. UAB Hospital was also recognized as the first Baby-Friendly hospital in the Birmingham area. In September 2015, the Hospital was fully reaccredited by The Joint Commission.

Selected Hospital operating statistics are outlined below:

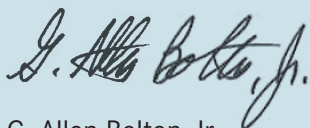
	2015	2014
Beds in service	1,157	1,157
Patient discharges	48,877	45,965
Adjusted patient discharges	79,982	73,500
Patient days	346,983	333,394
Adjusted patient days	567,663	532,537
Operating room cases	33,427	31,996
Emergency department visits	103,743	95,342
Patient origin:		
Jefferson County	47.3%	47.8%
Other Alabama counties	47.1%	46.3%
Out of state	5.6%	5.9%

Management's Responsibility for Financial Reporting

The accompanying financial statements of the University of Alabama at Birmingham (UAB) for the years ended September 30, 2015 and 2014 were prepared by UAB's management in conformity with accounting principles generally accepted in the United States of America.

The management of UAB is responsible for the integrity and objectivity of these financial statements, which are presented on the accrual basis of accounting and, accordingly, include some amounts based upon judgment. Other financial information in the annual report is consistent with that in the financial statements. The system of internal accounting controls is designed to help ensure that the financial reports and the books of account properly reflect the transactions of the institution, in accordance with established policies and procedures as implemented by qualified personnel.

The Board of Trustees of The University of Alabama, through its Audit and Finance Committees, monitors the financial and accounting operations of the institution, including the review and discussion of periodic financial statements and the evaluation and adoption of budgets. The Board of Trustees of The University of Alabama, through its Audit Committee, monitors the basis of engagement and reporting of independent auditors.



G. Allen Bolton, Jr.

Vice President for Financial Affairs
and Administration



Stephanie Mullins
UAB Interim Chief Financial Officer



Independent Auditor's Report

To the Board of Trustees of The University of Alabama:

Report on the Financial Statements

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, 2015 and 2014, 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 of 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 January 2, 2015 and January 3, 2014 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 solely 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 on our audits 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, 2015 and 2014, 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, 2015 and 2014, its changes in financial position, or 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 Notes 1 and 11 to the basic financial statements, in the year ended September 30, 2015, UAB adopted new accounting guidance related to the manner in which it accounts for pensions. As described within the notes to the financial statements, UAB adopted Governmental Accounting Standards Board ("GASB") Statement No. 68, *Accounting and Financial Reporting for Pensions, an Amendment of GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68*, effective October 1, 2014. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

The accompanying management's discussion and analysis on pages 11 through 17 and the required supplementary information on page 58 and 59 are required by accounting principles generally accepted in the United States of America 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 audits 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 8 and the management's report on page 9 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audits 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 25, 2016 on our consideration of UAB's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters for the year ended September 30, 2015. 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering UAB's internal control over financial reporting and compliance.

PricewaterhouseCoopers LLP

January 25, 2016

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, 2015 and 2014. 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 22. 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 LLC (LLC), Triton Health Systems, L.L.C. (Triton), Alabama Care Plan (ACP), 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 \$4.11, \$4.07, and \$3.90 billion at September 30, 2015, 2014, and 2013, respectively. Increases of \$40 million or 1% from 2014 to 2015 were primarily due to continued growth in accounts receivable and pledges receivable related to the fundraising campaign launched in FY2014, offset by decreases in investment assets. Increases of \$161 million or 4% from 2013 to 2014 were primarily due to increases in investment assets, the continued growth in accounts receivable and the growth in pledges receivable related to the fundraising campaign launched during the year.

Total liabilities increased \$1.1 billion or 80% from September 30, 2014 to September 30, 2015. This increase relates to the implementation of GASB Statement No. 68, *Financial Reporting for Pension Plans – an amendment of GASB Statement No. 27* (GASB 68). GASB 68 requires UAB to record a pension liability for its proportionate share of the collective net pension liability held by the Teachers' Retirement System of Alabama (TRS). At September 30, 2015, UAB reported a pension liability of \$1.1 billion. At September 30, 2014, UAB had not recorded a share of this liability.

Total liabilities increased \$15.6 million or 1% from September 30, 2013 to September 30, 2014. The increase relates to growth in accounts payable and

accrued liabilities, offset by reductions in bonds payable related to annual principal payments.

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, 2015, 2014, and 2013, as follows:

	2015	2014	2013
TOTAL OPERATING REVENUES	\$2,757,271,163	\$2,528,819,107	\$2,405,991,627
TOTAL OPERATING EXPENSES	2,971,735,542	2,819,301,958	2,674,554,826
NET OPERATING LOSS	(214,464,379)	(290,482,851)	(268,563,199)
TOTAL NONOPERATING INCOME, CAPITAL, ENDOWMENT AND OTHER ACTIVITIES	276,164,537	435,218,951	410,964,015
INCREASE IN NET POSITION	\$61,700,158	\$144,736,100	\$142,400,816

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, 2015, 2014, and 2013, is as follows:

	2015	2014	2013
ASSETS AND DEFERRED OUTFLOW OF RESOURCES			
Capital Assets, Net	\$1,543,382,487	\$1,534,728,580	\$1,524,883,924
Other Assets	2,561,775,690	2,531,149,355	2,379,708,092
TOTAL ASSETS	4,105,158,177	4,065,877,935	3,904,592,016
Deferred outflow from debt refundings	12,166,509	11,970,051	12,958,289
Deferred outflow from pension obligations	84,999,000		
TOTAL DEFERRED OUTFLOW OF RESOURCES	97,165,509	11,970,051	12,958,289
TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES	\$4,202,323,686	\$4,077,847,986	\$3,917,550,305
LIABILITIES, DEFERRED INFLOW OF RESOURCES AND NET POSITION			
Current Liabilities	448,846,513	429,071,009	390,353,766
Noncurrent Liabilities	2,011,660,998	937,973,766	961,097,310
TOTAL LIABILITIES	2,460,507,511	1,367,044,775	1,351,451,076
Deferred inflow from debt refundings	213,206	241,400	273,518
Deferred inflow from pension obligations	113,748,000		
TOTAL DEFERRED INFLOW OF RESOURCES	113,961,206	241,400	273,518
Net Position	1,627,854,969	2,710,561,811	2,565,825,711
TOTAL LIABILITIES, DEFERRED INFLOW OF RESOURCES AND NET POSITION	\$4,202,323,686	\$4,077,847,986	\$3,917,550,305

At September 30, 2015, the major categories of current assets consist primarily of cash and cash equivalents, short-term investments, and accounts receivable, which totaled \$1.27 billion of the \$1.33 billion and increased \$136.3 million or 12.0% from 2014. The increase is a result of growth in short term investments.

At September 30, 2014, the major categories of current assets consist primarily of cash and cash equivalents, short-term investments, and accounts receivable, which totaled \$1.13 billion of the \$1.19 billion and increased \$125.2 million or 12.4% from 2013. The increase is a result of growth in short term investments.

At September 30, 2015, total current liabilities of \$448.8 million consist primarily of accounts payable, accrued payroll and related benefits, and unearned revenue, which totaled \$405.6 million, compared to \$387.1 million at September 30, 2014, an increase of \$18.6 million or 4.8% from 2014.

At September 30, 2014, total current liabilities of \$429.1 million consist primarily of accounts payable, accrued payroll and related benefits, and unearned revenue, which totaled \$387.1 million, compared to \$357.4 million at September 30, 2013, an increase of \$29.7 million or 8.3% from 2013.

UAB's endowment and life income investments decreased \$20.2 million to \$405.4 million from September 30, 2014 to September 30, 2015. This decrease resulted from net investment losses at the end of the year, offset by the establishment of the 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 \$32.3 million to \$425.6 million from September 30, 2013 to September 30, 2014. 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.

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, 2015, 2014, and 2013 respectively, UAB's investment in the Professional Liability Trust Fund (PLTF) and other long-term investments totaled approximately \$48.6, \$52.8, and \$50.4 million. The \$4.2 million decrease from September 30, 2014 to September 30, 2015 is a result of net investment losses at the end of the year. The \$2.4 million increase from September 30, 2013 to September 30, 2014 is a result of growth in investment values at September 30, 2014.

Upon implementation of GASB 68 during fiscal year 2015, UAB recorded deferred outflows from pension obligations of \$85.0 million and deferred inflows from pension obligations of \$114.0 million at September 30, 2015. These balances were not previously recorded in the financial statements.

At September 30, 2015, deferred outflows from debt refundings were \$12.2 million and deferred inflows from debt refundings were \$0.2 million. The increase of \$0.2 million in deferred outflows is the result of a bond refunding during fiscal year 2015, net of the annual amortization of these balances. At September 30, 2014, these amounts were \$11.9 million in deferred outflows from debt refundings and \$0.2 million in deferred inflows from debt refundings. These changes from 2013 to 2014 are related to the annual amortization of these balances. At September 30, 2013, \$12.9 million in bond deferred refunding amounts were recorded as deferred outflows of resources and \$0.3 million in bond deferred refunding amounts were recorded as deferred inflows of resources.

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 \$124.1 million and \$66.5 million from September 30, 2014 to September 30, 2015 and from September 30, 2013 to September 30, 2014, respectively. This increase consists primarily of capital expenditures and capital additions totaling \$147.2 million (offset primarily by \$23 million in disposals) and \$143.1 million (offset primarily by \$77 million in disposals) in 2015 and 2014, respectively. Capital additions are comprised primarily of renovation and new construction of student, research and health care facilities, as well as additions to improve information technology systems. Annual additions were funded with capital funds, grants, gifts of \$19.0 million and \$24.7 million, debt proceeds of \$25.6 million and \$40.2 million, and the remainder by UAB funds designated for capital purchases in 2015 and 2014, respectively.

The primary capital project in process at September 30, 2015 is the replacement of Hill University Center. Capital projects in process at September 30, 2014 included construction of a new residence hall and the replacement of Hill University Center.

UAB's long-term debt related to capital assets, consisting of bonds and capital leases, totaled \$908.6, \$939.4, and \$956.1 million at September 30, 2015, 2014, and 2013, respectively. The decrease in debt during 2015 and 2014 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, 2015, 2014, and 2013, is summarized as follows:

	2015	2014	2013
NET INVESTMENT IN CAPITAL ASSETS	\$677,862,629	\$694,763,792	\$696,323,637
RESTRICTED			
Nonexpendable	285,371,572	297,300,148	273,651,082
Expendable	276,376,346	238,570,638	212,482,294
UNRESTRICTED	388,244,422	1,479,927,233	1,383,368,698
TOTAL NET POSITION	\$1,627,854,969	\$2,710,561,811	\$2,565,825,711

Net position invested in capital assets represent 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 \$16.9 million decrease in 2015 reflects the decrease in unexpended bond proceeds in excess of the growth in capital assets net of annual depreciation expense. The balance remained relatively flat from September 30, 2013 to September 30, 2014, with a decrease of \$1.6 million related to the annual depreciation of capital assets, offset by the use of bond proceeds attributable to the acquisition, construction and improvement 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 \$11.9 million decrease in 2015 relates to the decrease in fair values of investments and contributions at the end of the year. The \$23.6 million increase in 2014 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 \$37.8 million increase in 2015 and the \$26.1 million increase in 2014 result primarily from gifts.

Unrestricted net position includes UAB's assets whose use is not restricted by an external entity. Unrestricted net position decreased \$1.1 billion or 73.8% in 2015 due to the implementation of GASB 68 and the recording of the \$1.1 billion pension liability. Unrestricted net position increased \$96.6 million or 7.0% in 2014.

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, 2015, 2014, and 2013 is presented on the following page:

	2015	2014	2013
OPERATING REVENUES			
Student tuition and fees, net	\$169,249,316	\$161,170,368	\$146,183,606
Grants and contracts	398,214,165	371,578,206	373,172,028
Sales and services	2,131,411,413	1,940,550,998	1,846,805,110
Other revenues	58,396,269	55,519,535	39,830,883
REVENUES SUPPORTING CORE ACTIVITIES	2,757,271,163	2,528,819,107	2,405,991,627
OPERATING EXPENSES			
Operating expenses	2,971,735,542	2,819,301,958	2,674,554,826
OPERATING LOSS	(214,464,379)	(290,482,851)	(268,563,199)
NONOPERATING REVENUES (EXPENSES)			
State educational appropriations	265,293,488	264,072,721	258,429,840
Grants and contracts	28,451,597	26,863,696	26,282,921
Gifts	54,203,316	43,981,418	32,067,976
Investment income (loss)	(64,196,326)	83,662,716	87,382,279
Interest expense	(30,644,143)	(29,451,270)	(30,895,769)
Loss on asset disposition, net	(231,544)	(4,930,045)	(5,265,734)
Capital state appropriations	5,292,219	30,754,632	8,680,247
Capital gifts and grants	4,398,406	8,293,498	4,507,902
Endowment gifts	14,930,217	17,026,885	9,568,250
Net other nonoperating (expense) revenue	(1,332,693)	(5,055,300)	20,206,103
NET NONOPERATING REVENUES AND OTHER CHANGES	276,164,537	435,218,951	410,964,015
INCREASE IN NET POSITION	61,700,158	144,736,100	142,400,816
Net position, beginning of year as previously reported	2,710,561,811	2,565,825,711	2,423,424,895
Adoption of GASB 68	(1,144,407,000)		
Net Position, beginning of year as restated as of October 1, 2014	1,566,154,811	2,565,825,711	2,423,424,895
NET POSITION, END OF YEAR	\$1,627,854,969	\$2,710,561,811	\$2,565,825,711

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, 2015 and 2014, respectively.

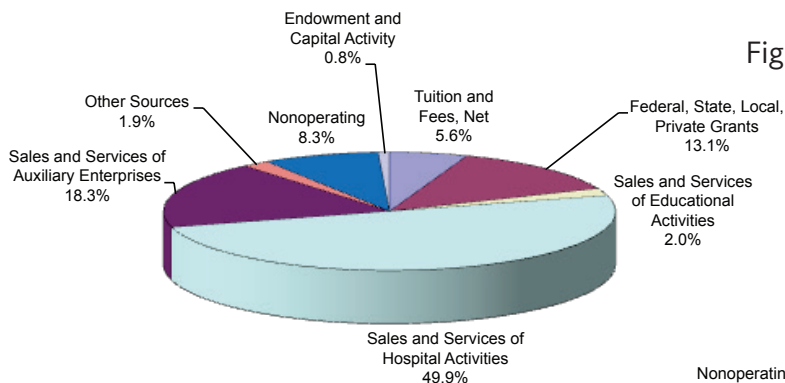


Figure A: Revenue Streams 2015

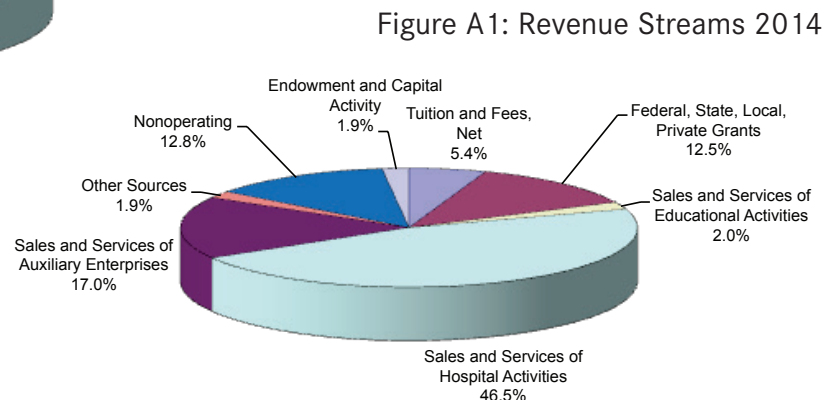


Figure A1: Revenue Streams 2014

Gross tuition and fees revenue increased by \$12.5 million and \$19.5 million in 2015 and 2014, respectively. Tuition rates increased 4% in 2015 and 6% in 2014. Total student headcount of 19,973 and 19,824 increased by 149 and 541 or 0.8% and 2.8% in 2015 and 2014, respectively.

UAB recognized \$73.2, \$68.6, and \$46.1 million in gift revenue (composed partially of \$4.1, \$7.6, and \$4.4 million and \$14.9, \$17.0, and \$9.6 million in capital and endowment gifts, respectively) for the years ended September 30, 2015, 2014, and 2013, 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 \$270.6, \$294.8, and \$267.1 million, of which \$265.3, \$264.1, and \$258.4 million was primarily from the Educational Trust Fund (ETF), which is included as nonoperating revenue in 2015, 2014, and 2013, respectively. The remaining \$5.3, \$30.8, and \$8.7 million represents Public School and College Authority funds and other

state capital funds in 2015, 2014 and 2013, respectively.

Net hospital sales and service revenue totaled \$1.52 billion, \$1.38 billion, and \$1.28 billion, an increase of 9.9% and 7.8% from 2014 to 2015 and 2013 to 2014, 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 \$0.33, \$0.65, and \$0.06 million in 2015, 2014, and 2013, 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 2015 and 2014, respectively.

Figure B: Grants and Contract Revenues

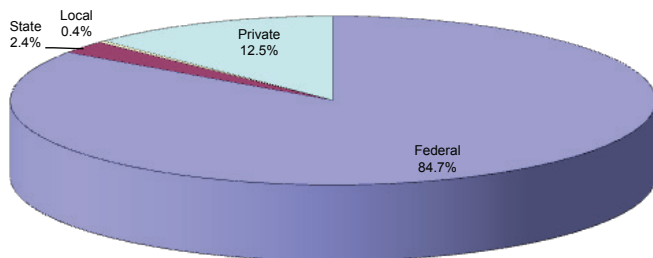
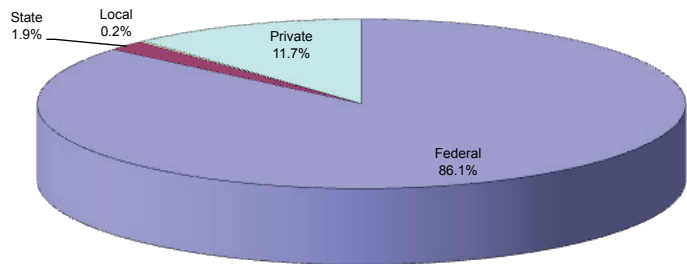


Figure B1: Grants and Contract Revenues



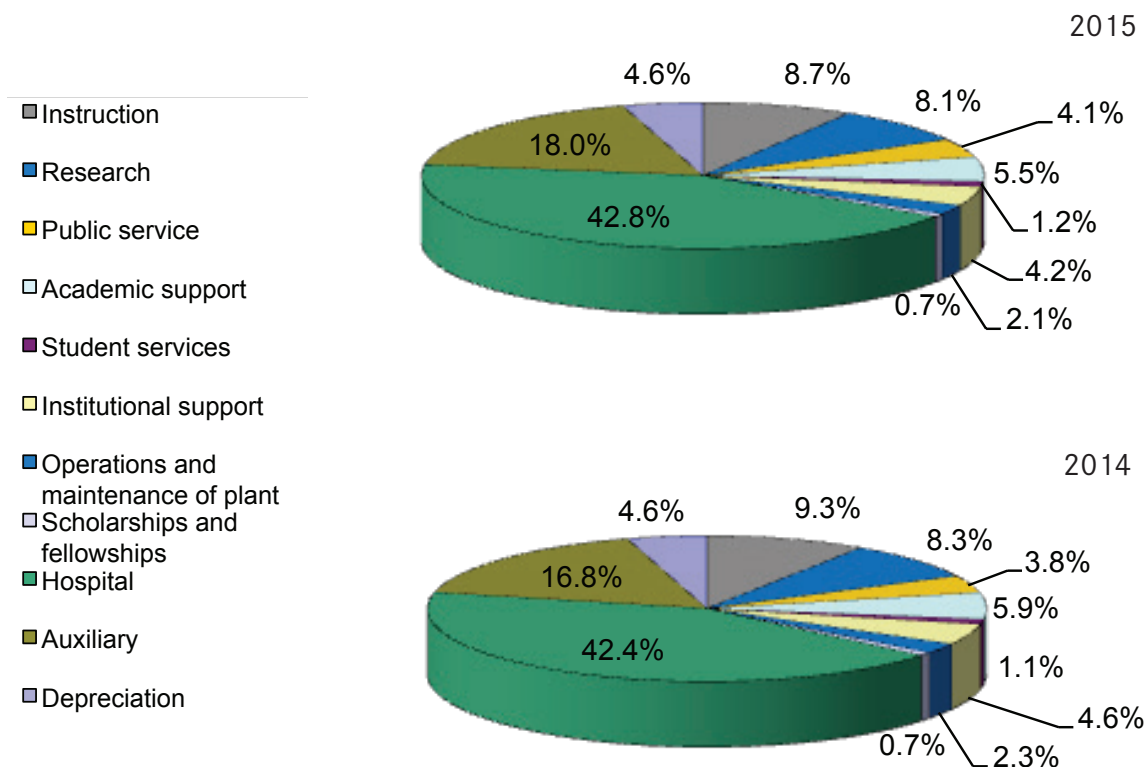
Net investment income decreased \$147.9 million and \$3.7 million from 2014 to 2015 and 2013 to 2014, respectively. The decreases are a result of decreases in the fair value of investments.

A comparative summary of UAB's operating expenses for the years ended September 30, 2015, 2014, and 2013, is as follows:

	2015	2014	2013
Salaries, Wages, and Benefits	\$1,390,766,703	\$1,380,369,207	\$1,327,917,671
Supplies and Services	1,422,828,210	1,288,371,950	1,227,334,700
Depreciation	137,027,585	129,547,649	98,303,065
Scholarships and Fellowships	21,113,044	21,013,152	20,999,390
	\$2,971,735,542	\$2,819,301,958	\$2,674,554,826

Salaries, wages, and benefits increased \$10.4 million or 0.8% during 2015 and \$52.5 million or 4.0% during 2014. These increases are primarily due to the growth of UAB's salary base and rising benefit costs. Supplies and services expenses increased \$134.5 million or 10.4% and \$61.0 million or 5.0% during 2015 and 2014, 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, 2015 and 2014, 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.

	2015	2014	2013
Net Cash Used In Operating Activities	\$(128,984,849)	\$(164,743,273)	\$(179,888,501)
Net Cash Used In Capital and Related Financing Activities	(196,379,304)	(145,181,642)	(15,544,611)
Net Cash Provided By Noncapital Financing Activities	341,930,501	345,440,094	326,613,818
Net Cash Used In Investing Activities	(113,957,362)	(2,707,331)	(60,852,837)
Net (Decrease) Increase In Cash And Cash Equivalents	(97,391,014)	32,807,848	70,327,869
Cash and Cash Equivalents, Beginning Of Year	371,960,135	339,152,287	268,824,418
Cash and Cash Equivalents, End Of Year	\$274,569,121	\$371,960,135	\$339,152,287

UAB used \$129.0, \$164.7, and \$179.8 million of cash for operating activities, offset by \$341.9, \$345.4, and \$326.6 million of cash provided by noncapital financing activities in 2015, 2014 and 2013, 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 \$196.4, \$145.2, and \$15.5 million in 2015, 2014 and 2013, 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 \$114.0, \$2.7, and \$60.9 million in 2015, 2014 and 2013, 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.

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.

During fiscal year 2015, 74% of UAB students received financial aid, including \$158.3 million of Federal Financial Aid. In recent years, financial aid reform and reauthorization of existing aid programs have been topics in legislative sessions. Management is monitoring proposed future legislation in order to respond in a manner to assist current and future students.

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, 2015 and 2014

	2015	2014
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 248,272,848	\$ 331,194,282
Short term investments	685,513,907	521,161,680
Accounts receivable, net	334,200,375	279,342,066
Loans receivable, current portion	2,637,651	2,473,999
Pledges receivable, current portion	19,163,293	13,530,960
Inventories	17,341,148	18,322,119
Other current assets	26,013,396	22,024,960
Total current assets	1,333,142,618	1,188,050,066
Noncurrent Assets:		
Cash and cash equivalents designated for capital activities	25,647,600	40,228,737
Restricted cash and cash equivalents	648,673	537,116
Investments for capital activities	679,164,557	768,598,367
Endowment and life income investments	405,437,955	425,625,236
Investment in Professional Liability Trust Fund	48,615,182	52,839,465
Other long-term investments	18,076,824	19,312,548
Loans receivable, net	14,049,787	14,943,681
Pledges receivable	36,938,307	20,135,528
Capital assets, net	1,543,382,487	1,534,728,580
Other noncurrent assets	54,187	878,611
Total noncurrent assets	2,772,015,559	2,877,827,869
Total Assets	\$ 4,105,158,177	\$ 4,065,877,935
DEFERRED OUTFLOW OF RESOURCES		
Deferred outflow from debt refundings	12,166,509	11,970,051
Deferred outflow from pension obligations	84,999,000	
Total Deferred Outflow of Resources	\$ 97,165,509	\$ 11,970,051
LIABILITIES		
Current Liabilities:		
Accounts payable and accrued liabilities	\$ 300,851,972	\$ 286,733,632
Deposits	9,121,344	10,024,334
Unearned revenue-grants	25,474,095	23,655,869
Unearned revenue-other	79,301,319	76,680,686
Long-term debt, current portion	34,097,783	31,976,488
Total current liabilities	448,846,513	429,071,009
Noncurrent Liabilities		
Federal advances-loan funds	14,371,308	14,559,124
Long-term debt, noncurrent portion	874,533,980	907,466,173
Pension liability	1,107,275,000	
Other noncurrent liabilities	15,480,710	15,948,469
Total noncurrent liabilities	2,011,660,998	937,973,766
Total Liabilities	\$ 2,460,507,511	\$ 1,367,044,775
DEFERRED INFLOW OF RESOURCES		
Deferred inflow from debt refundings	213,206	241,400
Deferred inflow from pension obligations	113,748,000	
Total Deferred Inflow of Resources	\$ 113,961,206	\$ 241,400
NET POSITION		
Net investment in capital assets	677,862,629	694,763,792
Restricted		
Nonexpendable	285,371,572	297,300,148
Expendable	276,376,346	238,570,638
Unrestricted	388,244,422	1,479,927,233
Total Net Position	\$ 1,627,854,969	\$ 2,710,561,811

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, 2015 and 2014

	2015	2014
Operating Revenues		
Tuition and fees	\$ 226,080,561	\$ 213,508,162
Less: scholarship allowance	(56,356,037)	(51,781,171)
Less: bad debt expense	(475,208)	(556,623)
Tuition and fees, net	169,249,316	161,170,368
Grants and contracts:		
Federal	332,836,851	316,141,798
State	10,314,365	7,678,988
Local	1,517,304	910,231
Private	53,545,645	46,847,189
Sales and services:		
Educational activities	60,916,483	59,147,027
Hospital, net of bad debt expense of \$213,771,766 and \$247,495,640	1,515,127,206	1,378,598,120
Other auxiliary enterprises, net of scholarship allowance of \$2,876,928 and \$3,178,403	555,367,724	502,805,851
Other operating revenues	58,396,269	55,519,535
Total operating revenues	2,757,271,163	2,528,819,107
Operating Expenses		
Salaries, wages and benefits	1,390,766,703	1,380,369,207
Supplies and services	1,422,828,210	1,288,371,950
Depreciation	137,027,585	129,547,649
Scholarships and fellowships	21,113,044	21,013,152
Total operating expenses	2,971,735,542	2,819,301,958
Operating loss	(214,464,379)	(290,482,851)
Nonoperating Revenues (Expenses)		
State educational appropriations	265,293,488	264,072,721
Federal grants and contracts	28,304,839	26,767,145
State grants and contracts	115,969	96,551
Private grants and contracts	30,789	
Gifts	54,203,316	43,981,418
Investment (loss) income	(64,196,326)	83,662,716
Interest expense	(30,644,143)	(29,451,270)
Loss on asset dispositions, net	(231,544)	(4,930,045)
Net other nonoperating expense	(1,332,693)	(5,055,300)
Net nonoperating revenues	251,543,695	379,143,936
Income before other revenues, expenses, gains, and losses	37,079,316	88,661,085
Other Changes in Net Position		
Capital and endowment activities		
State capital funds	5,292,219	30,754,632
Capital grants and contracts	328,772	653,356
Capital gifts	4,069,634	7,640,142
Endowment gifts	14,930,217	17,026,885
Net other changes in net position	24,620,842	56,075,015
Increase in net position	61,700,158	144,736,100
Net Position, beginning of year as previously reported	2,710,561,811	2,565,825,711
Adoption of GASB 68	(1,144,407,000)	
Net Position, beginning of year as restated as of October 1, 2014	1,566,154,811	2,565,825,711
Net Position, end of year	\$ 1,627,854,969	\$ 2,710,561,811

See accompanying notes to financial statements.

The University of Alabama at Birmingham

Statements of Cash Flows

Years Ended September 30, 2015 and 2014

	2015	2014
Cash flows from operating activities		
Student tuition and fees	\$ 169,363,822	\$ 161,049,083
Grants and contracts	397,357,860	372,584,257
Receipts from sales and services of:		
Educational activities	59,771,671	59,721,908
Patient services	1,493,494,050	1,364,628,527
Auxiliary enterprises, net	34,767,339	32,208,514
Premium and administrative fees collected	523,097,933	478,403,219
Payment to employees and related benefits	(1,197,347,390)	(1,208,073,177)
Payment for contract labor	(222,941,090)	(167,784,313)
Payment to suppliers	(1,416,396,865)	(1,287,314,322)
Payment for scholarships and fellowships	(21,113,044)	(21,013,152)
Other receipts	50,960,865	50,846,183
Net cash used in operating activities	(128,984,849)	(164,743,273)
Cash flows from capital and related financing activities		
Proceeds from issuance of capital debt	36,703,017	
State capital funds	5,292,219	30,754,632
Capital grants and contracts	311,232	938,849
Private gifts	2,903,083	5,363,699
Proceeds from sale of capital assets	1,301,121	158,538
Purchases of capital assets	(142,583,094)	(120,805,268)
Principal payments on capital debt	(67,021,224)	(28,404,283)
Interest payments on capital debt	(33,285,658)	(33,187,809)
Net cash used in capital and related financing activities	(196,379,304)	(145,181,642)
Cash flows from noncapital financing activities		
State educational appropriations	265,293,488	264,072,721
Private gifts	47,864,971	47,470,963
Student direct lending receipts	135,941,130	133,843,950
Student direct lending disbursements	(136,484,916)	(132,819,504)
Other deposits	30,406,634	29,819,198
Deposits (to) from affiliates	(1,090,806)	3,052,766
Net cash provided by noncapital financing activities	341,930,501	345,440,094
Cash flows from investing activities		
Interest and dividends from investments, net	57,433,031	52,568,839
Proceeds from (issuances of) notes receivable	172,700	(381,845)
Proceeds from sales and maturities of investments	98,509,353	29,209,437
Investments in system pooled investment funds	(270,072,446)	(41,959,528)
Purchases of investments		(42,144,234)
Net cash used in investing activities	(113,957,362)	(2,707,331)
Net (decrease) increase in cash and cash equivalents	(97,391,014)	32,807,848
Cash and cash equivalents, beginning of year	371,960,135	339,152,287
Cash and cash equivalents, end of year	\$ 274,569,121	\$ 371,960,135
Reconciliation of operating loss to net cash used in operating activities		
Operating loss	\$ (214,464,379)	\$ (290,482,851)
Adjustments to reconcile operating loss to net cash used in operating activities		
Depreciation expense	137,027,585	129,547,649
Pension expense	76,616,000	
Changes in assets and liabilities:		
Accounts receivable, net	(48,829,259)	(22,487,918)
Prepaid expenses and other assets	(6,519,218)	(1,682,966)
Accounts payable and accrued liabilities	7,972,970	13,165,765
Pension obligations	(84,999,000)	
Unearned revenue	4,210,452	7,197,048
Net cash used in operating activities	\$ (128,984,849)	\$ (164,743,273)

See accompanying notes to financial statements.

The University of Alabama at Birmingham

Statements of Cash Flows (continued)

Years Ended September 30, 2015 and 2014

	2015	2014
Supplemental noncash activities information		
Capital assets acquired included in accounts payable	\$ 12,949,689	\$ 10,835,577
Interest capitalized	1,568,225	4,266,422
Capital assets acquired through donations		1,900,000
Capital assets acquired through capital lease	943,971	11,977,740

See accompanying notes to financial statements.

Southern Research Institute

A Discretely Presented Component Unit

Statements of Net Position

January 2, 2015 and January 3, 2014

	2015	2014
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 1,209,023	\$ 175,262
Investments	45,801,195	55,483,638
Restricted cash and investments	11,414,279	11,258,073
Funds held by trustee		547,236
Accounts receivable, net	13,517,190	13,796,467
Other receivables	22,502,617	2,410,282
Materials and supplies, net	923,199	1,041,835
Prepayments and other current assets	1,541,946	1,250,613
Total current assets	96,909,449	85,963,406
Noncurrent Assets:		
Capital assets:		
Land and improvements	8,086,347	8,009,676
Buildings and major plant equipment	70,626,838	75,618,971
Laboratory equipment and fixtures	63,091,569	53,656,662
Office furniture and equipment	2,480,925	2,487,449
Intangible assets, net	1,957,006	1,809,705
	146,242,685	141,582,463
Less accumulated depreciation	76,940,647	70,316,524
	69,302,038	71,265,939
Construction-in-progress	476,933	4,249,626
Total capital assets, net	69,778,971	75,515,565
Total noncurrent assets	69,778,971	75,515,565
Total Assets	\$ 166,688,420	\$ 161,478,971
DEFERRED OUTFLOW OF RESOURCES		
Accumulated change in fair value of interest rate swap	563,516	732,578
Total Deferred Outflow of Resources	\$ 563,516	\$ 732,578
LIABILITIES		
Current Liabilities:		
Accounts payable	\$ 3,497,750	\$ 5,031,433
Accrued liabilities	16,796,398	8,098,373
Unearned contract revenue	2,955,368	3,594,576
Current maturities of long-term debt and capital lease obligations	560,000	480,000
Note payable	1,849,029	1,250,747
Total current liabilities	25,658,545	18,455,129
Noncurrent Liabilities:		
Long-term debt and capital lease obligations	17,840,000	18,400,000
Derivative instrument - interest rate swap	563,516	732,578
Postretirement benefits	947,362	947,620
Total noncurrent liabilities	19,350,878	20,080,198
Total Liabilities	\$ 45,009,423	\$ 38,535,327
NET POSITION		
Net investment in capital assets	51,378,971	57,182,801
Restricted		
Expendable	11,414,279	11,258,073
Unrestricted	59,449,263	55,235,348
Total Net Position	\$ 122,242,513	\$ 123,676,222

See accompanying notes to financial statements.

Southern Research Institute

A Discretely Presented Component Unit

Statements of Revenues, Expenses, and Changes in Net Position

January 2, 2015 and January 3, 2014

	2015	2014
Operating Revenues		
Contract revenues	\$ 65,326,361	\$ 67,063,914
Intellectual property revenues, net of direct expenses	16,551,805	5,507,147
Total operating revenues	81,878,166	72,571,061
Operating Expenses		
Salaries, wages and benefits	44,282,420	43,701,039
Supplies and services	31,448,080	33,718,079
Depreciation and amortization	8,064,463	6,810,380
Total operating expenses	83,794,963	84,229,498
Operating loss	(1,916,797)	(11,658,437)
Nonoperating Revenues (Expenses)		
Contributions	97,552	135,093
Investment income (loss)	2,961,079	8,106,195
Interest expense	(588,610)	(582,727)
Loss on disposal of assets	(1,880,472)	(1,602,035)
Net nonoperating revenues (expenses)	589,549	6,056,526
Loss before other revenues, expenses, gains and losses	(1,327,248)	(5,601,911)
Other Changes in Net Position		
Environmental cleanup	78,016	-
Loss from discontinued operations	(184,477)	(20,958)
Net other changes in net position	(106,461)	(20,958)
(Decrease) increase in net position	(1,433,709)	(5,622,869)
Net Position, beginning of year	123,676,222	129,299,091
Net Position, end of year	\$ 122,242,513	\$ 123,676,222

See accompanying notes to financial statements.

The University of Alabama at Birmingham Notes to Financial Statements

September 30, 2015

(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:

- **Net Investment in Capital Assets:**

Capital assets, net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction, or improvement of those assets.

- **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.

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 22. GASB Statement No. 14, *The Financial Reporting Entity* (GASB Statement No. 14), as amended by GASB Statement No. 61, *The Financial Reporting Entity: Omnibus* (GASB Statement No. 61), 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.

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 ends prior to UAB's fis-

cal 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. The by-laws of the Alabama Care Plan (ACP) allow UAB to appoint a majority of the members of the Member Board, as defined, which operates in a consultative capacity with the ACP Board of Directors. The by-laws allow the ACP Member Board certain operational and financial protective rights. Additionally, Triton Health Systems, LLC (Triton) and UAB Hospital Management LLC (LLC) have governing bodies that are substantively the same as the governing body of UAB and there is a financial benefit or burden relationship with UAB and these entities. Therefore, management has determined that UABRF, Triton, ACP and LLC (the Blended Component Units) constitute blended component units of UAB under GASB Statements No. 14 and 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. ACP was formed in September 2014 to apply to become certified by the Alabama Medicaid Agency as a probationary regional care organization (RCO), with the goal of being eligible to become a fully certified RCO by October 2016. ACP's members are the University of Alabama for the University of Alabama Hospital, St. Vincent's Health System, and Triton. UABRF, ACP, and the LLC maintain a September 30 year-end. The activities of Triton are maintained using a fiscal calendar year-end that ends prior to 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 23. Separate financial statements are available for Triton, ACP, and UABRF by contacting UAB.

Implementation of New Standard

During the year ended September 30, 2015, UAB adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27* (GASB 68), and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68* (GASB 71). These statements revise existing standards for employer financial statements relating to measuring and reporting pension liabilities for multi-employer cost-sharing pension plans provided by UAB to its employees. UAB is required to recognize a liability equal to its proportionate share of the Teachers' Retirement System of Alabama Plan's net pension liability. The implementation of GASB 68 and GASB 71 resulted in an adjustment to net position of

approximately \$1.14 billion as of October 1, 2014 (refer to Note 11). The standards were not applied retroactively to the 2014 financial statements because the Teachers' Retirement System of Alabama Plan did not provide the necessary information.

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 4). 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 4). 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 assets. 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 4 and Note 19. 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 medical supplies and pharmaceuticals.

Accounts receivable: Accounts receivable consist primarily of patient receivables, 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 collection (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. The University has identified a misclassification error between buildings and fixed equipment systems of \$199,629 and equipment and fixed equipment systems in the amount of \$40,891,634 as of September 30, 2014 and 2013 and has revised the previously reported amounts for those asset categories in Note 7 accordingly.

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 State Legislature adopted the Alabama Uniform Prudent Management of Institutional Funds Act (UPMIFA), effective January 1, 2009, which 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. UPMIFA prescribes guidelines for the expenditure of donor-restricted endowment funds in the absence of overriding, explicit donor stipulations. UPMIFA focuses on the entirety of a donor-restricted endowment fund, that is, both the original gift amount(s) and net appreciation. 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.

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, 2015 and 2014 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, including 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 the University of Alabama Health Services Foundation, P.C. (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 4 and 19.

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.

(2) Related Parties

UAB is affiliated with the UABEF, 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 rental expense of approximately \$2,433,000 for the year ended September 30, 2015 and \$2,409,000 for the year ended September 30, 2014. In December 2014, UABEF changed its fiscal year-end from September 30th to June 30th. UABEF made contributions to UAB which totaled approximately \$3,590,000 for the nine months ended June 30, 2015 and \$9,097,000 for the year ended September 30, 2014. UABEF's total assets were approximately \$53,777,000 and \$53,574,000 at June 30, 2015 and September 30, 2014, respectively. UABEF's total liabilities were approximately \$16,743,000 and \$17,578,000 at June 30, 2015 and September 30, 2014, 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 \$33,485,000 and \$31,351,000 of funding from HSF in 2015 and 2014, 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 \$19,264,000 and \$11,197,000 in 2015 and 2014, respectively, and the Hospital purchases various services from HSF, aggregating approximately \$40,089,000 and \$34,633,000 for the years ended September 30, 2015 and 2014, respectively. As a result of these transactions, the Hospital had a net payable to HSF of approximately \$108,000 and \$1,169,000, respectively, at September 30, 2015 and September 30, 2014.

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 \$13,582,000 and \$13,745,000, which is included in the accompanying statement of net position as unearned revenue-other for the years ended September 30, 2015 and 2014, respectively. Approximately \$163,000 was recognized as rent revenue during each of the years ended September 30, 2015 and 2014.

The Board and 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, 2015 and 2014, respectively, UAB contributed approximately \$8,100,000 and \$8,221,000 to the UAB Health System Board to support Health System administrative functions. In addition, the Health System periodically makes payments on behalf of the Hospital for which it is reimbursed. The Hospital had a net receivable from the Health System of approximately \$84,000 and \$3,091,000 for the years ended September 30, 2015 and 2014, respectively.

In March 2014, the Hospital assumed operations of the outpatient clinics in The Kirklin Clinic and entered into an agreement with HSF to lease the land and the building known as The Kirklin Clinic. The initial term of the lease, which is cancellable by either party upon proper written notice and without penalty, is five years, with automatic one-year renewals thereafter.

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 \$10,340,000 (unaudited) and \$10,157,000 (unaudited) and total liabilities were approximately \$1,432,000 (unaudited) and \$1,427,000 (unaudited) at September 30, 2015 and 2014, respectively.

The Hospital received premium revenue (capitation fees) of approximately \$64,599,000 and \$61,862,000 from Triton during the years ended September 30, 2015 and 2014.

The Hospital purchased \$197,971,000 and \$155,786,000 in management, administrative, and staffing services from the LLC during the years ended September 30, 2015 and 2014, respectively. Payment for contract labor as reported on the Statements of Cash Flows includes amounts paid to employees of the LLC and HSF.

(3) 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.

As of September 30, 2014, the System sponsored a short-term investment pool for the System entities to invest operating cash reserves. The Short-Term Fund was invested in a treasury obligation money market fund managed by Federated. As of October 1, 2014, the Short-Term Fund became part of the Short Term Liquidity Pool. Refer to Note 4 for additional information related to the Short Term Liquidity Pool. As of September 30, 2014, the University had approximately \$138,200,000 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, 2015 and 2014, respectively, UAB had cash and cash equivalents totaling \$274,569,121 and \$371,960,135.

(4) 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 three distinct investment pools based primarily on the projected investment time-horizons for System funds. These investment pools are the Endowment Fund, Long Term Reserve Pool and the Short Term Liquidity Pool (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 \$48,500,000 and \$42,700,000 at September 30, 2015 and 2014, respectively.

Long Term Reserve Pool

The Long Term Reserve Pool 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 Long Term Reserve Pool are valued at cost, unless impaired. UAB's portion of investments which are measured at cost totaled approximately \$1,500,000 at September 30, 2015 and \$6,600,000 at September 30, 2014.

Short Term Liquidity Pool

The Short Term Liquidity Pool 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 Short Term Liquidity Pool 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 Short Term Liquidity Pool investment managers must be a large mutual fund providing daily liquidity.

Short-Term Fund

As of October 1, 2014, the Short-Term Fund became part of the Short Term Liquidity Pool. As of September 30, 2014, the Short-Term Fund contained 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 reduced daily cash fluctuations and minimized the amount of short-term cash reserves needed. Assets held in the Short-Term Fund were invested with the primary objective of stability of principal and liquidity. Such investments were restricted to high quality, liquid, money market funds and other fixed income obligations with a maturity of one year or less. Refer to Note 3 for additional information related to the Short-Term Fund.

At the September 2014 Investment Committee meeting of the Board of Trustees of The University of Alabama, the committee approved the consolidation of three working capital pools to two and a name change for these investment pools. The Intermediate Fund was renamed the Short Term Liquidity Pool and the Prime Investment Fund was renamed the Long Term Reserve Pool. The Short-Term Fund became part of the Short Term Liquidity Pool. These changes became effective as of October 1, 2014.

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, 2015 is as follows:

September 30, 2015								
	ENDOWMENT FUND		LONG TERM RESERVE POOL		SHORT TERM LIQUIDITY POOL		SHORT TERM FUND	
Receivables:								
Accrued Income Receivables	\$	732,281	\$	928,183	\$	2,875,267	\$	
TOTAL RECEIVABLES		732,281		928,183		2,875,267		
Cash Equivalents:								
Money Market Funds		45,827,694		53,715,774		107,786,001		
TOTAL CASH EQUIVALENTS		45,827,694		53,715,774		107,786,001		
Equities:								
U.S. Common Stock		91,674,908		78,549,689				
U.S. Preferred Stock								
Non-U.S. Stock		6,733,725		7,331,290				
TOTAL EQUITIES		98,408,633		85,880,979				
Fixed Income Securities:								
U.S. Government Obligations		11,925,085		17,681,310		233,056,868		
Mortgage Backed Securities						155,032,472		
Collateralized Mortgage Obligations						22,197,142		
Corporate Bonds		22,370,872		32,050,655		185,111,586		
Non-U.S. Bonds		2,573,773		3,857,095		67,420,921		
TOTAL FIXED INCOME SECURITIES		36,869,730		53,589,060		662,818,989		
Commingled Funds:								
U.S. Equity Funds				52,678,292				
Non-U.S. Equity Funds		196,196,151		299,302,691				
U.S. Bond Funds		59,672,727		55,754,545		208,669,176		
Non-U.S. Bond Funds		27,041,898		33,568,513				
Hedge Funds		448,537,456		528,911,449				
Private Equity Funds		77,314,663						
Real Estate Funds		121,833,226		67,950,890				
TOTAL COMMINGLED FUNDS		930,596,121		1,038,166,380		208,669,176		
TOTAL FUND INVESTMENTS		1,111,702,178		1,231,352,193		979,274,166		
TOTAL FUND ASSETS		1,112,434,459		1,232,280,376		982,149,433		
TOTAL FUND LIABILITIES		(138,496)		(100,561)		(320,823)		
AFFILIATED ENTITY INVESTMENT IN FUNDS		(145,926,518)		(72,859,331)		(76,155,181)		
TOTAL NET ASSET VALUE	\$	966,369,445	\$	1,159,320,484	\$	905,673,429	\$	

The composition of investments, by investment type, for the System Pools at September 30, 2014 is as follows:

September 30, 2014	ENDOWMENT FUND		LONG TERM RESERVE POOL		SHORT TERM LIQUIDITY POOL		SHORT TERM FUND
Receivables:							
Accrued Income Receivables	\$	1,003,301	\$	881,205	\$	3,704,124	\$
TOTAL RECEIVABLES		1,003,301		881,205		3,704,124	
Cash Equivalents:							
Money Market Funds		57,886,211		40,085,105		89,200,493	176,466,706
TOTAL CASH EQUIVALENTS		57,886,211		40,085,105		89,200,493	176,466,706
Equities:							
U.S. Common Stock		91,626,275		64,167,500			
U.S. Preferred Stock		1,081,641		970,703			
Non-U.S. Stock		9,122,500		7,016,834			
TOTAL EQUITIES		101,830,416		72,155,037			
Fixed Income Securities:							
U.S. Government Obligations		16,426,862		14,060,742		356,983,685	
Mortgage Backed Securities						107,336,734	
Collateralized Mortgage Obligations						36,037,561	
Corporate Bonds		32,525,648		25,320,584		243,885,772	
Non-U.S. Bonds		4,717,740		3,586,194		86,740,041	
TOTAL FIXED INCOME SECURITIES		53,670,250		42,967,520		830,983,793	
Commingled Funds:							
U.S. Equity Funds		70,497,226		90,049,678			
Non-U.S. Equity Funds		299,154,328		277,766,811			
U.S. Bond Funds		59,672,727		44,754,545		88,967,993	
Non-U.S. Bond Funds		62,211,203		61,965,572			
Hedge Funds		237,682,807		196,514,795			
Private Equity Funds		67,605,100					
Real Estate Funds		136,647,983		90,219,359			
TOTAL COMMINGLED FUNDS		933,471,374		761,270,760		88,967,993	
TOTAL FUND INVESTMENTS		1,146,858,251		916,478,422		1,009,152,279	176,466,706
TOTAL FUND ASSETS		1,147,861,552		917,359,627		1,012,856,403	176,466,706
TOTAL FUND LIABILITIES		(254,559)		(175,311)		(566,898)	
AFFILIATED ENTITY INVESTMENT IN FUNDS		(147,147,272)		(56,162,298)		(106,232,340)	
TOTAL NET ASSET VALUE	\$	1,000,459,721	\$	861,022,018	\$	906,057,165	\$ 176,466,706

The composition of investments, by investment type, of UAB's separately held investments, and UAB's interest in the System Pools, at September 30, 2015 and 2014 is as follows:

	2015	2014
Cash and cash equivalents:		
Commercial paper	\$ 100,000	\$ 100,000
Money market funds	543,707	1,017,428
TOTAL CASH AND CASH EQUIVALENTS	643,707	1,117,428
Equities:		
Common stock	196,753	39,389,694
Equity investment in partnerships	48,615,182	52,839,465
TOTAL EQUITIES	48,811,935	92,229,159
Fixed Income Securities:		
U.S. government obligations	5,511,003	48,026,721
Corporate bonds	15,923,291	15,607,631
TOTAL FIXED INCOME SECURITIES	21,434,294	63,634,352
Commingled Funds:		
U.S. equity funds	10,978,603	12,491,458
Non-U.S. equity funds	7,068,191	8,225,868
U.S. bond funds	3,867,067	3,988,420
Non-U.S. bond funds	1,109,981	1,307,721
Liquid alternatives	5,220,313	5,421,225
Private equity funds	1,298,809	1,790,980
Real estate funds	2,473,407	3,173,244
TOTAL COMMINGLED FUNDS	32,016,371	36,398,916
REAL ESTATE	159,600	159,600
Portion of System Pooled Investments:		
Endowment Fund	374,410,146	389,954,734
Long Term Reserve Pool	761,784,071	592,982,140
Short Term Liquidity Pool	597,548,301	611,060,967
Short-Term Fund	138,238,607	138,238,607
Total Portion of System Pooled Investments	1,733,742,518	1,732,236,448
Total Cash and Investments	1,836,808,425	1,925,775,903
Less Short-Term Fund		138,238,607
TOTAL INVESTMENTS	\$ 1,836,808,425	\$ 1,787,537,296

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 Fund and Long Term Reserve Pool, 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 Fund and Long Term Reserve Pool 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 \$1,350,000 and \$1,512,000 in the Endowment Fund and Long Term Reserve Pool,

at September 30, 2015 and 2014, respectively, is invested in unrated fixed income securities, excluding fixed income commingled funds. Fixed income commingled funds were approximately \$275,600,000 and \$326,600,000 in the Endowment Fund and Long Term Reserve Pool, at September 30, 2015 and 2014, respectively.

The Short Term Liquidity Pool 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, 2015 and 2014, approximately \$86,671,000 and \$64,912,000, respectively, was invested by the Short Term Liquidity Pool in unrated fixed income securities, excluding commingled bond funds and money market funds. Fixed income commingled funds and commercial paper totaled approximately \$316,500,000 and \$178,200,000 at September 30, 2015 and 2014, respectively.

The credit risk for fixed and variable income securities, for the System Pools, at September 30, 2015 and 2014 is as follows:

September 30, 2015 and 2014

	ENDOWMENT FUND		LONG TERM RESERVE POOL		SHORT TERM LIQUIDITY POOL		SHORT TERM FUND	
	2015	2014	2015	2014	2015	2014	2015	2014
Fixed or Variable Income Securities								
U.S. Government Obligations	\$ 11,925,084	\$ 16,426,862	\$ 17,681,310	\$ 14,060,742	\$ 233,056,868	\$ 356,983,685	\$	
Other U.S. and Non-U.S. Denominated:								
AAA					76,994,388	48,981,389		
AA	5,308,729	6,632,713	7,818,545	5,082,925	56,012,019	83,143,881		
A	10,171,266	16,894,747	14,500,606	13,410,517	99,306,842	151,341,278		
BBB	8,504,328	12,850,553	12,154,468	9,766,791	77,043,546	84,810,054		
BB	410,273		634,058		21,027,641	29,352,911		
B					8,654,442	8,810,464		
C and < C					4,052,387	2,648,442		
Unrated	550,050	865,375	800,073	646,545	86,670,856	64,911,689		
Commingled Funds:								
U.S. Bond Funds: Unrated	59,672,727	59,672,727	55,754,545	44,754,545	208,669,176	88,967,993		
Non-U.S. Bond Funds: Unrated	27,041,898	62,211,203	33,568,513	61,965,572				
Money Market Funds: Unrated	45,827,694	57,886,211	53,715,774	40,085,105	107,786,001	89,200,493		176,466,706
TOTAL	\$ 169,412,049	\$ 233,440,391	\$ 196,627,892	\$ 189,772,742	\$ 979,274,166	\$ 1,009,152,279	\$	\$ 176,466,706

The credit risk for fixed and variable income securities of UAB's separately held investments at September 30, 2015 and 2014 is as follows:

September 30, 2015 and 2014

	2015	2014
Fixed or Variable Income Securities		
U.S. Government Obligations	\$ 5,511,003	\$ 48,026,721
Other U.S. and Non U.S. Denominated:		
AAA	15,923,291	15,607,631
AA		
A		
BBB		
BB		
B		
CCC		
CC		
Unrated		
Commingled Funds:		
U.S. Bond Funds: Unrated	3,867,067	3,988,420
Non-U.S. Bond Funds: Unrated	1,109,981	1,307,721
Money Market Funds: Unrated	543,707	1,017,428
Commercial Paper: Unrated	100,000	100,000
TOTAL	\$ 27,055,049	\$ 70,047,921

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, 2015 and 2014, 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 fund investments.

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, 2015 and 2014 are as follows:

	ENDOWMENT FUND		LONG TERM RESERVE POOL		SHORT TERM LIQUIDITY POOL	
	2015	2014	2015	2014	2015	2014
U.S. Government Obligations	7.3	7.1	7.2	6.5	1.7	3.2
Corporate Bonds	4.4	3.8	4.4	3.8	2.0	1.9
Commingled Bond Funds	2.4	2.3	2.1	2.2	2.7	2.8
Non-U.S. Bonds					2.0	1.9

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, 2015 and 2014 are as follows:

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, 2015 and 2014, the fair market values of these investments in the System Pools are as follows:

	2015	2014
Commingled Bond Funds	2.6	3.1
U.S. Government Obligations		0.6

	SHORT TERM LIQUIDITY POOL	
	2015	2014
Mortgage Backed Securities	\$ 155,032,472	\$ 107,336,734
Collateralized Mortgage Obligations	22,197,142	36,037,561
TOTAL	\$ 177,229,614	\$ 143,374,295

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, 2015 and 2014, the effective durations for these securities held in the System Pools are as follows:

September 30, 2015 and 2014

	SHORT TERM LIQUIDITY POOL	
	2015	2014
Mortgage backed securities	1.1	1.3
Collateralized mortgage obligations	0.9	1.0

There are no mortgage backed securities or CMOs in UAB's separately held investments at September 30, 2015 and 2014.

Foreign Currency Risk

The strategic asset allocation policy for the Endowment Fund, the Long Term Reserve Pool, 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, 2015 and 2014, 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 \$67.4 million and \$86.7 million of foreign bonds denominated in U.S. dollars and held by the Short Term Liquidity Pool at September 30, 2015 and 2014, 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, 2015 and 2014, 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 \$48,620,000 and \$52,840,000 at September 30, 2015 and 2014, respectively. See Note 19 for further discussion of the PLTF.

(5) Accounts Receivable

The composition of accounts receivable at September 30, 2015 and 2014 is summarized as follows:

	2015	2014
Patient care	\$ 322,921,280	\$ 317,171,578
Receivables from sponsoring agencies	63,272,058	59,548,780
Student accounts	26,928,717	25,414,127
Other	58,963,793	31,969,258
	\$ 472,058,848	\$ 434,103,743
Less: Provision for doubtful accounts from patient care	134,980,641	152,833,331
Less: Provision for doubtful accounts from student accounts	1,507,683	774,293
Less: Provision for doubtful accounts other	1,370,149	1,154,053
Total accounts receivable	\$ 334,200,375	\$ 279,342,066

(6) Loans and Pledges Receivable

The composition of loans and pledges receivable at September 30, 2015 and 2014, is summarized in the following 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 obligated 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.

LOANS RECEIVABLE:	2015	2014
Federal loan program	\$ 16,101,806	\$ 16,982,788
University loan funds	2,132,448	2,092,549
Other	1,241,004	1,226,687
Total loans receivable	19,475,258	20,302,024
Less allowance for doubtful accounts	2,787,820	2,884,344
Total loans receivable, net	16,687,438	17,417,680
Less: current portion	2,637,651	2,473,999
Total loans receivable outstanding, noncurrent	\$ 14,049,787	\$ 14,943,681
GIFT PLEDGES OUTSTANDING:		
Operations	\$ 47,427,041	\$ 25,981,904
Capital	8,674,559	7,684,584
Total gift pledges	56,101,600	33,666,488
Less: current portion	19,163,293	13,530,960
Total gift pledges, noncurrent	\$ 36,938,307	\$ 20,135,528

(7) Capital Assets

Capital assets activity for the years ended September 30, 2015 and 2014 is summarized below:

Net interest costs capitalized for the University and Component Units in 2015 and 2014, respectively, were approximately \$1,568,000 and \$4,266,000 (net of \$191,000 and \$577,000 investment earnings in 2015 and 2014, respectively). There were no net interest costs capitalized in 2015 or 2014 for the Hospital.

September 30, 2015

	BEGINNING BALANCE		ADDITIONS		SALES/RETIREMENTS/ TRANSFERS		ENDING BALANCE
UNIVERSITY AND COMPONENT UNITS							
Capital assets not being depreciated							
Land	\$	77,062,960	\$		\$		\$ 77,062,960
Construction in progress		36,896,860		28,989,710		20,478,771	45,407,799
		113,959,820		28,989,710		20,478,771	122,470,759
Capital assets being depreciated							
Land Improvements		26,548,899		1,965,900			28,514,799
Buildings		1,324,306,753		65,128,788		2,395,702	1,387,039,839
Fixed Equipment Systems		84,253,630		1,537,459			85,791,089
Equipment		359,069,698		22,103,769		8,160,183	373,013,284
Library Materials		100,240,733		4,146,786			104,387,519
		1,894,419,713		94,882,702		10,555,885	1,978,746,530
Total Capital Assets		2,008,379,533		123,872,412		31,034,656	2,101,217,289
Less: Accumulated Depreciation		1,086,682,317		72,670,169		9,690,861	1,149,661,625
Total Net Capital Assets	\$	921,697,216	\$	51,202,243	\$	21,343,795	\$ 951,555,664
HOSPITAL							
Capital assets not being depreciated							
Land	\$	19,044,954	\$		\$		\$ 19,044,954
Construction in progress		21,191,657		3,931,612		17,880,372	7,242,897
		40,236,611		3,931,612		17,880,372	26,287,851
Capital assets being depreciated							
Land Improvements		656,874					656,874
Buildings		853,351,238		23,829,722			877,180,960
Fixed Equipment Systems		10,002,839					10,002,839
Equipment		361,699,309		33,934,799		12,540,005	383,094,103
		1,225,710,260		57,764,521		12,540,005	1,270,934,776
Total Capital Assets		1,265,946,871		61,696,133		30,420,377	1,297,222,627
Less: Accumulated Depreciation		652,915,507		64,357,416		11,877,119	705,395,804
Total Net Capital Assets	\$	613,031,364	\$	(2,661,283)	\$	18,543,258	\$ 591,826,823
TOTAL UAB							
Capital assets not being depreciated							
Land	\$	96,107,914	\$		\$		\$ 96,107,914
Construction in progress		58,088,517		32,921,322		38,359,143	52,650,696
		154,196,431		32,921,322		38,359,143	148,758,610
Capital assets being depreciated							
Land Improvements		27,205,773		1,965,900			29,171,673
Buildings		2,177,657,991		88,958,510		2,395,702	2,264,220,799
Fixed Equipment Systems		94,256,469		1,537,459			95,793,928
Equipment		720,769,007		56,038,568		20,700,188	756,107,387
Library Materials		100,240,733		4,146,786			104,387,519
		3,120,129,973		152,647,223		23,095,890	3,249,681,306
Total Capital Assets		3,274,326,404		185,568,545		61,455,033	3,398,439,916
Less: Accumulated Depreciation		1,739,597,824		137,027,585		21,567,980	1,855,057,429
Total Net Capital Assets	\$	1,534,728,580	\$	48,540,960	\$	39,887,053	\$ 1,543,382,487

September 30, 2014

	BEGINNING BALANCE		ADDITIONS		SALES/RETIREMENTS/ TRANSFERS		ENDING BALANCE
UNIVERSITY AND COMPONENT UNITS							
Capital assets not being depreciated							
Land	\$	75,091,788	\$	2,262,863	\$	291,691	\$ 77,062,960
Construction in progress		21,458,729		38,500,258		23,062,127	36,896,860
		96,550,517		40,763,121		23,353,818	113,959,820
Capital assets being depreciated							
Land Improvements		25,777,821		771,078			26,548,899
Buildings		1,284,007,795		43,203,934		2,904,976	1,324,306,753
Fixed Equipment Systems		83,522,628		731,002			84,253,630
Equipment		350,229,176		22,133,056		13,292,534	359,069,698
Library Materials		96,740,340		3,500,393			100,240,733
		1,840,277,760		70,339,463		16,197,510	1,894,419,713
Total Capital Assets		1,936,828,277		111,102,584		39,551,328	2,008,379,533
Less: Accumulated Depreciation		1,031,910,019		68,011,875		13,239,577	1,086,682,317
Total Net Capital Assets	\$	904,918,258	\$	43,090,709	\$	26,311,751	\$ 921,697,216
HOSPITAL							
Capital assets not being depreciated							
Land	\$	19,044,954	\$		\$		19,044,954
Construction in progress		13,920,348		8,423,480		1,152,171	21,191,657
		32,965,302		8,423,480		1,152,171	40,236,611
Capital assets being depreciated							
Land Improvements		624,729		32,145			656,874
Buildings		842,900,609		10,450,629			853,351,238
Fixed Equipment Systems		10,002,839					10,002,839
Equipment		384,484,960		37,568,622		60,354,273	361,699,309
		1,238,013,137		48,051,396		60,354,273	1,225,710,260
Total Capital Assets		1,270,978,439		56,474,876		61,506,444	1,265,946,871
Less: Accumulated Depreciation		651,012,773		61,533,684		59,630,950	652,915,507
Total Net Capital Assets	\$	619,965,666	\$	(5,058,808)	\$	1,875,494	\$ 613,031,364
TOTAL UAB							
Capital assets not being depreciated							
Land	\$	94,136,742	\$	2,262,863	\$	291,691	\$ 96,107,914
Construction in progress		35,379,077		46,923,738		24,214,298	58,088,517
		129,515,819		49,186,601		24,505,989	154,196,431
Capital assets being depreciated							
Land Improvements		26,402,550		803,223			27,205,773
Buildings		2,126,908,404		53,654,563		2,904,976	2,177,657,991
Fixed Equipment Systems		93,525,467		731,002			94,256,469
Equipment		734,714,136		59,701,678		73,646,807	720,769,007
Library Materials		96,740,340		3,500,393			100,240,733
		3,078,290,897		118,390,859		76,551,783	3,120,129,973
Total Capital Assets		3,207,806,716		167,577,460		101,057,772	3,274,326,404
Less: Accumulated Depreciation		1,682,922,792		129,545,559		72,870,527	1,739,597,824
Total Net Capital Assets	\$	1,524,883,924	\$	38,031,901	\$	28,187,245	\$ 1,534,728,580

(8) Long-Term Debt

Long-term debt activity for the years ended September 30, 2015 and 2014 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, 2015

	BEGINNING BALANCE	NEW DEBT	PRINCIPAL REPAYMENT	ENDING BALANCE
UNIVERSITY				
Leases Payable, 3.19% due annually through 2019 and 4.47% due monthly through 2020	\$ 374,299	\$ 220,556	\$ 76,821	\$ 518,034
Birmingham General Revenue Bonds Series 2005A, 4.0% to 5.0% due annually from 2007 through 2021	25,950,000		5,120,000	20,830,000
Birmingham General Revenue Bonds Series 2005B, 4.0% to 4.5% due annually through 2028	39,905,000		37,355,000	2,550,000
Birmingham General Revenue Bonds Series 2010A, 2.0% to 4.5% due annually through 2041	52,595,000		1,470,000	51,125,000
Birmingham General Revenue Bonds Series 2010B, 1.0% to 5.8% due annually through 2041	52,425,000		1,415,000	51,010,000
Birmingham General Revenue Bonds Series 2010C, 2.0% to 4.0% due annually through 2028	24,482,229		2,881,218	21,601,011
Birmingham General Revenue Bonds Series 2013A-1, 1.1% due annually through 2020	19,195,000		1,550,000	17,645,000
Birmingham General Revenue Bonds Series 2013A-2, 2.25% to 5.0% due annually through 2043	72,595,000			72,595,000
Birmingham General Revenue Bonds Series 2013B, 1.99% due annually through 2029	45,190,000		2,840,000	42,350,000
Birmingham General Revenue Bonds Series 2013C, 1.0% to 1.45% due annually through 2019	3,095,000		540,000	2,555,000
Birmingham General Revenue Bonds Series 2013D-1, 1.97% due annually through 2023	20,425,000		1,030,000	19,395,000
Birmingham General Revenue Bonds Series 2013D-2, 4.0% to 5.0% due annually through 2043	78,325,000			78,325,000
Birmingham General Revenue Bonds Series 2015A, 2.0% to 5.0% due annually through 2028		32,560,000		32,560,000
	\$ 434,556,528	\$ 32,780,556	\$ 54,278,039	\$ 413,059,045
Less (Plus): unamortized bond discount (premium)				(4,887,624)
TOTAL UNIVERSITY DEBT				\$ 417,946,669
Less: current portion				20,795,496
TOTAL UNIVERSITY DEBT, NONCURRENT				\$ 397,151,173
HOSPITAL				
Lease Payable, 2.0% to 3.75% due monthly through 2020	\$ 12,293,799	\$ 723,415	\$ 2,765,403	\$ 10,251,811
Birmingham Hospital Revenue Bonds Series 2006A, 4.0% due annually through 2041	240,375,000		6,305,000	234,070,000
Birmingham Hospital Revenue Bonds Series 2008A, 4.0% to 5.75% due annually through 2025	96,970,000		2,250,000	94,720,000
Birmingham General Revenue Bonds Series 2010C, 2.0% to 4.0% due annually through 2018	977,771		228,782	748,989
Birmingham Hospital Revenue Bonds Series 2012A, 2.57% due annually through 2027	18,286,000		1,194,000	17,092,000
Birmingham Hospital Revenue Bonds Series 2012B, variable interest rate (0.01% at September 30, 2015), due annually through 2042	65,000,000			65,000,000
Birmingham Hospital Revenue Bonds Series 2012C, variable interest rate (0.01% at September 30, 2015), due annually through 2042	65,000,000			65,000,000
	\$ 498,902,570	\$ 723,415	\$ 12,743,185	\$ 486,882,800
Less (Plus): unamortized bond discount (premium)				(3,802,294)
TOTAL HOSPITAL DEBT				\$ 490,685,094
Less: current portion				13,302,287
TOTAL HOSPITAL DEBT, NONCURRENT				\$ 477,382,807
TOTAL UAB	\$ 933,459,098	\$ 33,503,971	\$ 67,021,224	\$ 899,941,845
Less (Plus): unamortized bond discount (premium)				(8,689,918)
TOTAL UAB DEBT				\$ 908,631,763
Less: current portion				34,097,783
TOTAL UAB DEBT, NONCURRENT				\$ 874,533,980

September 30, 2014

	BEGINNING BALANCE	NEW DEBT	PRINCIPAL REPAYMENT	ENDING BALANCE
UNIVERSITY				
Lease Payable, 3.19% due annually through 2019	\$	\$ 374,299	\$	\$ 374,299
Birmingham General Revenue Bonds Series 1993B, variable rate interest(0.2% at September 30, 2013), due annually through 2014	1,100,000		1,100,000	
Birmingham General Revenue Bonds Series 2002, 3.0% to 3.8%, due annually through 2014	1,205,000		1,205,000	
Birmingham General Revenue Bonds Series 2003A, 3.4% to 4.5% due annually through 2030	2,760,000		2,760,000	
Birmingham General Revenue Bonds Series 2005A, 4.0% to 5.0% due annually from 2007 through 2021	30,870,000		4,920,000	25,950,000
Birmingham General Revenue Bonds Series 2005B, 4.0% to 4.5% due annually through 2028	42,255,000		2,350,000	39,905,000
Birmingham General Revenue Bonds Series 2010A, 2.0% to 4.5% due annually through 2041	53,270,000		675,000	52,595,000
Birmingham General Revenue Bonds Series 2010B, 1.0% to 5.8% due annually through 2041	52,605,000		180,000	52,425,000
Birmingham General Revenue Bonds Series 2010C, 2.0% to 4.0% due annually through 2028	27,303,164		2,820,935	24,482,229
Birmingham General Revenue Bonds Series 2013A-1, 1.1% due annually through 2021	19,195,000			19,195,000
Birmingham General Revenue Bonds Series 2013A-2, 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 2030	45,190,000			45,190,000
Birmingham General Revenue Bonds Series 2013C, 1.0% to 1.45% due annually through 2020	3,095,000			3,095,000
Birmingham General Revenue Bonds Series 2013D-1, 1.97% due annually through 2024	20,425,000			20,425,000
Birmingham General Revenue Bonds Series 2013D-2, 4.0% to 5.0% due annually through 2044	78,325,000			78,325,000
	\$ 450,193,164	\$ 374,299	\$ 16,010,935	\$ 434,556,528
Less (Plus): unamortized bond discount (premium)				(1,983,334)
TOTAL UNIVERSITY DEBT				\$ 436,539,862
Less: current portion				19,361,454
TOTAL UNIVERSITY DEBT, NONCURRENT				\$ 417,178,408
HOSPITAL				
Lease Payable, 3.75% due monthly through 2020	\$ 3,163,342	\$ 11,977,740	\$ 2,847,283	\$ 12,293,799
Birmingham Hospital Revenue Bonds Series 2004A, 5.0% due annually through 2014	5,200,000		5,200,000	
Birmingham Hospital Revenue Bonds Series 2006A, 4.0% due annually through 2041	241,180,000		805,000	240,375,000
Birmingham Hospital Revenue Bonds Series 2008A, 4.0% to 5.75% due annually through 2025	99,125,000		2,155,000	96,970,000
Birmingham General Revenue Bonds Series 2010C, 2.0% to 4.0% due annually through 2018	1,201,836		224,065	977,771
Birmingham Hospital Revenue Bonds Series 2012A, 2.57% due annually through 2027	19,448,000		1,162,000	18,286,000
Birmingham Hospital Revenue Bonds Series 2012B, variable interest rate (0.04% at September 30, 2014), due annually through 2042	65,000,000			65,000,000
Birmingham Hospital Revenue Bonds Series 2012C, variable interest rate (0.04% at September 30, 2014), due annually through 2042	65,000,000			65,000,000
	\$ 499,318,178	\$ 11,977,740	\$ 12,393,348	\$ 498,902,570
Less (Plus): unamortized bond discount (premium)				(4,000,229)
TOTAL HOSPITAL DEBT				\$ 502,902,799
Less: current portion				12,615,034
TOTAL HOSPITAL DEBT, NONCURRENT				\$ 490,287,765
TOTAL UAB				
	\$ 949,511,342	\$ 12,352,039	\$ 28,404,283	\$ 933,459,098
Less (Plus): unamortized bond discount (premium)				(5,983,563)
TOTAL UAB DEBT				\$ 939,442,661
Less: current portion				31,976,488
TOTAL UAB DEBT, NONCURRENT				\$ 907,466,173

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, 2015.

UNIVERSITY				
FISCAL YEAR	PRINCIPAL	INTEREST	TOTAL	
2016	\$ 20,795,496	\$ 15,145,726	\$ 35,941,222	
2017	20,222,863	14,371,900	34,594,763	
2018	20,889,421	13,713,229	34,602,650	
2019	19,601,007	13,052,371	32,653,378	
2020	20,150,258	12,405,074	32,555,332	
2021-2025	89,805,000	52,794,154	142,599,154	
2026-2030	77,100,000	38,135,492	115,235,492	
2031-2035	58,980,000	25,456,369	84,436,369	
2036-2040	52,775,000	13,389,194	66,164,194	
2041-2044	32,740,000	2,567,480	35,307,480	
TOTAL UNIVERSITY	\$ 413,059,045	\$ 201,030,989	\$ 614,090,034	
HOSPITAL				
FISCAL YEAR	PRINCIPAL	INTEREST	TOTAL	
2016	\$ 13,302,287	\$ 17,488,795	\$ 30,791,082	
2017	13,845,923	16,940,436	30,786,359	
2018	14,442,969	16,345,970	30,788,939	
2019	13,182,915	15,752,441	28,935,356	
2020	12,642,706	15,111,696	27,754,402	
2021-2025	72,526,000	64,825,689	137,351,689	
2026-2030	80,245,000	55,741,043	135,986,043	
2031-2035	92,855,000	49,855,509	142,710,509	
2036-2040	118,095,000	25,123,235	143,218,235	
2041-2044	55,745,000	1,369,207	57,114,207	
TOTAL HOSPITAL	\$ 486,882,800	\$ 278,554,021	\$ 765,436,821	
TOTAL UAB				
FISCAL YEAR	PRINCIPAL	INTEREST	TOTAL	
2016	\$ 34,097,783	\$ 32,634,521	\$ 66,732,304	
2017	34,068,786	31,312,336	65,381,122	
2018	35,332,390	30,059,199	65,391,589	
2019	32,783,922	28,804,812	61,588,734	
2020	32,792,964	27,516,770	60,309,734	
2021-2025	162,331,000	117,619,843	279,950,843	
2026-2030	157,345,000	93,876,535	251,221,535	
2031-2035	151,835,000	75,311,878	227,146,878	
2036-2040	170,870,000	38,512,429	209,382,429	
2041-2044	88,485,000	3,936,687	92,421,687	
TOTAL UAB	\$ 899,941,845	\$ 479,585,010	\$ 1,379,526,855	

During fiscal year 2015, Standard & Poor's Ratings Services revised its outlook to positive from stable and affirmed its AA- rating on UAB's general revenue bonds.

See Note 10 for information regarding the pledged revenues, which collateralize certain outstanding debt.

The University defeased certain indebtedness during fiscal year 2015 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, 2015 and 2014. The principal outstanding on the defeased indebtedness at September 30, 2015 was approximately

\$34,910,000, which all related to the University. There was no principal outstanding on the defeased indebtedness at September 30, 2014.

The Hospital Revenue Bonds Series 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 letters of credit ("LOC") for each of the Series 2012B and 2012C 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 the 2012B bond expires on August 3, 2018 and the LOC for the 2012C bond expires on July 30, 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.

In March 2015, the University issued \$32,560,000 in Series 2015A General Revenue Bonds. The bonds pay interest at varying rates of 2.0% to 5.0% with principal due annually through October 1, 2027. The proceeds of this offering are being used for the purposes of advance refunding Series 2005B General Revenue Bonds; and paying costs and expenses associated with this issue. These bonds were issued at a premium of \$4,143,017 resulting in total cash received of \$36,703,017.

The undiscounted cash flows required to service principal and interest under the Series 2005B General Revenue Bonds as of September 30, 2015, would have been \$46.4 million compared to undiscounted

cash flow requirements of \$41.7 million under the new bonds. The economic gain to UAB of the bond refinancing in fiscal year 2015 was calculated to be approximately \$4.7 million using an effective interest rate of 4.45% applied to the old and 2.20% applied to the new bond cash flow requirements.

The UAB general revenue bonds and the Hospital Revenue Trust Indentures are subject to certain covenants with the most restrictive being those on the Hospital's 2012B series issuance. These covenants, among other things, require the Hospital to ensure pledged revenues are sufficient for debt service coverage by a ratio of 1.15x tested quarterly on a rolling four quarter basis. Based on pledged revenues received in fiscal year 2015 of \$1.5 billion, the projected maximum annual debt service requirement of 1.15 is covered approximately 7.8 times by pledged revenues. UAB and the Hospital are in compliance with all covenants as of September 30, 2015.

(9) Other Noncurrent Liabilities

The activity with respect to other noncurrent liabilities for the year ended September 30, 2015 and 2014, is as follows for UAB:

September 30, 2015

	BEGINNING BALANCE	ADDITIONS	DEDUCTIONS	ENDING BALANCE
Federal advances - loan funds	\$ 14,559,124	\$ 212,380	\$ (400,196)	\$ 14,371,308
Unearned revenue	13,892,510		(228,421)	13,664,089
Other noncurrent liabilities	2,055,959		(239,338)	1,816,621
Total advances federal loans and other noncurrent liabilities	\$ 30,507,593	\$ 212,380	\$ (867,955)	\$ 29,852,018

September 30, 2014

	BEGINNING BALANCE	ADDITIONS	DEDUCTIONS	ENDING BALANCE
Federal advances - loan funds	\$ 14,727,477	\$ 200,863	\$ (369,216)	\$ 14,559,124
Unearned revenue	14,120,932		(228,422)	13,892,510
Other noncurrent liabilities	2,301,951	109	(246,101)	2,055,959
Total advances federal loans and other noncurrent liabilities	\$ 31,150,360	\$ 200,972	\$ (843,739)	\$ 30,507,593

(10) Pledged Revenues

Pledged revenues for 2015 and 2014, as defined by the Series 2006A, 2008A, 2012A, 2012B and 2012C Hospital Revenue Trust Indentures, are as follows:

HOSPITAL BONDS	2015	2014
Total pledged revenues	\$ 1,539,411,704	\$ 1,398,810,758

Pledged revenues for 2015 and 2014, as defined by the Series 2005A, 2005B, 2010A, 2010B, 2010C, 2013A, 2013B, 2013C, 2013D and 2015A General Revenue Trust Indentures, are as follows:

UNIVERSITY BONDS	2015	2014
Tuition fees	\$ 226,080,561	\$ 213,508,162
Indirect cost recovery	77,112,629	75,033,940
Sales and service of educational activities	60,916,483	59,147,027
Auxiliary sales and service	32,830,327	31,380,641
Endowment and investment income	34,558,101	33,292,859
Other sources	54,609,646	50,607,828
TOTAL PLEDGED REVENUES	\$ 486,107,747	\$ 462,970,457

(11) 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.

General Information about the Pension Plan

Plan Description. The Teachers' Retirement System of Alabama, a cost-sharing multiple-employer public employee retirement plan, 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. The TRS Board of Control consists of 15 trustees. The plan is administered by the Retirement Systems of Alabama (RSA). Title 16-Chapter 25 of the Code of Alabama grants the authority to establish and amend the benefit terms to the TRS Board of Control. The Plan issues a publicly available financial report that can be obtained at www.rsa-al.gov.

Benefits provided. State law establishes retirement benefits as well as death and disability benefits and any ad hoc increase in postretirement benefits for the TRS. Benefits for TRS members vest after 10 years of creditable service. TRS members who retire after age 60 with 10 years or more of creditable service or with 25 years of service (regardless of age) are entitled to an annual retirement benefit, payable monthly for life unless there is a return to full-time employment with a TRS or Employees' Retirement System (ERS) agency, or to temporary employment in excess of specified limits. Service and disability retirement benefits are based on a guaranteed minimum or a formula method, with the member receiving payment under the method that yields the highest monthly benefit. Under the formula method, Tier 1 members of the TRS are allowed 2.0125% of their average final compensation (highest 3 of the last 10 years) for each year of service.

Act 377 of the Legislature of 2012 established a new tier of benefits (Tier 2) for members hired on or after January 1, 2013. Tier 2 TRS members are eligible for retirement after age 62 with 10 years or more of creditable service and are entitled to an annual retirement benefit, payable monthly for life unless there is a return to full-time employment with a TRS or ERS agency, or to temporary employment in ex-

cess of specified limits. Service and disability retirement benefits are based on a guaranteed minimum or a formula method, with the member receiving payment under the method that yields the highest monthly benefit. Under the formula method, Tier 2 members of the TRS are allowed 1.65% of their average final compensation (highest 5 of the last 10 years) for each year of service. Members are eligible for disability retirement if they have 10 years of creditable service, are currently in-service, and determined by the RSA Medical Board to be permanently incapacitated from further performance of duty. Preretirement death benefits are calculated and paid to the beneficiary based on the member's age, service credit, employment status and eligibility for retirement.

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

Tier 2 covered members of the TRS contribute 6% of earnable compensation to the TRS as required by statute. Tier 2 certified law enforcement, correctional officers, and firefighters of the TRS are required by statute to contribute 7% of earnable compensation.

UAB's contractually required contribution rate for the year ended September 30, 2015 was 11.71% of annual pay for Tier 1 members and 11.05% of annual pay for Tier 2 members. UAB's contribution rate for the year ended September 30, 2014 was 11.71% of annual pay for Tier 1 members and 11.08% of annual pay for Tier 2 members. These required contribution rates are a percent of annual payroll, actuarially determined as an amount that, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, with an additional amount to finance any unfunded accrued liability. The contribution requirements for fiscal years 2015, 2014, and 2013, respectively, were approximately \$143,414,000, \$147,975,000 and \$138,146,000, which consisted of \$87,868,000, \$90,532,000 and \$79,253,000 from UAB and \$55,546,000, \$57,443,000 and \$58,893,000 from employees.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At September 30, 2015, UAB reported a liability of \$1,107,275,000 for its proportionate share of the collective net pension liability. The collective net pension liability was measured as of September 30, 2014 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of September 30, 2013. UAB's proportion of the collective net pension liability was based on the em-

ployers' shares of contributions to the pension plan relative to the total employer contributions of all participating TRS employers. At September 30, 2014, UAB's proportion was 12.19%, which was a decrease of 0.39% from its proportion measured as of September 30, 2013.

For the year ended September 30, 2015, UAB recognized pension expense of \$76,616,000. At September 30, 2015, UAB reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$	\$
Changes of assumptions		
Net difference between projected and actual earnings on pension plan investments		83,022,000
Changes in proportion and differences between Employer contributions and proportionate share of contributions		30,726,000
Employer contributions subsequent to the measurement date	84,999,000	
Total	\$ 84,999,000	\$ 113,748,000

\$84,999,000 reported as deferred outflows of resources related to pensions resulting from UAB contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended September 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended September 30:		
2016	\$	(27,903,000)
2017		(27,903,000)
2018		(27,903,000)
2019		(27,904,000)
2020		(2,135,000)
Thereafter		0

Actuarial assumptions. The total pension liability was determined by an actuarial valuation as of September 30, 2013 using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00%
Investment rate of return*	8.00%
Projected salary increases	3.5% - 8.25%

*Net of pension plan investment expense

The actuarial assumptions used in the actuarial valuation as of September 30, 2013, were based on the results of an investigation of the economic and demographic experience for the TRS based upon participant data as of September 30, 2010. The Board of Control accepted and approved these changes on January 27, 2012, which became effective at the beginning of fiscal year 2012.

Mortality rates for TRS were based on the RP-2000 Combined Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA projected to 2015 and set back one year for females.

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

	Target Allocation	Long-Term Expected Rate of Return*
Fixed Income	25.00%	5.00%
U.S. Large Stocks	34.00%	9.00%
U.S. Mid Stocks	8.00%	12.00%
U.S. Small Stocks	3.00%	15.00%
International Developed Market Stocks	15.00%	11.00%
International Emerging Market Stocks	3.00%	16.00%
Real Estate	10.00%	7.50%
Cash	2.00%	1.50%
Total	100.00%	

*Includes assumed rate of inflation of 2.50%.

Discount rate. The discount rate used to measure the total pension liability was 8%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that the employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, components of the pension plan's fiduciary net position were projected to be available to make all projected future benefit payments of current pan members. Therefore, the long-term expected rate of return on pension plan

investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of UAB's proportionate share of the net pension liability to changes in the discount rate.

The following table presents UAB's proportionate share of the net pension liability calculated using the discount rate of 8%, as well as what UAB's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (7%) or 1-percentage-point higher (9%) than the current rate:

		1% Decrease (7.00%)	Current Rate (8.00%)	1% Increase (9.00%)
UAB's proportionate share of collective net pension liability	\$	1,508,452,000	\$ 1,107,275,000	\$ 767,248,000

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued RSA Comprehensive Annual Report for the fiscal year ended September 30, 2014. The supporting actuarial information is included in the GASB Statement No. 67 Report for the TRS prepared as of September 30, 2014. The auditor's report dated May 1, 2015 on the total pension liability, total deferred outflows of resources, total deferred inflows of resources, total pension expense for the sum of all participating entities as of September 30, 2014 along with supporting schedules is also available. The additional financial and actuarial information is available at www.rsa-al.gov

Other Retirement Plans

Certain employees also participate in an optional 403(b) plan (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 2015 and 2014, respectively, excluding employee amounts not eligible for matching, were approximately \$40,581,000 and \$37,935,000 which included approximately \$20,291,000 and \$18,967,000 each from UAB and its employees.

The University, the Hospital, LLC and UABRF total salaries and wages for fiscal years 2015 and 2014, respectively, were approximately \$1,038,222,000 and \$1,016,856,000. Total salaries and wages during fiscal years 2015 and 2014 for covered employees participating in TRS were approximately \$754,457,000 and \$773,118,000, respectively. Total salaries and wages during fiscal years 2015

and 2014 for covered employees participating in the 403(b) Plan were approximately \$428,869,000 and \$398,918,000, 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 \$78,572,000 and \$77,372,000 as of September 30, 2015 and 2014, 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.

(12) 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, 2015 and 2014:

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 \$370 and \$356 per employee per month in the years ended September 30, 2015 and 2014, respectively. 100% of 2015 and 2014 contributions were paid in 2015 and 2014, respectively. UAB contributed \$19,793,000 and \$18,081,000 to PEEHIP in 2015 and 2014, 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 \$4,392,898 and \$3,065,896 in retiree healthcare and benefit expense during the years ended September 30, 2015 and 2014, 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, 2015 and 2014 is as follows:

	2015	2014	2013
Annual required contributions	\$ 8,052,020	\$ 6,800,515	\$ 9,194,860
Interest on obligations for retiree benefits	1,642,495	1,427,882	1,127,669
Adjustment to annual required contribution	(1,251,505)	(1,087,980)	(859,231)
Annual retiree benefit costs	8,443,010	7,140,417	9,463,298
UAB Contributions	(4,050,112)	(4,074,521)	(5,174,531)
Increase in obligations for retiree benefits	4,392,898	3,065,896	4,288,767
Obligations for retiree benefits, beginning of year	23,464,212	20,398,316	16,109,549
Total obligations for retiree benefits, end of year	\$ 27,857,110	\$ 23,464,212	\$ 20,398,316

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, 2015 and 2014 are as follows:

	2015	2014	2013
Annual retiree benefit cost	\$ 8,443,010	\$ 7,140,417	\$ 9,463,298
Percentage of annual cost contributed	47.97%	57.06%	54.68%
Net obligation to the retiree benefit plan	\$ 27,857,110	\$ 23,464,212	\$ 20,398,316

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 periodic 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, 2014, 2013 and 2012 was as follows:

	2015	2014	2013
Actuarial accrued liability	\$ 49,061,930	\$ 47,438,259	\$ 46,446,404
Actuarial value of plan assets			
Unfunded actuarial accrued liability	\$ 49,061,930	\$ 47,438,259	\$ 46,446,404
Funding ratio	Zero	Zero	Zero
Covered payroll	\$ 873,791,461	\$ 889,980,309	\$ 967,667,454
Unfunded actuarial accrued liability as a percentage of covered payroll	5.61%	5.33%	4.80%

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, 2013
- 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 7.5% and 9.5% for the years ended September 30, 2014 and September 30, 2013, respectively, reduced by increments to an ultimate rate of 5.0% over years through 2019;
- amortization of the initial unfunded actuarial liability over 30 years on a level percent of pay method with payroll growth rate of 3.25%

(13) Federal Direct Student Loan Program

The Federal Direct Student Loan Program (FDSLP) was established under the Higher Education Act of 1965, as amended in the Student Loan Reform Act of 1993. The FDSLP 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 FDSLP 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, 2015 and 2014, respectively, UAB disbursed approximately \$136,485,000 and \$132,820,000 under the FDSLP.

(14) Grants and Contracts

At September 30, 2015 and 2014, UAB had been awarded approximately \$425,062,000 and \$406,573,000 in grants and contracts, respectively, 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.

(15) 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 2009. Revenue from the Medicare program accounted for approximately 26% of the Hospital's net patient service revenue for the years ended September 30, 2015 and 2014.

Section 302 of the Tax Relief and Health Care Act of 2006 authorized a permanent program involving the use of third-party recovery audit contractors ("RACs") to identify Medicare overpayments and underpayments made to providers. As of September 30, 2015, the Hospital reported claims in various stages of review based on the requests received by the RACs during the fiscal year. Payment recoveries resulting from RAC reviews are appealable through administrative and judicial processes, and the Hospital intends to pursue the reversal of adverse determinations, where appropriate. The Hospital cannot predict with certainty the impact of the Medicare RAC program on our future results of operations or cash flows.

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 2014. Revenue from the Blue Cross program accounted for approximately 33% and 32% of the Hospital's net patient service revenue for each of the years ended September 30, 2015 and 2014, 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 is designated as a Disproportionate Share Hospital (DSH) and receives payments under the Medicaid DSH program. 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

\$40,304,000 and \$60,581,000 in 2015 and 2014, 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 14% and 15% of the Hospital's net patient service revenue for the years ended September 30, 2015 and 2014, 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:

	2015		2014	
Gross Patient Service Revenue	\$	5,779,150,092	\$	5,175,425,934
Less Provision for Contractual and Other Adjustments		(4,235,689,398)		(3,720,591,599)
Less Provision Bad Debts		(213,771,766)		(247,495,640)
Net Patient Service Revenue	\$	1,329,688,928	\$	1,207,338,695
Capitation Revenue		64,599,138		61,861,843
Other Operating Revenue		120,865,899		110,489,630
TOTAL HOSPITAL SALES REVENUE	\$	1,515,153,965	\$	1,379,690,168

(16) 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, 2015 and 2014:

	2015		2014	
Approximate charges forgone, based on established rates	\$	148,365,000	\$	267,860,000
Percentage of charity charges to total charges		2.6%		5.2%

(17) 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, 2015 and 2014 follows:

	2015	2014
Other	44%	43%
Medicare	21	19
Blue Cross	26	31
Medicaid	9	7
	100%	100%

(18) Construction Commitments and Financing

UAB has contracted for the construction and renovation of several facilities. At September 30, 2015 and 2014, the estimated remaining cost to complete the construction and renovation of these facilities was approximately \$138,060,000 and \$164,339,000, respectively, which is expected to be financed from private gifts, grants, bond proceeds, and UAB reserves.

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 System.

The PLTF agreement requires 10% of all PLTF assets to be held in liquid assets. At September 30, 2015 and 2014, the PLTF was in compliance with the agreement.

(19) 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.

As discussed in Note 4, UAB accounts for its ownership of the PLTF as a joint venture and it is not included in the table below.

UAB's medical malpractice liability is managed by PLTF, a professional liability trust fund. PLTF functions 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 2015 and 2014 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

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 liabilities are generally based on actuarial valuations and are reported at present value. The discount rate used for the general liability was 2% in both 2015 and 2014.

Changes in the total self-insured liabilities for the years ended September 30, 2015 and 2014 are presented as follows for UAB:

SELF INSURED LIABILITIES	2015	2014
Balance, beginning of year	\$ 10,760,082	\$ 12,678,140
Claims incurred and changes in estimates	67,127,630	68,801,814
Claim payments	(71,293,448)	(70,719,872)
BALANCE, END OF YEAR	\$ 6,594,264	\$ 10,760,082

(20) 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.

(21) Operating Expenses by Function

Total operating expenses by functional classification for the years ended September 30, 2015 and 2014 are as follows for UAB:

September 30, 2015	SALARIES, WAGES, AND BENEFITS	SUPPLIES AND SERVICES	DEPRECIATION AND AMORTIZATION	SCHOLARSHIPS AND FELLOWSHIPS	TOTAL
Instruction	\$ 225,208,641	\$ 32,847,200			\$ 258,055,841
Research	152,006,517	87,564,449			239,570,966
Public service	88,401,259	34,254,836			122,656,095
Academic support	129,372,304	32,700,285			162,072,589
Student services	18,541,691	15,835,378			34,377,069
Institutional support	76,205,152	49,802,271			126,007,423
Operations and maintenance of plant	25,747,844	37,970,000			63,717,844
Scholarships and fellowships				\$ 21,113,044	21,113,044
Hospital	630,244,947	641,932,018			1,272,176,965
Auxiliary	45,038,348	489,921,773			534,960,121
Depreciation			\$ 137,027,585		137,027,585
TOTAL OPERATING EXPENSES	\$ 1,390,766,703	\$ 1,422,828,210	\$ 137,027,585	\$ 21,113,044	\$ 2,971,735,542

September 30, 2014	SALARIES, WAGES, AND BENEFITS	SUPPLIES AND SERVICES	DEPRECIATION AND AMORTIZATION	SCHOLARSHIPS AND FELLOWSHIPS	TOTAL
Instruction	\$ 233,956,542	\$ 27,633,957			\$ 261,590,499
Research	151,644,912	83,629,509			235,274,421
Public service	74,533,051	33,547,414			108,080,465
Academic support	134,006,011	32,803,526			166,809,537
Student services	17,969,305	13,063,610			31,032,915
Institutional support	82,624,333	48,314,229			130,938,562
Operations and maintenance of plant	26,477,886	37,678,533			64,156,419
Scholarships and fellowships				\$ 21,013,152	21,013,152
Hospital	614,939,849	581,718,276			1,196,658,125
Auxiliary	44,217,318	429,982,896			474,200,214
Depreciation			\$ 129,547,649		129,547,649
TOTAL OPERATING EXPENSES	\$ 1,380,369,207	\$ 1,288,371,950	\$ 129,547,649	\$ 21,013,152	\$ 2,819,301,958

(22) 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, 2015 and 2014 is as follows:

UNIVERSITY	2015	2014
CONDENSED STATEMENT OF NET POSITION		
Current assets	\$ 522,564,725	\$ 519,658,171
Capital assets, net	946,494,158	915,828,035
Other assets	685,847,628	741,663,379
TOTAL ASSETS	\$ 2,154,906,511	\$ 2,177,149,585
DEFERRED OUTFLOW OF RESOURCES		
	\$ 60,708,661	\$ 1,246,237
Current liabilities	273,151,122	260,555,985
Long-term debt	397,151,173	417,178,408
Other noncurrent liabilities	746,944,307	14,559,124
TOTAL LIABILITIES	\$ 1,417,246,602	\$ 692,293,517
DEFERRED INFLOW OF RESOURCES		
	\$ 75,468,206	\$ 241,400
Net investment in capital assets	561,599,546	568,042,231
Restricted nonexpendable	285,143,473	297,072,049
Restricted expendable	246,232,165	207,707,232
Unrestricted	(370,074,821)	413,039,393
TOTAL NET POSITION	\$ 722,900,363	\$ 1,485,860,905
CONDENSED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION		
Tuition and fees, net	\$ 169,249,316	\$ 161,726,991
Grant and contract revenue	398,214,165	371,578,206
Sales and services, auxiliary	60,916,483	59,147,027
Other operating revenues	87,439,973	81,988,468
Salaries, wages, and benefits	(734,150,282)	(740,643,936)
Supplies and services	(313,813,430)	(298,043,044)
Depreciation expense	(71,757,776)	(67,433,531)
Scholarships and fellowships	(21,090,496)	(20,996,700)
OPERATING LOSS	(424,992,047)	(452,676,519)
State appropriations	232,426,422	231,434,224
Investment (loss) income	(30,769,550)	46,022,323
Interest expense	(11,299,065)	(9,692,564)
Gifts	54,123,625	43,908,566
Other nonoperating revenues	30,714,768	24,860,074
LOSS BEFORE OTHER CHANGES IN NET POSITION	(149,795,847)	(116,143,896)
Capital gifts	4,060,318	7,632,715
Endowment gifts	14,930,217	17,026,885
Other	5,620,991	31,407,988
Intergovernmental transfers	119,362,779	122,292,258
(DECREASE) INCREASE IN NET POSITION	(5,821,542)	62,215,950
Net position, beginning of year as previously reported	1,485,860,905	1,423,644,955
Adoption of GASB 68	(757,139,000)	
Net position, beginning of year as restated as of October 1, 2014	728,721,905	1,423,644,955
NET POSITION, END OF YEAR	\$ 722,900,363	\$ 1,485,860,905
CONDENSED STATEMENT OF CASH FLOWS		
Net cash provided by (used in):		
Operating activities	\$ (357,687,132)	\$ (366,658,346)
Noncapital financing activities	408,346,523	434,921,003
Capital and related financing activities	(121,225,447)	(69,203,819)
Investing activities	183,834	31,224,786
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(70,382,222)	30,283,624
Cash and cash equivalents, beginning of year	155,664,086	125,380,462
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 85,281,864	\$ 155,664,086

HOSPITAL	2015	2014
CONDENSED STATEMENT OF NET POSITION		
Current assets	\$ 572,512,579	\$ 443,931,810
Capital assets, net	591,826,823	613,031,364
Other assets	545,761,493	585,006,921
TOTAL ASSETS	\$ 1,710,100,895	\$ 1,641,970,095
DEFERRED OUTFLOW OF RESOURCES		
Current liabilities	124,790,616	95,716,250
Long-term debt	477,382,807	490,287,765
Other noncurrent liabilities	388,366,088	13,892,510
TOTAL LIABILITIES	\$ 990,539,511	\$ 599,896,525
DEFERRED INFLOW OF RESOURCES		
Net investment in capital assets	111,201,578	120,852,379
Restricted nonexpendable	128,099	128,099
Restricted expendable	30,144,181	30,863,407
Unrestricted	576,051,374	900,953,500
TOTAL NET POSITION	\$ 717,525,232	\$ 1,052,797,385
CONDENSED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION		
Operating revenues	\$ 1,515,153,965	\$ 1,379,690,168
Operating expenses	(1,272,299,509)	(1,196,774,573)
Depreciation expense	(64,357,416)	(61,533,684)
OPERATING INCOME	178,497,040	121,381,911
State appropriations	32,867,066	32,638,497
Investment (loss) income	(34,969,677)	38,068,249
Interest expense	(19,345,079)	(19,758,706)
Gifts	79,691	72,852
Other nonoperating revenues, net	(526,672)	(719,068)
INCOME BEFORE OTHER CHANGES IN NET POSITION	156,602,369	171,683,735
Capital gifts	9,316	7,427
Intergovernmental transfers	(104,615,838)	(108,423,337)
INCREASE IN NET POSITION	51,995,847	63,267,825
Net position, beginning of year as previously reported	1,052,797,385	989,529,560
Adoption of GASB 68	(387,268,000)	
Net position, beginning of year as restated as of October 1, 2014	665,529,385	989,529,560
NET POSITION, END OF YEAR	\$ 717,525,232	\$ 1,052,797,385
CONDENSED STATEMENT OF CASH FLOWS		
Net cash provided by (used in):		
Operating activities	\$ 229,670,427	\$ 164,858,250
Noncapital financing activities	(51,669,081)	(75,711,988)
Capital and related financing activities	(75,049,140)	(74,069,763)
Investing activities	(154,961,576)	8,052,154
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(52,009,370)	23,128,653
Cash and cash equivalents, beginning of year	53,320,903	30,192,250
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 1,311,533	\$ 53,320,903

(23) 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, 2014 and 2013 is included in UAB's financial statements and presented as follows:

TRITON HEALTH SYSTEMS, LLC	2015	2014
CONDENSED STATEMENT OF NET POSITION		
Current assets	\$ 222,557,532	\$ 211,227,778
Capital assets, net	4,463,866	5,271,542
Other assets	16,786,400	16,270,397
TOTAL ASSETS	\$ 243,807,798	\$ 232,769,717
Current liabilities	65,631,314	64,815,520
Other noncurrent liabilities	1,815,628	2,054,965
TOTAL LIABILITIES	\$ 67,446,942	\$ 66,870,485
Net investment in capital assets	4,463,866	5,271,542
Restricted nonexpendable	100,000	100,000
Unrestricted	171,796,990	160,527,690
TOTAL NET POSITION	\$ 176,360,856	\$ 165,899,232
CONDENSED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION		
Operating revenues	\$ 610,785,030	\$ 561,946,151
Operating expenses	(577,844,749)	(519,672,094)
Depreciation and amortization expense	(912,393)	(580,434)
OPERATING INCOME	32,027,888	41,693,623
Investment income (loss)	1,542,901	(395,064)
Income tax expense	(3,300,733)	(7,262,547)
INCOME BEFORE OTHER CHANGES IN NET POSITION	30,270,056	34,036,012
Distributions to members	(19,808,432)	(19,226,160)
INCREASE IN NET POSITION	10,461,624	14,809,852
Net position, beginning of year	165,899,232	151,089,380
NET POSITION, END OF YEAR	\$ 176,360,856	\$ 165,899,232
CONDENSED STATEMENT OF CASH FLOWS		
Net cash provided by (used in):		
Operating activities	\$ 1,863,292	\$ 37,597,745
Noncapital financing activities	(19,808,432)	(19,226,160)
Capital and related financing activities	(104,717)	(1,908,060)
Investing activities	40,820,381	(41,934,274)
NET INCREASE IN CASH AND CASH EQUIVALENTS	22,770,524	(25,470,749)
Cash and cash equivalents, beginning of year	150,163,385	175,634,134
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 172,933,909	\$ 150,163,385

(24) Recently Issued Pronouncements

The GASB issued Statement No. 72, *Fair Value Measurement and Application* (GASB 72), in February 2015. The objective of this Statement is to provide guidance for determining a fair value measurement for financial reporting purposes and enhanced disclosures regarding fair value financial instruments, including the categorization of investment fair value measurements into Levels 1, 2 and 3. This Statement is effective for financial statements for periods beginning after June 15, 2015. UAB is evaluating whether there will be any material impact from its adoption of GASB 72.

The GASB issued Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement No. 68, and Amendments to Certain Provisions of GASB Statements 67 and 68* (GASB 73), in June 2015. The objective of this Statement is to improve the usefulness of information about pensions included in the general purpose external financial reports of state and local governments for making decisions and assessing accountability. This Statement is effective for fiscal years beginning after June 25, 2015 – except those provisions that address employers and governmental nonemployer contributing entities for pensions that are not within the scope of GASB 68, which are effective for fiscal years beginning after June 15, 2016. UAB is evaluating whether there will be any material impact from its adoption of GASB 73.

The GASB issued Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans* (GASB 74), in June 2015. The objective of this Statement is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability. This Statement is effective for financial statements for fiscal years beginning after June 15, 2015. UAB is evaluating whether there will be any material impact from its adoption of GASB 74.

The GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefit Plans Other Than Pensions* (GASB 75), in June 2015. The objective of this Statement is to improve accounting and financial reporting by state and local governments for OPEB. This Statement is effective for fiscal years beginning after June 15, 2017. UAB is evaluating whether there will be any material impact from its adoption of GASB 75.

The GASB issued Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments* (GASB 76), in June 2015. The objective of this Statement is to identify – in the context of the current governmental financial reporting environment – the hierarchy of generally accepted accounting principles (GAAP). This Statement supercedes Statement No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. This Statement is effective for financial statements for periods beginning after June 15, 2015, and should be applied retroactively. UAB is evaluating whether there will be any material impact from its adoption of GASB 76.

(25) Subsequent Events

In November 2015, UAB announced the formation of the UAB Athletics Foundation (UABAF), a 501(c)3 organization that will support the UAB Athletics Department in its quest for excellence in all programs. UABAF is composed of 24 board members who will be responsible for helping build loyalty and philanthropic support for the UAB athletic program and support the staff in coordinating, developing and improving a superior intercollegiate athletics program. UABAF will encourage alumni and friends to generously support the Athletics Department and contribute to scholarship funding for UAB's student-athletes. UABAF will also support the construction, improvement and renovation of first class, high-quality athletic facilities for UAB's teams through strategic philanthropic initiatives set forth by the Athletics Department.

UABAF was chartered on November 4, 2015 with a fiscal year end of September 30 and will be presented as a blended component unit within the University's financial statements for the year ended September 30, 2016. UABAF will be included as

a blended component unit because the Foundation operates as an extension of the UAB Athletics Department and it almost exclusively benefits the University.

In December 2015, UAB announced a 30 year partnership with IUP 2 LLC (IUP) to increase access for international students to the UAB campus. IUP is a leader among the global higher education community in international student recruitment, with expertise in international marketing, recruiting and academic and cultural acclimatization activities designed to prepare international students for life in the U.S. and the rigors of a U.S.-based higher educational experience. Under this partnership, UAB will establish a new international student center located on campus and shall develop and offer a range of academic preparatory courses and English language programs, defined as the INTO UAB Programs, which when successfully completed, will enable qualified international students to progress to undergraduate degree programs. The formal business structure that will support the INTO UAB Programs will be a joint, for-profit venture between IUP and the UABEF with UAB providing the actual educational services.

The University of Alabama at Birmingham

Required Supplementary Information

September 30, 2015 and 2014

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 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, 2013
- 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 7.5% and 9.5% for the years ended September 30, 2014 and 2013, respectively, reduced by increments to an ultimate rate of 5.0% over years through 2019;
- 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, 2014	None	\$ 49,061,030	\$ (49,061,030)	Zero	\$ 873,791,461	-5.6%
October 1, 2013	None	\$ 47,438,259	\$ (47,438,259)	Zero	\$ 889,980,309	-5.3%
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%

Required Supplementary Information

The following required supplementary information relates to UAB's participation in the Teachers' Retirement System of Alabama.

Schedule of UAB's Proportionate Share of the Net Pension Liability Teachers' Retirement Plan of Alabama

	2015
Proportion of the net pension liability	12.188512%
Proportionate share of the net pension liability	\$1,107,275,000
Covered-employee payroll during the measurement period	\$783,289,000
Proportionate share of the net pension liability as a percentage of covered-employee payroll	141.36%
Plan fiduciary net position as a percentage of the total pension liability	71.01%

Schedule of UAB's Contributions Teachers' Retirement Plan of Alabama

	2015
Contractually required contribution	\$84,999,000
Contributions in relation to the contractually required contribution	\$84,999,000
Contribution deficiency (excess)	0
Covered-employee payroll	\$770,432,000
Contributions as a percentage of covered-employee payroll	11.03%

Notes to Schedules

Covered-employee payroll: The total payroll of those employees participating in the pension plan (not just pensionable payroll).

Measurement period: For fiscal year 2015, the measurement period is October 1, 2013 - September 30, 2014.

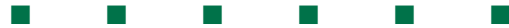
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