

# **University of Alabama at Birmingham**

**Report on Federal Awards In Accordance with  
the OMB Uniform Guidance**

**For the Year Ended September 30, 2016**

**EIN: 63-6005396**

University of Alabama at Birmingham  
Report on Federal Awards in Accordance with the OMB Uniform Guidance  
September 30, 2016

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**Part I**  
**Federal Award Programs**

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**Report of Independent Auditors 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, 2016, and the related notes to the financial statements, which collectively comprise UAB's basic financial statements, and have issued our report thereon dated January 23, 2017. Our report includes a reference to other auditors who audited the financial statements of SRI, as described in our report on UAB's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. The financial statements of Triton Health Systems, L.L.C., UAB Athletics Foundation 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.

**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 23, 2017



**Report of Independent Auditors 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 the Uniform Guidance**

To Management and the Board of Trustees of The University of Alabama:

**Report on Compliance for Each Major Federal Program**

We have audited the University of Alabama at Birmingham's ("UAB"), a campus of The University of Alabama System, which is a component unit of the State of Alabama, compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of UAB's major federal programs for the year ended September 30, 2016. UAB's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

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

UAB's basic financial statements include the operations of Triton Health Systems, L.L.C., UAB Research Foundation, and UAB Athletics Foundation, which did not receive federal awards during the year ended September 30, 2016. Accordingly, our audit, described below, did not include the operations of these component units.

***Management's Responsibility***

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

***Auditors' 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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, 2016.

***Other Matters***

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as item 2016-001. Our opinion on each major federal program is not modified with respect to these matters.

The University's response to the noncompliance findings identified in our audit is described in the accompanying management's corrective action plan. The University's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

***Report on Internal Control Over Compliance***

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

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

The University's basic financial statements include the operations of Triton Health Systems, L.L.C., UAB Research Foundation, and UAB Athletics Foundation, which did not receive federal awards during the year ended September 30, 2016. 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.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct noncompliance with a type of compliance requirement of a



federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration and the other auditor's consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. 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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

#### **Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

We have audited the financial statements that collectively comprise UAB's basic financial statements as of and for the year ended September 30, 2016, and have issued our report thereon dated January 23, 2017, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion 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 the Uniform Guidance 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 26, 2017, except for our report on the Schedule of Expenditures of Federal Awards, as to which the date is January 23, 2017



# University of Alabama at Birmingham

## Schedule of Expenditures of Federal Awards

### Year Ended September 30, 2016

Federal Program	CFDA Number	Direct	Pass-through	Pass-Through Grantor	Contract/Award or Pass-Through Num	Total Expenditures	Passed to Subrecipients
<b>RESEARCH AND DEVELOPMENT</b>							
<b>Department of Agriculture</b>							
Grants for Agricultural Research, Special Research Grants	10.200	-	\$ 30,691	AUBURN UNIVERSITY	14-AGR-373037-UAB	\$ 30,691	-
Agriculture and Food Research Initiative (AFRI)	10.310	-	13,519	AUBURN UNIVERSITY	2015-67015-22975	13,519	-
Total Department of Agriculture		-	44,210			44,210	-
<b>Department of Defense</b>							
Basic and Applied Scientific Research	12.300	\$ 19	-			19	-
Military Medical Research and Development	12.420	5,457,645	-			5,457,645	\$ 1,275,020
Military Medical Research and Development	12.420	-	31,067	TUSKEGEE UNIVERSITY	W81XWH-13-1-0499	31,067	-
Military Medical Research and Development	12.420	-	24,466	UNIVERSITY OF VIRGINIA	W81XWH-10-1-0461	24,466	-
Military Medical Research and Development	12.420	-	8,821	JOHNS HOPKINS UNIVERSITY	W81XWH-14-2-0189	8,821	-
Military Medical Research and Development	12.420	-	(251)	HENRY FORD HEALTH SYSTEM	W81XWH-11-1-0671	(251)	-
Basic Scientific Research	12.431	59,409	-			59,409	44,077
Basic Scientific Research	12.431	-	35,189	UNIVERSITY OF TENNESSEE(KNOXVILL)	W911NF-15-1-0614	35,189	-
Uniformed Services University Medical Research Projects	12.750	-	53,287	THE GENEVA FOUNDATION	HT9404-13-1-TS08/N13-P13	53,287	-
Air Force Defense Research Sciences Program	12.800	297,517	-			297,517	-
Mathematical Sciences Grants Program	12.901	3,027	-			3,027	-
Research and Technology Development	12.910	-	111,700	UNIVERSITY OF CENTRAL FLORIDA	W31P4Q-15-1-0008	111,700	-
Contract #W911QY-15-C-0134	12.RD	1,222,769	-			1,222,769	170,303
Contract #FA9101-13-C-0032	12.RD	612,339	-			612,339	-
Contract #DOD W81EWF41637598	12.RD	259,445	-			259,445	-
Contract	12.RD	-	253,207	HIGH PERFORMANCE TECHNOLOGIES INC	GS04T09DBC0017	253,207	-
Contract #FA3101-13-C-0032	12.RD	206,153	-			206,153	-
Contract	12.RD	-	165,857	SCIENCE APPLICATION INTERNATIONAL CORP	PO10210824/W15QKN-14-9-002-RPP2	165,857	99,859
Contract	12.RD	-	69,076	EMORY UNIVERSITY	HDTRA1-15-C-0075	69,076	-
Contract #FA4417-16-P-R026	12.RD	46,319	-			46,319	-
Contract	12.RD	-	41,404	STEEL FOUNDER'S SOCIETY OF AMERICA	CAST-008	41,404	-
Contract	12.RD	-	20,255	ENGLITY CORPORATION	GS04T-09-DBC-0017	20,255	-
Contract #DOD IPA WARD	12.RD	666	-			666	-
Unknown	12.RD	-	83,493	THE UNIVERSITY OF MONTANA	W911NF-15-2-0020	83,493	-
Unknown	12.RD	-	58,148	ADVANCED TECHNOLOGY INTERNATIONAL	SP4701-15-C7003	58,148	-
Unknown	12.RD	-	26,070	ADVANCED TECHNOLOGY INTERNATIONAL	2016-517	26,070	-
Total Department of Defense		8,165,308	981,789			9,147,097	1,589,259
<b>Department of Interior</b>							
Marine Turtle Conservation Fund	15.645	30,967	-			30,967	-
Total Department of Interior		30,967	-			30,967	-
<b>Department of Justice</b>							
National Institute of Justice Research, Evaluation, and Development Project Grants	16.560	86,177	-			86,177	-
Total Department of Justice		86,177	-			86,177	-
<b>Department of Transportation</b>							
Highway Training and Education	20.215	11,500	-			11,500	-
University Transportation Centers Program	20.701	-	298,799	GEORGIA INSTITUTE OF TECHNOLOGY	DTRT12-G-UTC12	298,799	-
University Transportation Centers Program	20.701	-	26,913	UNIVERSITY OF FLORIDA	TASK ORDER #1	26,913	-
University Transportation Centers Program	20.701	-	(176)	UNIVERSITY OF FLORIDA	TASK ORDER #008	(176)	-
University Transportation Centers Program	20.701	-	(419)	UNIVERSITY OF FLORIDA	TASK ORDER # 009	(419)	-
Contract	20.RD	-	29,150	UNIVERSITY OF TENNESSEE(KNOXVILL)	DTRT13-G-UTC34	29,150	-
Contract #DTFT60-04-Z-7001	20.RD	21,293	-			21,293	-
Unknown	20.RD	-	151,924	ALABAMA DEPT OF TRANSPORTATION	930-914	151,924	-
Unknown	20.RD	-	108,671	ALABAMA DEPT OF TRANSPORTATION	930-842	108,671	-
Unknown	20.RD	-	61,632	ALABAMA DEPT OF TRANSPORTATION	930-921	61,632	-
Unknown	20.RD	-	54,886	UNIVERSITY OF FLORIDA	UF-EIES-1200009	54,886	-
Total Department of Transportation		32,793	731,380			764,173	-

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, 2016

Federal Program	CFDA Number	Direct	Pass-through	Pass-Through Grantor	Contract/Award or Pass-Through Num	Total Expenditures	Passed to Subrecipients
<b>RESEARCH AND DEVELOPMENT</b>							
<b>National Aeronautics and Space Administration</b>							
Science	43.001	624,955	-			624,955	134,220
Exploration	43.003	289,438	-			289,438	23,852
Exploration	43.003	-	6,797	GEORGIA INSTITUTE OF TECHNOLOGY	NNJ12ZSA002N	6,797	
Space Operations	43.007	165,086	-			165,086	
Contract #NNJ15HA80B	43.RD	5,291,929	-			5,291,929	
Contract #NNJ10HB16B	43.RD	56,514	-			56,514	
Contract	43.RD	-	(876)	NATIONAL SPACE BIOMEDICAL RESEARCH INSTITUTE	NSBRI	(876)	
Contract	43.RD	-	(11,767)	UNIVERSITY OF ALABAMA IN HUNTSVILLE	NNX10AJ80H	(11,767)	
Unknown	43.RD	-	12	THE CENTER FOR THE ADVANCEMENT OF SCIENCE IN SPACE	NNH11CD70A	12	
Total National Aeronautics and Space Administration		6,427,922	(5,834)			6,422,088	158,072
<b>National Science Foundation</b>							
Engineering Grants	47.041	589,714	-			589,714	
Engineering Grants	47.041	-	22,094	CETOTECH INC	1534697	22,094	
Mathematical and Physical Sciences	47.049	883,290	-			883,290	
Mathematical and Physical Sciences	47.049	-	52,432	UNIVERSITY OF SOUTH FLORIDA	DMR-1409473	52,432	
Geosciences	47.050	184,688	-			184,688	
Computer and Information Science and Engineering	47.070	857,792	-			857,792	
Computer and Information Science and Engineering	47.070	-	75,183	ROWAN UNIVERSITY	CCF-1527822	75,183	
Computer and Information Science and Engineering	47.070	-	15,330	UNIVERSITY OF ALABAMA IN TUSCALOOSA	CNS-1335263	15,330	
Biological Sciences	47.074	735,080	-			735,080	
Social, Behavioral, and Economic Sciences	47.075	24,249	-			24,249	
Education and Human Resources	47.076	1,259,471	-			1,259,471	481,710
Education and Human Resources	47.076	-	26,603	UNIVERSITY OF WISCONSIN IN MADISON	DUE-1231286	26,603	
Education and Human Resources	47.076	-	3,968	TUSKEGEE UNIVERSITY	HRD-1137681	3,968	
Polar Programs	47.078	134,622	-			134,622	
International Science and Engineering (OISE)	47.079	-	446,107	MEDICAL UNIVERSITY OF SOUTH CAROLINA	NSF 15-517	446,107	
International Science and Engineering (OISE)	47.079	104,626	-			104,626	
Office of Experimental Program to Stimulate Competitive Research	47.081	-	156,451	TUSKEGEE UNIVERSITY	EPS-1158862	156,451	
Total National Science Foundation		4,773,532	798,168			5,571,700	481,710
<b>Department of Veterans Affairs</b>							
Contract - Intergovernmental Personnel Agreements	64.RD	3,211,050	-			3,211,050	
Contract #VA247-13-C-0429	64.RD	356,567	-			356,567	
Contract #1101BX001756-01A2	64.RD	62,376	-			62,376	
Contract #1101BX001756-01A1	64.RD	33,795	-			33,795	
Total Department of Veterans Affairs		3,663,788	-			3,663,788	-
<b>Department of Energy</b>							
Office of Science Financial Assistance Program	81.049	-	101,116	UNIVERSITY OF SOUTH FLORIDA	DE-SC0012635	101,116	
Office of Science Financial Assistance Program	81.049	50,848	-			50,848	
Conservation Research and Development	81.086	-	67,484	CATERPILLAR INC	DEEE0005980	67,484	
Fossil Energy Research and Development	81.089	-	177,656	OKLAHOMA STATE UNIVERSITY	06-AC26-07NT42677	177,656	
Fossil Energy Research and Development	81.089	-	19,393	ADVANCED RESOURCED INTERNATIONAL	EP-P28631/C13564	19,393	
Fossil Energy Research and Development	81.089	-	12,134	UNIVERSITY OF CONNECTICUT HEALTH CENTER	DE-FE0023385	12,134	
Fossil Energy Research and Development	81.089	3,808	-			3,808	
Fossil Energy Research and Development	81.089	-	3,744	MONTANA STATE UNIVERSITY	DE-FE0024296	3,744	
Stewardship Science Grant Program	81.112	156,353	-			156,353	
Stewardship Science Grant Program	81.112	-	90,834	CARNEGIE INSTITUTE OF WASHINGTON	DE-NA002006	90,834	
Unknown	81.RD	-	16,972	FRAUNHOFER CENTER FOR ENERGY INNOVATION	DE-SC0013879	16,972	
Total Department of Energy		211,009	489,333			700,342	-

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, 2016

Federal Program	CFDA Number	Direct	Pass-through	Pass-Through Grantor	Contract/Award or Pass-Through Num	Total Expenditures	Passed to Subrecipients
<b>RESEARCH AND DEVELOPMENT</b>							
<b>Department of Education</b>							
National Institute on Disability and Rehabilitation Research	84.133	-	100,681	UNIVERSITY OF ILLINOIS AT CHICAGO	488547 E2844/ED H133B13007-14	100,681	
National Institute on Disability and Rehabilitation Research	84.133	-	96,427	REHABILITATION INSTITUTE OF CHICAGO	H133E120010	96,427	848
National Institute on Disability and Rehabilitation Research	84.133	-	(543)	UNIVERSITY OF ILLINOIS AT CHICAGO	H133B130007	(543)	
National Institute on Disability and Rehabilitation Research	84.133	(140,783)	-			(140,783)	(158,237)
Total Department of Education		(140,783)	196,565			55,782	(157,389)
<b>Department of Health and Human Services</b>							
Family Smoking Prevention and Tobacco Control Act Regulatory Research	93.077	402,160	-			402,160	21,380
Blood Disorder Program: Prevention, Surveillance, and Research	93.080	-	39,168	HEMOPHILIA OF GEORGIA INC	1NU27DD001155-01-00	39,168	
Well-Integrated Screening and Evaluation for Women Across the Nation	93.094	-	13,403	ALABAMA DEPT OF PUBLIC HEALTH	5U58DP004849	13,403	
Food and Drug Administration_ Research	93.103	60,541	-			60,541	
Food and Drug Administration_ Research	93.103	-	10,711	DUKE UNIVERSITY	R18FD005292	10,711	
Environmental Health	93.113	4,899,435	-			4,899,435	779,299
Environmental Health	93.113	-	96,482	AUBURN UNIVERSITY	1R2IES024850-01A1	96,482	
Environmental Health	93.113	-	70,748	WAYNE STATE UNIVERSITY	1R0IES022606	70,748	
Environmental Health	93.113	-	61,918	VIRGINIA TECH	7R0IES023029-02	61,918	
Environmental Health	93.113	-	1,210	UNIVERSITY OF SOUTH CAROLINA RESEARCH FOUNDATION	1R1SES022409-01	1,210	
Environmental Health	93.113	-	(3,436)	INDIANA UNIVERSITY	1R0IES021735-01	(3,436)	
Oral Diseases and Disorders Research	93.121	15,005,480	-			15,005,480	9,618,158
Oral Diseases and Disorders Research	93.121	-	47,452	UNIVERSITY AT BUFFALO	1RD1DE02267301	47,452	
Oral Diseases and Disorders Research	93.121	-	25,289	LOUISIANA STATE UNIVERSITY	2R01DE019452-05	25,289	
Oral Diseases and Disorders Research	93.121	-	9,785	HEALTH DECISION TECHNOLOGIES	2R44DE021327-02	9,785	
Oral Diseases and Disorders Research	93.121	-	8,574	VISTA ENGINEERING INC.	1R43DE0225157-01	8,574	
Oral Diseases and Disorders Research	93.121	-	1,289	UNIVERSITY OF KANSAS	5R01DE022054-04S1	1,289	
Centers for Research and Demonstration for Health Promotion and Disease Prevention	93.135	920,647	-			920,647	37,145
NIEHS Hazardous Waste Worker Health and Safety Training	93.142	43,491	-			43,491	
Human Genome Research	93.172	-	300,000	UNIVERSITY OF WASHINGTON	5R01HG005115-07	300,000	
Human Genome Research	93.172	-	81,389	HUDSON ALPHA INSTITUTE FOR BIOTECHNOLOGY	5UM1HG007301-03	81,389	
Human Genome Research	93.172	-	72,154	BAYLOR COLLEGE OF MEDICINE	1R01HG008115	72,154	
Human Genome Research	93.172	56,463	-			56,463	
Human Genome Research	93.172	-	41,452	HUDSON ALPHA INSTITUTE FOR BIOTECHNOLOGY	4UM1HG007301-04	41,452	
Research Related to Deafness and Communication Disorders	93.173	512,009	-			512,009	
Research Related to Deafness and Communication Disorders	93.173	-	10,224	THE FEINSTEIN INSTITUTE FOR MEDICAL RESEARCH	5U01DC007946	10,224	
Research Related to Deafness and Communication Disorders	93.173	-	85	BAEBIES INC	7R44DC012967	85	
Research and Training in Complementary and Alternative Medicine	93.213	184,506	-			184,506	
Research and Training in Complementary and Alternative Medicine	93.213	-	15,049	MASSACHUSETTS GENERAL HOSPITAL	2U01AT000613-12	15,049	
National Research Service Awards_ Health Services Research Training	93.225	424,077	-			424,077	
Research on Healthcare Costs, Quality and Outcomes	93.226	1,617,373	-			1,617,373	138,593
Research on Healthcare Costs, Quality and Outcomes	93.226	-	29,545	GOVERNORS STATE UNIVERSITY	1R03HS024302-01	29,545	
Research on Healthcare Costs, Quality and Outcomes	93.226	-	21,180	CHILDRENS HOSPITAL MEDICAL CENTER CINCINNATI OH	1R18HS023763-01	21,180	
Mental Health Research Grants	93.242	6,930,002	-			6,930,002	439,724
Mental Health Research Grants	93.242	-	163,616	UNIVERSITY OF NORTH CAROLINA AT CHAPEL HILL	1R01MH100970	163,616	
Mental Health Research Grants	93.242	-	110,166	UNIVERSITY OF WASHINGTON	RO1MH098675	110,166	
Mental Health Research Grants	93.242	-	73,488	UNIVERSITY OF CALIFORNIA IN SAN FRANCISCO	5R01MH102198-03	73,488	
Mental Health Research Grants	93.242	-	735	THE REGENTS OF THE UNIVERSITY OF CALIFORNIA	RO1MH095683	735	
Geriatric Academic Career Awards	93.250	3,778	-			3,778	
Occupational Safety and Health Program	93.262	1,452,950	-			1,452,950	380,601
Occupational Safety and Health Program	93.262	-	8,475	UNIVERSITY OF NORTH CAROLINA AT CHAPEL HILL	5T42OH006673-10	8,475	

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, 2016

Federal Program	CFDA Number	Direct	Pass-through	Pass-Through Grantor	Contract/Award or Pass-Through Num	Total Expenditures	Passed to Subrecipients
<b>RESEARCH AND DEVELOPMENT</b>							
Alcohol Research Programs	93.273	1,167,220	-			1,167,220	
Alcohol Research Programs	93.273	-	17,521	UNIVERSITY OF WASHINGTON	5U01AA020793-04	17,521	
Alcohol Research Programs	93.273	-	79	UNIVERSITY OF WASHINGTON	U01AA020793	79	
Drug Abuse and Addiction Research Programs	93.279	919,629	-			919,629	
Drug Abuse and Addiction Research Programs	93.279	-	76,353	MEDICAL UNIVERSITY OF SOUTH CAROLINA	3UGIDA013727-16S2	76,353	
Drug Abuse and Addiction Research Programs	93.279	-	35,054	VIRGINIA COMMONWEALTH UNIVERSITY	1R01DA033200-01A1	35,054	
Drug Abuse and Addiction Research Programs	93.279	-	20,133	UNIVERSITY OF ALABAMA IN TUSCALOOSA	1R21DA035389-01A1	20,133	
Drug Abuse and Addiction Research Programs	93.279	-	10,858	UNIVERSITY OF WASHINGTON	5U01DA037702-02	10,858	
Drug Abuse and Addiction Research Programs	93.279	-	(3,062)	MEDICAL UNIVERSITY OF SOUTH CAROLINA	U10DA013727	(3,062)	
The Affordable Care Act: Centers for Disease Control and Prevention_Investigations and Technical Assistance	93.283	-	190,368	UNIVERSITY OF COLORADO HEALTH SCIENCES CENTER	3 U01 IP000475-04S1	190,368	
The Affordable Care Act: Centers for Disease Control and Prevention_Investigations and Technical Assistance	93.283	157,504	-			157,504	
The Affordable Care Act: Centers for Disease Control and Prevention_Investigations and Technical Assistance	93.283	-	103,693	LOUISIANA STATE UNIVERSITY	U58DP005412	103,693	
The Affordable Care Act: Centers for Disease Control and Prevention_Investigations and Technical Assistance	93.283	-	26,292	ALABAMA DEPT OF PUBLIC HEALTH	5NU58DP003854-04-00	26,292	
The Affordable Care Act: Centers for Disease Control and Prevention_Investigations and Technical Assistance	93.283	-	25,000	NATIONAL AFRICAN AMERICAN TOBACCO PREVENTION NET	5N58DP004975-03-00	25,000	
The Affordable Care Act: Centers for Disease Control and Prevention_Investigations and Technical Assistance	93.283	-	934	LOUISIANA STATE UNIVERSITY	U58DP005412-01	934	
Discovery and Applied Research for Technological Innovations to Improve Human Health	93.286	175,007	-			175,007	
Discovery and Applied Research for Technological Innovations to Improve Human Health	93.286	-	1,362	INDIANA UNIVERSITY	5R01EB012027-03	1,362	
Minority Health and Health Disparities Research	93.307	8,101,429	-			8,101,429	2,853,257
Minority Health and Health Disparities Research	93.307	-	992,878	BAYOU LA BATRE CLINIC	1U54MD0008602	992,878	
Minority Health and Health Disparities Research	93.307	-	36,069	JACKSON STATE UNIVERSITY	1P20MD0006899-01	36,069	
Minority Health and Health Disparities Research	93.307	-	10,291	WAKE FOREST UNIVERSITY SCHOOL OF MEDICINE	R01MD009055	10,291	
Minority Health and Health Disparities Research	93.307	-	7,174	UNIVERSITY OF PITTSBURGH	5R01MD009118-02	7,174	
Trans-NIH Research Support	93.310	2,013,227	-			2,013,227	563,238
Trans-NIH Research Support	93.310	-	43,578	REGENTS OF THE UNIVERSITY OF MINNESOTA	8U54GM119023-02	43,578	
Trans-NIH Research Support	93.310	-	30,248	UNIVERSITY OF IBADAN	1U54HG007479-01	30,248	
Rare Disorders: Research, Surveillance, Health Promotion, and Education	93.315	78,819	-			78,819	
National Center for Advancing Translational Sciences	93.350	10,915,135	-			10,915,135	1,653,393
National Center for Advancing Translational Sciences	93.350	-	19,010	BLONDIN BIO SCIENCE LLC	1R43TR001283-01	19,010	
National Center for Advancing Translational Sciences	93.350	-	15,677	VIVO BIOSCIENCES INC	1R41TR001009-01A1	15,677	
Research Infrastructure Programs	93.351	711,890	-			711,890	
Nursing Research	93.361	1,181,985	-			1,181,985	40,506
Nursing Research	93.361	-	87,554	RHODE ISLAND MEMORIAL HOSPITAL	1R01NR014782-01A1	87,554	
Nursing Research	93.361	-	29,084	DUKE UNIVERSITY	5U24NR014637	29,084	
Nursing Research	93.361	-	500	BRIGHAM & WOMENS HOSPITAL	5R01NR013377-03	500	
Cancer Cause and Prevention Research	93.393	3,229,366	-			3,229,366	244,249
Cancer Cause and Prevention Research	93.393	-	54,901	UNIVERSITY OF VIRGINIA	5R01CA142081-06	54,901	
Cancer Cause and Prevention Research	93.393	-	37,238	UNIVERSITY OF SOUTH ALABAMA	1R01CA55638	37,238	
Cancer Cause and Prevention Research	93.393	-	32,746	UNIVERSITY OF SOUTH ALABAMA	2R01CA131378-07A1	32,746	
Cancer Cause and Prevention Research	93.393	-	15,502	BAYLOR COLLEGE OF MEDICINE	1R01CA149973-01	15,502	
Cancer Cause and Prevention Research	93.393	-	(140)	UNIVERSITY OF SOUTH ALABAMA	1R01CA155638	(140)	
Cancer Detection and Diagnosis Research	93.394	2,310,857	-			2,310,857	243,029
Cancer Detection and Diagnosis Research	93.394	-	217,024	UNIVERSITY OF OKLAHOMA	1R01CA193378-01	217,024	
Cancer Detection and Diagnosis Research	93.394	-	22,756	UNIVERSITY OF WASHINGTON	5P01CA042045	22,756	
Cancer Detection and Diagnosis Research	93.394	-	15,441	UNIVERSITY OF MASSACHUSETTS WORCESTER	1R01CA194787-01A1	15,441	
Cancer Detection and Diagnosis Research	93.394	-	4,402	UNIVERSITY OF LOUISVILLE RESEARCH FOUNDATION, INC	1R15CA173693-01	4,402	

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, 2016

Federal Program	CFDA Number	Direct	Pass-through	Pass-Through Grantor	Contract/Award or Pass-Through Num	Total Expenditures	Passed to Subrecipients
<b>RESEARCH AND DEVELOPMENT</b>							
Cancer Treatment Research	93.395	4,906,847	-			4,906,847	1,172,014
Cancer Treatment Research	93.395	-	80,416	CHILDREN'S HOSPITAL OF PHILADELPHIA	U10CA180886-02	80,416	
Cancer Treatment Research	93.395	-	79,220	CHILDREN'S HOSPITAL OF PHILADELPHIA	UMICA097452	79,220	
Cancer Treatment Research	93.395	-	70,327	CHILDREN'S HOSPITAL OF PHILADELPHIA	IU10CA180886	70,327	
Cancer Treatment Research	93.395	-	52,164	JOHNS HOPKINS UNIVERSITY	UMI CA137443	52,164	
Cancer Treatment Research	93.395	-	46,294	OREGON HEALTH & SCIENCES UNIVERSITY	5U10CA180888-03	46,294	
Cancer Treatment Research	93.395	-	44,566	ALBERT EINSTEIN COLLEGE OF MEDICINE OF YESHIVA U	1R01CA174634-01A1	44,566	
Cancer Treatment Research	93.395	-	43,541	CHILDREN'S HOSPITAL OF PHILADELPHIA	U10CA180886-03	43,541	
Cancer Treatment Research	93.395	-	40,061	BECKMAN RESEARCH INSTITUTE OF THE CITY OF HOPE	1R01CA196854	40,061	
Cancer Treatment Research	93.395	-	28,337	CHILDREN'S HOSPITAL OF PHILADELPHIA	U10CA180886	28,337	
Cancer Treatment Research	93.395	-	26,848	OREGON HEALTH & SCIENCES UNIVERSITY	U10CA180888	26,848	
Cancer Treatment Research	93.395	-	21,722	CHILDREN'S HOSPITAL OF PHILADELPHIA	IUGICA189955-01	21,722	
Cancer Treatment Research	93.395	-	16,458	CHILDREN'S HOSPITAL OF PHILADELPHIA	IU10CA180886-01	16,458	
Cancer Treatment Research	93.395	-	15,000	CHILDREN'S HOSPITAL OF PHILADELPHIA	5UGICA189955-02	15,000	
Cancer Treatment Research	93.395	-	11,288	ALBERT EINSTEIN COLLEGE OF MEDICINE OF YESHIVA U	RO1CA174634	11,288	
Cancer Treatment Research	93.395	-	7,637	NRG ONCOLOGY INC	5U10CA180868-02	7,637	
Cancer Treatment Research	93.395	-	7,369	NRG ONCOLOGY INC	5U10CA180868-03	7,369	
Cancer Treatment Research	93.395	-	3,143	ST. JUDE CHILDREN'S RESEARCH HOSPITAL	5U24CA055727-21	3,143	
Cancer Treatment Research	93.395	-	(156)	CHILDREN'S HOSPITAL OF PHILADELPHIA	U10CA098543	(156)	
Cancer Treatment Research	93.395	-	(220)	CHILDREN'S HOSPITAL OF PHILADELPHIA	U10CA095861	(220)	
Cancer Treatment Research	93.395	-	(8,574)	JOHNS HOPKINS UNIVERSITY	UO1CA137443	(8,574)	
Cancer Treatment Research	93.395	-	(35,000)	SOUTHEASTERN GYNECOLOGIC ONCOLOGY	27469-02	(35,000)	
Cancer Treatment Research	93.395	-	(78,965)	DUKE UNIVERSITY	CA31946	(78,965)	
Cancer Biology Research	93.396	3,143,093	-			3,143,093	38,842
Cancer Biology Research	93.396	-	184,910	CORNELL UNIVERSITY	1R01CA201402-01	184,910	
Cancer Biology Research	93.396	-	140,319	CEDARS-SINAI MEDICAL CENTER	5P01CA098912	140,319	
Cancer Biology Research	93.396	-	12,404	UNIVERSITY OF SOUTH CAROLINA RESEARCH FOUNDATION	7U01CA158428-04	12,404	
Cancer Biology Research	93.396	-	5,175	CEDARS-SINAI MEDICAL CENTER	PO1CA098912	5,175	
Cancer Biology Research	93.396	-	4,136	UNIVERSITY OF SOUTH CAROLINA RESEARCH FOUNDATION	5U01CA158428-05	4,136	
Cancer Biology Research	93.396	-	1,561	MICHIGAN STATE UNIVERSITY	R21CA1715251	1,561	
Cancer Biology Research	93.396	-	(47,082)	HEALTH RESEARCH INC	1R21CA16457201	(47,082)	
Cancer Centers Support Grants	93.397	8,506,287	-			8,506,287	694,975
Cancer Centers Support Grants	93.397	-	741,897	JOHNS HOPKINS UNIVERSITY	5P50CA096252	741,897	
Cancer Centers Support Grants	93.397	-	185,971	BECKMAN RESEARCH INSTITUTE OF THE CITY OF HOPE	5P50CA1407399-09	185,971	
Cancer Centers Support Grants	93.397	-	100,768	INDIANA UNIVERSITY	1U54CA196519-01	100,768	
Cancer Centers Support Grants	93.397	-	22,201	UNIVERSITY OF TEXAS SOUTHWESTERN MEDICAL CENTER	3U54CA163308-05S1	22,201	
Cancer Centers Support Grants	93.397	-	13,014	UNIVERSITY OF NEW MEXICO	5U54CA164336-05	13,014	
Cancer Centers Support Grants	93.397	-	4,920	UNIVERSITY OF CALIFORNIA IN SAN FRANCISCO	1U54CA196519-01	4,920	
Cancer Centers Support Grants	93.397	-	(6,767)	JOHNS HOPKINS UNIVERSITY	5P50CA098252	(6,767)	
Cancer Research Manpower	93.398	684,161	-			684,161	
ACL National Institute on Disability, Independent Living, and Rehabilitation Research	93.433	4,096,765	-			4,096,765	1,305,561
Foster Care Title IV-E	93.658	-	20,525	UNIVERSITY OF ALABAMA IN TUSCALOOSA	C60161203	20,525	
Cardiovascular Diseases Research	93.837	17,911,302	-			17,911,302	2,280,265
Cardiovascular Diseases Research	93.837	-	706,075	AUGUSTA UNIVERSITY	5P01HL06999-12	706,075	
Cardiovascular Diseases Research	93.837	-	419,814	WAKE FOREST UNIVERSITY SCHOOL OF MEDICINE	2P01HL051952-21A1	419,814	
Cardiovascular Diseases Research	93.837	-	296,672	UNIVERSITY OF TEXAS HEALTH SCIENCE CTR AT HOUSTON	5U01HL077863-11	296,672	
Cardiovascular Diseases Research	93.837	-	265,915	UNIVERSITY OF WASHINGTON	5U01HL077863-10	265,915	
Cardiovascular Diseases Research	93.837	-	191,233	INDIANA UNIVERSITY	1R01HL126903-01A1	191,233	
Cardiovascular Diseases Research	93.837	-	140,551	HUDSON ALPHA INSTITUTE FOR BIOTECHNOLOGY	5R01HL069321-12	140,551	
Cardiovascular Diseases Research	93.837	-	97,293	UNIVERSITY OF NEBRASKA	5U01HL112958-02	97,293	
Cardiovascular Diseases Research	93.837	-	90,656	BRIGHAM & WOMENS HOSPITAL	5U01HL123336-04	90,656	
Cardiovascular Diseases Research	93.837	-	86,490	KAISER FOUNDATION RESEARCH INSTITUTE	1R56HL125423-01A1	86,490	
Cardiovascular Diseases Research	93.837	-	83,060	UNIVERSITY OF COLORADO HEALTH SCIENCES CENTER	1UH2HL123442-02	83,060	
Cardiovascular Diseases Research	93.837	-	76,797	UNIVERSITY OF CALIFORNIA IN DAVIS	2P01HL08101	76,797	
Cardiovascular Diseases Research	93.837	-	62,413	KAISER FOUNDATION RESEARCH INSTITUTE	1R01HL122658	62,413	
Cardiovascular Diseases Research	93.837	-	60,559	KAISER FOUNDATION RESEARCH INSTITUTE	1R01HL122658-01A1	60,559	
Cardiovascular Diseases Research	93.837	-	52,729	ELGAVISH PARAMAGNETICS INC	2R42HL084844-02A1	52,729	
Cardiovascular Diseases Research	93.837	-	43,922	UNIVERSITY OF MICHIGAN	U01HL094345	43,922	
Cardiovascular Diseases Research	93.837	-	43,413	UNIVERSITY OF WASHINGTON	5R01HL103612-04	43,413	

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, 2016

Federal Program	CFDA Number	Direct	Pass-through	Pass-Through Grantor	Contract/Award or Pass-Through Num	Total Expenditures	Passed to Subrecipients
<b>RESEARCH AND DEVELOPMENT</b>							
Cardiovascular Diseases Research	93.837	-	35,765	UNIVERSITY OF MINNESOTA	5U01HL100407-07	35,765	
Cardiovascular Diseases Research	93.837	-	24,706	EMORY UNIVERSITY	2P01HL095070-06A1	24,706	
Cardiovascular Diseases Research	93.837	-	22,683	UNIVERSITY OF CINCINNATI	2R01HL067093-10	22,683	
Cardiovascular Diseases Research	93.837	-	21,620	UNIVERSITY OF NEBRASKA	4UM1HL12958-03	21,620	
Cardiovascular Diseases Research	93.837	-	20,086	BOSTON UNIVERSITY MEDICAL CAMPUS	5P01HL081587-09	20,086	
Cardiovascular Diseases Research	93.837	-	19,705	UNIVERSITY OF MARYLAND	5U01HL099997-07	19,705	
Cardiovascular Diseases Research	93.837	-	17,162	MEDICAL COLLEGE OF WISCONSIN	5U01HL107437	17,162	
Cardiovascular Diseases Research	93.837	-	16,671	SEATTLE CHILDREN'S HOSPITAL	1UM1HL19073-02	16,671	
Cardiovascular Diseases Research	93.837	-	14,210	BRIGHAM & WOMENS HOSPITAL	5U01HL101422	14,210	
Cardiovascular Diseases Research	93.837	-	13,213	MASSACHUSETTS GENERAL HOSPITAL	1U01HL123336-01	13,213	
Cardiovascular Diseases Research	93.837	-	12,838	EMORY UNIVERSITY	5P01HL095070-07	12,838	
Cardiovascular Diseases Research	93.837	-	9,290	NORTHWESTERN UNIVERSITY	1R01HL130502-01	9,290	
Cardiovascular Diseases Research	93.837	-	9,042	JOHNS HOPKINS UNIVERSITY	1R01HL125169-01A1	9,042	
Cardiovascular Diseases Research	93.837	-	8,698	VANDERBILT UNIVERSITY MEDICAL CENTER	7R01HL102780-04	8,698	
Cardiovascular Diseases Research	93.837	-	7,855	JOHNS HOPKINS UNIVERSITY	5R34HL108756-02	7,855	
Cardiovascular Diseases Research	93.837	-	3,778	NEW YORK UNIVERSITY MEDICAL SCHOOL	U01HL105907	3,778	
Cardiovascular Diseases Research	93.837	-	3,321	BRIGHAM & WOMENS HOSPITAL	5R01HL117713-03	3,321	
Cardiovascular Diseases Research	93.837	-	1,128	NEW HEALTH SCIENCES INC	2R44HL132172-03	1,128	
Cardiovascular Diseases Research	93.837	-	86	BRIGHAM & WOMENS HOSPITAL	1R01HL094635-01A	86	
Cardiovascular Diseases Research	93.837	-	(15)	JOHNS HOPKINS UNIVERSITY	1R34HL108756-02 REVISED	(15)	
Cardiovascular Diseases Research	93.837	-	(8,017)	UNIVERSITY OF TEXAS HEALTH CENTER AT TYLER	R18HL092955	(8,017)	
Cardiovascular Diseases Research	93.837	-	(15,121)	UNIVERSITY OF COLORADO HEALTH SCIENCES CENTER	1R24HL123767-01	(15,121)	
Cardiovascular Diseases Research	93.837	-	(22,693)	AUGUSTA UNIVERSITY	2P01HL069999-11A1	(22,693)	
Lung Diseases Research	93.838	8,286,239	-			8,286,239	947,521
Lung Diseases Research	93.838	-	126,643	NORTHWESTERN UNIVERSITY	R01HL122477	126,643	
Lung Diseases Research	93.838	-	49,422	NATIONAL JEWISH MEDICAL AND RESEARCH CENTER	2R01HL089897	49,422	
Lung Diseases Research	93.838	-	12,681	UNIVERSITY OF PENNSYLVANIA	5R01HL087115-07	12,681	
Lung Diseases Research	93.838	-	1,632	BRIGHAM & WOMENS HOSPITAL	5U01HL102225-03	1,632	
Lung Diseases Research	93.838	-	(289)	PROGENRA, INC	RHL114299B	(289)	
Lung Diseases Research	93.838	-	(1,616)	DUKE UNIVERSITY	012	(1,616)	
Blood Diseases and Resources Research	93.839	767,666	-			767,666	89,277
Blood Diseases and Resources Research	93.839	-	268,008	INDIANA UNIVERSITY	7R24HL123767-03	268,008	
Blood Diseases and Resources Research	93.839	-	202,564	AUGUSTA UNIVERSITY	5U01HL117684-03	202,564	
Blood Diseases and Resources Research	93.839	-	56,567	UNIVERSITY OF WASHINGTON	1U01HL116383-01	56,567	
Blood Diseases and Resources Research	93.839	-	55,601	UNIVERSITY OF WASHINGTON	1R01HL126538	55,601	
Blood Diseases and Resources Research	93.839	-	51,450	UNIVERSITY OF NORTH CAROLINA AT CHAPEL HILL	5P01HL112761-03	51,450	
Blood Diseases and Resources Research	93.839	-	38,914	CHILDREN'S HOSPITAL OF PHILADELPHIA	P01HL064190	38,914	
Blood Diseases and Resources Research	93.839	-	14,496	UNIVERSITY OF WASHINGTON	1R56HL126538-01	14,496	
Blood Diseases and Resources Research	93.839	-	5,499	CHILDREN'S HOSPITAL OF PHILADELPHIA	U10HL069294	5,499	
Blood Diseases and Resources Research	93.839	-	1,522	NATL CHILDHOOD CANCER FOUNDATION	U01HL69254-09	1,522	
Blood Diseases and Resources Research	93.839	-	(34)	AUGUSTA UNIVERSITY	5U01HL117684-02	(34)	
Arthritis, Musculoskeletal and Skin Diseases Research	93.846	7,309,861	-			7,309,861	1,302,235
Arthritis, Musculoskeletal and Skin Diseases Research	93.846	-	42,175	BOSTON UNIVERSITY MEDICAL CAMPUS	2P60AR047785-12	42,175	
Arthritis, Musculoskeletal and Skin Diseases Research	93.846	-	27,118	O.N. DIAGNOSTICS, LLC	2R44AR057616-03A1	27,118	
Arthritis, Musculoskeletal and Skin Diseases Research	93.846	-	11,780	CALIFORNIA PACIFIC MED. CTR. RES. INST.	1R01AR065268-01A1	11,780	
Arthritis, Musculoskeletal and Skin Diseases Research	93.846	-	6,516	UNIVERSITY OF NORTH CAROLINA AT CHAPEL HILL	5R01AR060852-03	6,516	
Arthritis, Musculoskeletal and Skin Diseases Research	93.846	-	2,688	NEW YORK PRESBYTERIAN HOSPITAL-WEILL CORNELL MED	1R21AR069867-01	2,688	
Arthritis, Musculoskeletal and Skin Diseases Research	93.846	-	(391)	NORTHWESTERN UNIVERSITY	1UH2AR067687-01	(391)	
Arthritis, Musculoskeletal and Skin Diseases Research	93.846	-	(562)	BOSTON UNIVERSITY MEDICAL CAMPUS	5R01AR062506-01A1	(562)	
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	19,005,648	-			19,005,648	1,542,349
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	-	439,145	THE GEORGE WASHINGTON UNIVERSITY	5U01DK098246-04	439,145	
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	-	287,093	COLUMBIA UNIVERSITY IN THE CITY OF NEW YORK	2R01DK082753-05	287,093	34,174
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	-	271,157	SEATTLE CHILDREN'S HOSPITAL	R01DK103608-02	271,157	
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	-	160,760	MOUNT SINAI SCHOOL OF MEDICINE	U54DK083909	160,760	
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	-	131,252	COLUMBIA UNIVERSITY IN THE CITY OF NEW YORK	1R01DK105124-01	131,252	

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, 2016

Federal Program	CFDA Number	Direct	Pass-through	Pass-Through Grantor	Contract/Award or Pass-Through Num	Total Expenditures	Passed to Subrecipients
<b>RESEARCH AND DEVELOPMENT</b>							
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	-	96,590	UNIVERSITY OF TEXAS SOUTHWESTERN MEDICAL CENTER	2U01DK058369-16	96,590	
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	-	63,255	KAISER FOUNDATION RESEARCH INSTITUTE	1R01DK106201-01	63,255	
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	-	53,174	EMORY UNIVERSITY	1DP3DK094346-01	53,174	
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	-	48,088	ENDOMIMETICS, LLC	1R43DK109789-01	48,088	
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	-	40,148	MAYO CLINIC ROCHESTER	5U01DK056957-15	40,148	
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	-	39,527	THE GEORGE WASHINGTON UNIVERSITY	3U01DK096037-03S1	39,527	
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	-	28,624	WASHINGTON UNIVERSITY IN ST LOUIS	5U01DK082315-07	28,624	
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	-	26,924	BRIGHTOUTCOME INC	1R43DK097972-01	26,924	8,225
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	-	24,102	MASSACHUSETTS GENERAL HOSPITAL	2R01DK053093-15A1	24,102	
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	-	23,995	THE CHILDREN'S MERCY HOSPITAL	U01DK066143	23,995	
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	-	23,612	UNIVERSITY OF NORTH CAROLINA AT CHAPEL HILL	5UM1DK100867-02	23,612	
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	-	19,732	THE GEORGE WASHINGTON UNIVERSITY	1R01DK104845-01	19,732	
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	-	15,088	SYNEDGEN INC	1R43DK107004-01	15,088	
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	-	14,594	THE GEORGE WASHINGTON UNIVERSITY	1R01DK104845	14,594	
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	-	14,571	CHILDRENS HOSPITAL MEDICAL CENTER CINCINNATI OH	5UM1DK072493-10	14,571	
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	-	14,187	THE RESEARCH INSTITUTE AT NATIONWIDE CHILDRENS HO	5UM1DK100866	14,187	
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	-	12,055	FAST BIOMEDICAL	1R44DK093274-01 REVISED	12,055	
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	-	6,840	KAISER FOUNDATION RESEARCH INSTITUTE	5R01DK090047-01A1	6,840	
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	-	5,983	THE CHILDREN'S MERCY HOSPITAL	2U01DK066143-11	5,983	
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	-	5,138	AUGUSTA UNIVERSITY	1U24DK076169-09	5,138	
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	-	5,067	THE RESEARCH INSTITUTE AT NATIONWIDE CHILDRENS HO	4UM1DK100866-04	5,067	
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	-	4,399	CHILDRENS HOSPITAL MEDICAL CENTER CINCINNATI OH	2UM1DK072493-06	4,399	
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	-	3,710	COLUMBIA UNIVERSITY IN THE CITY OF NEW YORK	1R21DK109690-01	3,710	
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	-	3,121	KAISER FOUNDATION RESEARCH INSTITUTE	1R01DK106201-03	3,121	
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	-	1,867	SEATTLE CHILDREN'S HOSPITAL	1R01DK103608-01	1,867	
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	-	932	CHILDRENS HOSPITAL MEDICAL CENTER CINCINNATI OH	5UM1DK072493-07	932	
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	-	879	THE RESEARCH INSTITUTE AT NATIONWIDE CHILDRENS HO	5UM1DK100866-02	879	
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	-	864	UNIVERSITY OF MINNESOTA	5K23DK087919-04	864	
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	-	854	UNIVERSITY OF WASHINGTON	5U01DK082315-08	854	
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	-	469	JOHNS HOPKINS UNIVERSITY	U01DK062431	469	
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	-	454	EMORY UNIVERSITY	3R01DK087694-04S1	454	

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, 2016

Federal Program	CFDA Number	Direct	Pass-through	Pass-Through Grantor	Contract/Award or Pass-Through Num	Total Expenditures	Passed to Subrecipients
<b>RESEARCH AND DEVELOPMENT</b>							
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	-	441	THE GEORGE WASHINGTON UNIVERSITY	R01DK104845	441	
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	-	205	MOUNT SINAI SCHOOL OF MEDICINE	2U54DK083909-06	205	
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	-	(457)	CHILDRENS HOSPITAL MEDICAL CENTER CINCINNATI OH	5UMIDK072493-09	(457)	
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	-	(3,675)	THE GEORGE WASHINGTON UNIVERSITY	1U01DK098246-03	(3,675)	
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	-	(4,405)	THE CHILDREN'S MERCY HOSPITAL	2U01DK066143	(4,405)	
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	-	(21,119)	KAISER FOUNDATION RESEARCH INSTITUTE	R01 DK084997-01A1	(21,119)	
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	17,574,549	-			17,574,549	2,600,048
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	-	285,825	MASSACHUSETTS GENERAL HOSPITAL	P01NS087997	285,825	
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	-	267,219	UMDNJ/RUTGERS	4U01NS038384-17	267,219	
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	-	241,020	CHILDREN'S HOSPITAL BOSTON	5U01NS082320-04	241,020	
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	-	191,100	JOHNS HOPKINS UNIVERSITY	7R01NS075047-02	191,100	
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	-	129,153	UMDNJ/RUTGERS	2R01NS038384-12	129,153	
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	-	119,750	UNIVERSITY OF TEXAS AT DALLAS	2R01NS065926-05A1	119,750	
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	-	78,526	MASSACHUSETTS GENERAL HOSPITAL	1U10NS077420	78,526	
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	-	56,901	CLEVELAND CLINIC FOUNDATION	5R01NS087913-02	56,901	
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	-	48,808	JOHNS HOPKINS UNIVERSITY	1U01NS080824-01A1	48,808	
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	-	38,159	NORTHWESTERN UNIVERSITY	U01NS080818	38,159	
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	-	32,068	CHILDREN'S HOSPITAL BOSTON	1U54NS092090-01	32,068	
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	-	28,250	UNIVERSITY OF MICHIGAN	1R01NS092706-01A1	28,250	
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	-	27,560	MEDICAL COLLEGE OF WISCONSIN	5R01NS035929-14	27,560	
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	-	25,980	MAYO CLINIC JACKSONVILLE	5U01NS080168-02	25,980	
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	-	23,507	JOHNS HOPKINS UNIVERSITY	5U01NS062851-03	23,507	
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	-	20,651	NORTHWESTERN UNIVERSITY	5U01NS080818-03	20,651	
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	-	20,578	CLEVELAND CLINIC FOUNDATION	5R01NS083629-03	20,578	
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	-	19,938	NORTHWESTERN UNIVERSITY	1R01NS093843-01A1	19,938	
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	-	19,527	THE REGENTS OF THE UNIVERSITY OF CALIFORNIA	R01NS071463	19,527	
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	-	17,113	EMORY UNIVERSITY	3U01NS038455	17,113	
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	-	14,153	CORNELL UNIVERSITY	1R01NS097443-01	14,153	
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	-	12,094	UNIVERSITY OF MIAMI	1R01NS084288-01A1	12,094	
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	-	11,402	MASSACHUSETTS GENERAL HOSPITAL	1U01NS090259-01A1	11,402	

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, 2016

Federal Program	CFDA Number	Direct	Pass-through	Pass-Through Grantor	Contract/Award or Pass-Through Num	Total Expenditures	Passed to Subrecipients
<b>RESEARCH AND DEVELOPMENT</b>							
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	-	7,891	EMORY UNIVERSITY	IR01NS092122-01A1	7,891	
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	-	7,799	THE UNIVERSITY OF MONTANA	IU01NS092495-01	7,799	
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	-	7,635	UNIVERSITY OF VIRGINIA	IU01NS088034-01	7,635	
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	-	6,818	CHILDRENS HOSPITAL MEDICAL CENTER CINCINNATI OH	5R01NS065840-05	6,818	
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	-	6,188	MOUNT SINAI SCHOOL OF MEDICINE	U01NS045719	6,188	
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	-	5,978	REGENTS OF THE UNIVERSITY OF MINNESOTA	IU01NS062091-01A2	5,978	
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	-	5,004	YALE UNIV	5R01NS053865-05	5,004	
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	-	2,796	CHILDRENS HOSPITAL BOSTON	5U01NS082320-03	2,796	
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	-	1,391	CHILDRENS HOSPITAL MEDICAL CENTER CINCINNATI OH	5U01NS045911	1,391	
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	-	1,218	AUGUSTA UNIVERSITY	IR01NS090083-01A1	1,218	
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	-	1,016	EMORY UNIVERSITY	2U01NS038455-11A1	1,016	
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	-	1,005	UMDNJ/RUTGERS	RO1 NS38384	1,005	
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	-	723	EMORY UNIVERSITY	3 U01 NS038455-13	723	
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	-	(866)	UNIVERSITY OF FLORIDA	RO1NS073346	(866)	
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	-	(13,453)	NORTHWESTERN UNIVERSITY	U01NS080818-02	(13,453)	
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	-	(59,642)	MOUNT SINAI SCHOOL OF MEDICINE	5U01NS045719-07	(59,642)	
Allergy, Immunology and Transplantation Research	93.855	43,986,066	-			43,986,066	17,361,624
Allergy, Immunology and Transplantation Research	93.855	-	612,698	EMORY UNIVERSITY	IU01AI084150	612,698	
Allergy, Immunology and Transplantation Research	93.855	-	537,479	FRED HUTCHINSON CANCER RESEARCH CENTER	5UM1AI068614-10	537,479	
Allergy, Immunology and Transplantation Research	93.855	-	396,625	JOHNS HOPKINS UNIVERSITY	UM1AI068632	396,625	262,568
Allergy, Immunology and Transplantation Research	93.855	-	333,767	EMORY UNIVERSITY	2R01AI064060-11	333,767	
Allergy, Immunology and Transplantation Research	93.855	-	254,090	BRIGHAM & WOMENS HOSPITAL	UM1AI096701	254,090	
Allergy, Immunology and Transplantation Research	93.855	-	245,792	EMORY UNIVERSITY	2R01AI064060-11A1	245,792	
Allergy, Immunology and Transplantation Research	93.855	-	237,291	EMORY UNIVERSITY	5P01AI078907-04	237,291	
Allergy, Immunology and Transplantation Research	93.855	-	234,915	BRIGHAM & WOMENS HOSPITAL	2UM1AI068636-08	234,915	
Allergy, Immunology and Transplantation Research	93.855	-	234,517	UNIVERSITY OF CALIFORNIA IN DAVIS	1R01AI097629-01	234,517	
Allergy, Immunology and Transplantation Research	93.855	-	202,476	UNIVERSITY OF CALIFORNIA IN DAVIS	2R56AI049342-10A1	202,476	
Allergy, Immunology and Transplantation Research	93.855	-	178,114	FHI 360	UMI AI068619	178,114	15,932
Allergy, Immunology and Transplantation Research	93.855	-	146,326	TULANE UNIVERSITY	1R01AI097080	146,326	
Allergy, Immunology and Transplantation Research	93.855	-	132,452	UNIVERSITY OF MINNESOTA	IU19AI070119-09	132,452	
Allergy, Immunology and Transplantation Research	93.855	-	127,680	DUKE UNIVERSITY	5UM1AI00645-04	127,680	
Allergy, Immunology and Transplantation Research	93.855	-	123,247	CHILDREN'S HOSPITAL LOS ANGELES	UM1AI06716	123,247	
Allergy, Immunology and Transplantation Research	93.855	-	114,729	MAGEE-WOMEN'S RESEARCH INSTIUTUE & FOUNDATION	UM1AL068633	114,729	
Allergy, Immunology and Transplantation Research	93.855	-	110,096	THE REGENTS OF THE UNIVERSITY OF CALIFORNIA	1R01AI097629	110,096	
Allergy, Immunology and Transplantation Research	93.855	-	90,744	MAGEE-WOMEN'S RESEARCH INSTIUTUE & FOUNDATION	UM1AI068633	90,744	
Allergy, Immunology and Transplantation Research	93.855	-	83,726	FRED HUTCHINSON CANCER RESEARCH CENTER	2UM1AI068614-08	83,726	
Allergy, Immunology and Transplantation Research	93.855	-	78,136	UNIVERSITY OF TEXAS AT EL PASO	1R01AI102663-01	78,136	
Allergy, Immunology and Transplantation Research	93.855	-	72,824	BRIGHAM & WOMENS HOSPITAL	7UM1AI068636	72,824	
Allergy, Immunology and Transplantation Research	93.855	-	68,042	IMMUNO-MYCOLOGICS INC	2R44AI096945	68,042	3,000

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, 2016

Federal Program	CFDA Number	Direct	Pass-through	Pass-Through Grantor	Contract/Award or Pass-Through Num	Total Expenditures	Passed to Subrecipients
<b>RESEARCH AND DEVELOPMENT</b>							
Allergy, Immunology and Transplantation Research	93.855	-	61,557	BRIGHAM & WOMENS HOSPITAL	5UM1A1068636-10	61,557	
Allergy, Immunology and Transplantation Research	93.855	-	46,749	BRIGHAM & WOMENS HOSPITAL	5UM1A1068636	46,749	
Allergy, Immunology and Transplantation Research	93.855	-	46,604	THERAPEUTICS SYSTEMS RESEARCH LAB	2R44A100401-03	46,604	
Allergy, Immunology and Transplantation Research	93.855	-	46,083	UNIVERSITY OF CALIFORNIA IN SAN FRANCISCO	U01A1113362	46,083	
Allergy, Immunology and Transplantation Research	93.855	-	45,269	JOHNS HOPKINS UNIVERSITY	5U01A1069918-10	45,269	
Allergy, Immunology and Transplantation Research	93.855	-	44,831	MAGEE-WOMEN'S RESEARCH INSTIUTUE & FOUNDATION	5UM1A1068633-10	44,831	
Allergy, Immunology and Transplantation Research	93.855	-	44,094	DUKE UNIVERSITY	1R34A1108512-01A1	44,094	
Allergy, Immunology and Transplantation Research	93.855	-	42,910	TULANE UNIVERSITY	5R01A1097080-04	42,910	
Allergy, Immunology and Transplantation Research	93.855	-	40,850	FAMILY HEALTH INTERNATIONAL	UMIAI058619	40,850	
Allergy, Immunology and Transplantation Research	93.855	-	35,884	MICROBIOTIX, INC	2R44A1082799	35,884	
Allergy, Immunology and Transplantation Research	93.855	-	35,096	FRED HUTCHINSON CANCER RESEARCH CENTER	5UM1A1068614-09	35,096	
Allergy, Immunology and Transplantation Research	93.855	-	34,711	DUKE UNIVERSITY	5UM1A100645-05	34,711	
Allergy, Immunology and Transplantation Research	93.855	-	28,803	JOHNS HOPKINS UNIVERSITY	U01A1109657-01	28,803	
Allergy, Immunology and Transplantation Research	93.855	-	26,061	EMORY UNIVERSITY	1R01A1126322-01	26,061	
Allergy, Immunology and Transplantation Research	93.855	-	23,423	BENAROYA RESEARCH INSITUTE AT VIRGINIA MASON	5UM1A1109565-025	23,423	
Allergy, Immunology and Transplantation Research	93.855	-	23,088	ALBERT EINSTEIN COLLEGE OF MEDICINE OF YESHIVA U	5R01-A1097096-04	23,088	
Allergy, Immunology and Transplantation Research	93.855	-	22,390	ALBERT EINSTEIN COLLEGE OF MEDICINE OF YESHIVA U	5U19-A1103461-04	22,390	
Allergy, Immunology and Transplantation Research	93.855	-	22,335	ALBERT EINSTEIN COLLEGE OF MEDICINE OF YESHIVA U	5R01-A1097096-05	22,335	
Allergy, Immunology and Transplantation Research	93.855	-	22,040	MAGEE-WOMEN'S RESEARCH INSTIUTUE & FOUNDATION	5UM1A1068633-10	22,040	
Allergy, Immunology and Transplantation Research	93.855	-	20,431	UNIVERSITY OF WASHINGTON	5U19A1113173-02	20,431	
Allergy, Immunology and Transplantation Research	93.855	-	15,332	SEATTLE BIOMEDICAL RESEARCH INSTITUTE	5R01A1100018-04	15,332	
Allergy, Immunology and Transplantation Research	93.855	-	12,159	DUKE UNIVERSITY	UMIAI104681	12,159	
Allergy, Immunology and Transplantation Research	93.855	-	11,517	UNIVERSITY OF MARYLAND	1R01A1125561-01	11,517	
Allergy, Immunology and Transplantation Research	93.855	-	9,879	MIRIAM HOSPITAL	5P30A1042853-18	9,879	
Allergy, Immunology and Transplantation Research	93.855	-	8,766	UNIVERSITY OF WASHINGTON	5U19A1113173-03	8,766	
Allergy, Immunology and Transplantation Research	93.855	-	7,216	JOHNS HOPKINS UNIVERSITY	UMIAI068632-10	7,216	
Allergy, Immunology and Transplantation Research	93.855	-	5,533	EMORY UNIVERSITY	1P01A1125180-01	5,533	
Allergy, Immunology and Transplantation Research	93.855	-	5,298	GEORGE MASON UNIVERSITY	2R01A10043894-11A2	5,298	
Allergy, Immunology and Transplantation Research	93.855	-	4,087	CHILDREN'S HOSPITAL BOSTON	1R01A11084011-04	4,087	
Allergy, Immunology and Transplantation Research	93.855	-	2,948	UNIVERSITY OF MARYLAND	1R01A1125841-01	2,948	
Allergy, Immunology and Transplantation Research	93.855	-	592	UNIVERSITY OF CALIFORNIA IN SAN FRANCISCO	1UM1A110498-02	592	
Allergy, Immunology and Transplantation Research	93.855	-	174	SOUTHERN RESEARCH INSTITUTE	1R21A1101924	174	
Allergy, Immunology and Transplantation Research	93.855	-	40	BRIGHAM & WOMENS HOSPITAL	7UM1A1068636-07	40	
Allergy, Immunology and Transplantation Research	93.855	-	12	CHILDREN'S HOSPITAL OF PHILADELPHIA	U54A1082973	12	
Allergy, Immunology and Transplantation Research	93.855	-	(24)	JOHNS HOPKINS UNIVERSITY	5U01A1069918-09	(24)	
Allergy, Immunology and Transplantation Research	93.855	-	(590)	NATL CHILDHOOD CANCER FOUNDATION	U54A1082973	(590)	
Allergy, Immunology and Transplantation Research	93.855	-	(1,039)	FRED HUTCHINSON CANCER RESEARCH CENTER	5U01A1068614	(1,039)	
Allergy, Immunology and Transplantation Research	93.855	-	(20,229)	ACTUATED MEDICAL INC	2R44A1080335-02A1	(20,229)	
Microbiology and Infectious Diseases Research	93.856	119,479	-			119,479	
Biomedical Research and Research Training	93.859	5,818,565	-			5,818,565	149,190
Biomedical Research and Research Training	93.859	-	59,000	UNIVERSITY OF PITTSBURGH	P50GM082251	59,000	
Biomedical Research and Research Training	93.859	-	52,986	UNIVERSITY OF PITTSBURGH	5R01GM101197-03	52,986	
Biomedical Research and Research Training	93.859	-	38,984	COLUMBIA UNIVERSITY IN THE CITY OF NEW YORK	1R01GM114355-01A1	38,984	
Biomedical Research and Research Training	93.859	-	20,326	WEST VIRGINIA UNIVERSITY	P20GM109098	20,326	
Biomedical Research and Research Training	93.859	-	15,802	UNIVERSITY OF MISSISSIPPI MEDICAL CENTER	1R01GM103799	15,802	
Biomedical Research and Research Training	93.859	-	9,485	SOLUBLE THERAPEUTICS, LLC	1R41GM109565-01A1	9,485	
Biomedical Research and Research Training	93.859	-	8,210	UNIVERSITY OF PITTSBURGH	4P50GM082251-10	8,210	
Biomedical Research and Research Training	93.859	-	5,487	UNIVERSITY OF PITTSBURGH	1R01GM101197-01A1	5,487	
Child Health and Human Development Extramural Research	93.865	9,787,703	-			9,787,703	4,605,620
Child Health and Human Development Extramural Research	93.865	-	530,046	RTI INTERNATIONAL	5U10HD034216-15	530,046	
Child Health and Human Development Extramural Research	93.865	-	447,381	THE GEORGE WASHINGTON UNIVERSITY	U10HD036801	447,381	
Child Health and Human Development Extramural Research	93.865	-	377,567	WASHINGTON UNIVERSITY IN ST LOUIS	1U01HD077384-02	377,567	

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, 2016

Federal Program	CFDA Number	Direct	Pass-through	Pass-Through Grantor	Contract/Award or Pass-Through Num	Total Expenditures	Passed to Subrecipients
<b>RESEARCH AND DEVELOPMENT</b>							
Child Health and Human Development Extramural Research	93.865	-	357,545	HARVARD SCHOOL OF PUBLIC HEALTH	5P01HD052102-19	357,545	
Child Health and Human Development Extramural Research	93.865	-	139,969	UNIVERSITY OF NORTH CAROLINA AT GREENSBORO	1R15HD071431-01A1	139,969	
Child Health and Human Development Extramural Research	93.865	-	85,972	UNIVERSITY OF CAPE TOWN	5R01HD083026-02	85,972	
Child Health and Human Development Extramural Research	93.865	-	53,715	REGENTS OF THE UNIVERSITY OF COLORADO	5R01HD080477-03	53,715	
Child Health and Human Development Extramural Research	93.865	-	50,164	UNIVERSITY OF MARYLAND	R01HD067126	50,164	
Child Health and Human Development Extramural Research	93.865	-	44,532	UNIVERSITY OF CAPE TOWN	1R01HD083026-01	44,532	
Child Health and Human Development Extramural Research	93.865	-	40,154	DUKE UNIVERSITY	5R01HD076871-02	40,154	
Child Health and Human Development Extramural Research	93.865	-	37,078	WASHINGTON UNIVERSITY IN ST LOUIS	1R01HD086323-02	37,078	
Child Health and Human Development Extramural Research	93.865	-	25,517	UNIVERSITY OF MARYLAND	1R01HD067126	25,517	
Child Health and Human Development Extramural Research	93.865	-	15,287	BENTEN TECHNOLOGIES	2R44HD072823-02	15,287	
Child Health and Human Development Extramural Research	93.865	-	13,981	OREGON HEALTH & SCIENCES UNIVERSITY	5R01HD069610-04	13,981	
Child Health and Human Development Extramural Research	93.865	-	12,648	INVOTEK INC	1R43HD080283-01	12,648	3,779
Child Health and Human Development Extramural Research	93.865	-	11,842	UNIVERSITY OF KWAZULU-NATAL	1R21HD083011-01	11,842	
Child Health and Human Development Extramural Research	93.865	-	5,351	UNIVERSITY OF WISCONSIN IN MADISON	1R01HD071089-01A1	5,351	
Child Health and Human Development Extramural Research	93.865	-	4,850	OREGON HEALTH & SCIENCES UNIVERSITY	5R01HD069610	4,850	
Child Health and Human Development Extramural Research	93.865	-	1,585	WAYNE STATE UNIVERSITY	5U10HD021385	1,585	
Child Health and Human Development Extramural Research	93.865	-	1,422	PENNSYLVANIA STATE UNIVERSITY (THE)	1R01HD066982-01	1,422	
Child Health and Human Development Extramural Research	93.865	-	(94,525)	DUKE UNIVERSITY	1R01HD057956-01	(94,525)	
Aging Research	93.866	6,522,841	-			6,522,841	390,452
Aging Research	93.866	-	506,745	UNIVERSITY OF FLORIDA	2R37AG033906-11	506,745	
Aging Research	93.866	-	370,444	UNIVERSITY OF KENTUCKY RESEARCH FOUNDATION	1R01AG046920-01A1	370,444	
Aging Research	93.866	-	300,870	WILLIAM BEAUMONT HOSPITAL	R01AG043383	300,870	
Aging Research	93.866	-	74,958	UNIVERSITY OF SOUTHERN CALIFORNIA	5U01AG024904-10	74,958	
Aging Research	93.866	-	62,413	COLUMBIA UNIVERSITY IN THE CITY OF NEW YORK	1R01AG049970-01A1	62,413	
Aging Research	93.866	-	37,835	UNIVERSITY OF KENTUCKY RESEARCH FOUNDATION	3R01AG034605-05S1	37,835	
Aging Research	93.866	-	35,700	UNIVERSITY OF IOWA	1R01AG033035-01A2	35,700	
Aging Research	93.866	-	33,323	NORTHWESTERN UNIVERSITY	1R01AG047416-01A1	33,323	
Aging Research	93.866	-	30,659	UNIVERSITY OF TEXAS SOUTHWESTERN MEDICAL CENTER	5R01AG047290-02	30,659	
Aging Research	93.866	-	18,967	ALZHEIMER'S DISEASE COOPERATIVE STUDY	2U01AG24904-06	18,967	
Aging Research	93.866	-	18,888	UNIVERSITY OF WISCONSIN IN MADISON	1R56AG047358-01A1	18,888	
Aging Research	93.866	-	18,349	WAKE FOREST UNIVERSITY SCHOOL OF MEDICINE	R224AG044325	18,349	
Aging Research	93.866	-	18,073	UNIVERSITY OF KENTUCKY RESEARCH FOUNDATION	4R37AG004542-27	18,073	
Aging Research	93.866	-	17,728	UNIVERSITY OF PENNSYLVANIA	3U01AG030644-02S3	17,728	
Aging Research	93.866	-	13,535	UNIVERSITY OF CALIFORNIA IN SAN DIEGO	2U19AG010483-22	13,535	
Aging Research	93.866	-	13,126	UNIVERSITY OF FLORIDA	R37AG033906	13,126	
Aging Research	93.866	-	9,794	UNIVERSITY OF SOUTHERN CALIFORNIA	5U19AG010483-24	9,794	
Aging Research	93.866	-	6,477	UNIVERSITY OF PITTSBURGH	5R01AG045176-03	6,477	
Aging Research	93.866	-	3,186	UNIVERSITY OF NORTH CAROLINA AT CHAPEL HILL	5K23AG038548-02	3,186	
Aging Research	93.866	-	2,336	UNIVERSITY OF PENNSYLVANIA	1R01AG037679-01A1	2,336	
Aging Research	93.866	-	296	UNIVERSITY OF KENTUCKY RESEARCH FOUNDATION	1R01AG034605	296	
Aging Research	93.866	-	37	ALZHEIMER'S DISEASE COOPERATIVE STUDY	U01AG10483	37	
Vision Research	93.867	5,104,084	-			5,104,084	527,156

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, 2016

Federal Program	CFDA Number	Direct	Pass-through	Pass-Through Grantor	Contract/Award or Pass-Through Num	Total Expenditures	Passed to Subrecipients
<b>RESEARCH AND DEVELOPMENT</b>							
Vision Research	93.867	-	308,101	UNIVERSITY OF MISSISSIPPI MEDICAL CENTER	2R01EY014263-09	308,101	
Vision Research	93.867	-	228,663	UNIVERSITY OF CALIFORNIA IN SAN DIEGO	1R01EY023704-01	228,663	
Vision Research	93.867	-	212,573	UNIVERSITY OF CALIFORNIA - BERKELEY	R01EY023591	212,573	
Vision Research	93.867	-	108,472	NEW YORK UNIVERSITY	2R01EY015220-10A1	108,472	
Vision Research	93.867	-	104,247	UNIVERSITY OF FLORIDA	R01EY024280	104,247	
Vision Research	93.867	-	74,763	SALUS UNIVERSITY	1U10EY022599-01A1	74,763	
Vision Research	93.867	-	33,219	JAEB CENTER FOR HEALTH RESEARCH INC	U01EY11751	33,219	
Vision Research	93.867	-	27,156	BIOLIGHT ENGINEERING, LLC	R43EY026265	27,156	
Vision Research	93.867	-	17,129	JAEB CENTER FOR HEALTH RESEARCH INC	U10EY11751	17,129	
Vision Research	93.867	-	16,392	UNIVERSITY OF CALIFORNIA IN SAN DIEGO	1R01EY019869-01	16,392	
Vision Research	93.867	-	12,387	UNIVERSITY OF TEXAS HEALTH SCIENCE CTR AT HOUSTON	2R01EY022362-04A1	12,387	
Vision Research	93.867	-	3,524	JAEB CENTER FOR HEALTH RESEARCH INC	EY11751	3,524	
Vision Research	93.867	-	2,742	SALUS UNIVERSITY	1U10EY022599-03	2,742	
Vision Research	93.867	-	1,236	ST LUKES ROOSEVELT HOSPITAL CENTER	1U10EY017281-01A1	1,236	
Medical Library Assistance	93.879	-	26,793	CHILDREN'S HOSPITAL BOSTON	2R01LM010090-05	26,793	
Specially Selected Health Projects	93.888	-	4,538	CHILDREN'S HOSPITAL OF PHILADELPHIA	U10CA180886	4,538	
HIV Prevention Activities_Health Department Based	93.940	-	(285)	ALABAMA DEPT OF PUBLIC HEALTH	IU62PS003632.02 PS12-1201	(285)	
HIV Prevention Activities_Health Department Based	93.940	-	(2,674)	ALABAMA DEPT OF PUBLIC HEALTH	IU62PS003632-01 PS12-1201	(2,674)	
International Research and Research Training	93.989	562,792	-			562,792	173,035
International Research and Research Training	93.989	-	28,215	UNIVERSIDAD PERUANA CAYETANO HEREDIA	5D43TW009763-02	28,215	
International Research and Research Training	93.989	-	22,929	THE FLORIDA INTL UNIVERSITY OF BOARD OF TRUSTEES	1D43TW009125-01	22,929	
International Research and Research Training	93.989	-	8,015	NATIONAL INSTITUTE OF HEALTH SCEINCES,SRI LANKA	5R01TW009401-03	8,015	
Contract #HHSN268201300025C	93.RD	2,148,980	-			2,148,980	621,396
Contract #HHSN272201300012I	93.RD	1,955,130	-			1,955,130	1,236,481
Contract #HHSN268200900047C	93.RD	1,331,901	-			1,331,901	727,192
Contract #HHSN268200900047C OPT5	93.RD	1,230,980	-			1,230,980	772,642
Contract #HHSN272201100034C	93.RD	1,148,779	-			1,148,779	644,751
Contract #HHSN275201300014C	93.RD	967,401	-			967,401	
Contract #HHSN268201100025C	93.RD	917,361	-			917,361	
Contract #HHSN272201100016I	93.RD	905,589	-			905,589	
Contract #HHSN272201100035C	93.RD	592,447	-			592,447	362,042
Contract #HHSN268201300026C-OPT 2	93.RD	537,355	-			537,355	
Contract #HHSN261201200021I	93.RD	530,757	-			530,757	9,564
Contract #HHSN272201100036C	93.RD	498,982	-			498,982	133,921
Contract #HHSN268201300026C-OPT 3	93.RD	410,743	-			410,743	
Contract #HHSN272201000027I	93.RD	407,670	-			407,670	
Contract #HHSN261201500036I	93.RD	366,150	-			366,150	
Contract #HHSN272201100037C	93.RD	349,370	-			349,370	140,087
Contract #OPTION 6 - HHSN268201300025C	93.RD	327,564	-			327,564	320,276
Contract	93.RD	-	310,755	UNIVERSITY OF ROCHESTER	HHSN272201200005C	310,755	
Contract #HHSN272201100038C	93.RD	278,192	-			278,192	26,087
Contract #200-2011-42023	93.RD	238,570	-			238,570	
Contract #OP-7 HHSN268201300025C	93.RD	179,147	-			179,147	114,829
Contract	93.RD	-	149,372	VIVO BIOSCIENCES INC	HHSN26120150068C	149,372	
Contract #HHSN268201300026C	93.RD	136,795	-			136,795	
Contract	93.RD	-	125,964	UNIVERSITY OF ROCHESTER	HHSN272201200005C	125,964	
Contract #HHSN268200736191C	93.RD	108,072	-			108,072	
Contract	93.RD	-	103,694	UNIVERSITY OF CALIFORNIA IN SAN FRANCISCO	HHSN266200400074C	103,694	
Contract	93.RD	-	102,926	WAKE FOREST UNIVERSITY SCHOOL OF MEDICINE	HHSN26800900019 C	102,926	
Contract	93.RD	-	81,519	MASSACHUSETTS GENERAL HOSPITAL	HHSN271201100006I	81,519	
Contract	93.RD	-	80,129	CHILDRENS HOSPITAL MEDICAL CENTER CINCINNATI OH	HHSN272201300016I	80,129	
Contract #HHSN271201500088C	93.RD	64,322	-			64,322	
Contract	93.RD	-	60,124	VIVO BIOSCIENCES INC	HHSN26120150066C	60,124	
Contract	93.RD	-	59,697	ABT ASSOCIATES INC	HHSD20002013M53890B/200-2013-F-57544	59,697	
Contract #14IPA1404866	93.RD	56,241	-			56,241	
Contract #200-2013-56733/MSG08	93.RD	47,728	-			47,728	

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, 2016

Federal Program	CFDA Number	Direct	Pass-through	Pass-Through Grantor	Contract/Award or Pass-Through Num	Total Expenditures	Passed to Subrecipients
<b>RESEARCH AND DEVELOPMENT</b>							
Contract	93.RD	-	38,012	UNIVERSITY OF MICHIGAN	HHSN268201100026C	38,012	
Contract	93.RD	-	33,961	RAND CORPORATION	HHSN-500-2014-00399G	33,961	
Contract	93.RD	-	33,954	UNIVERSITY OF NORTH CAROLINA AT CHAPEL HILL	HHSN268201300001I	33,954	
Contract	93.RD	-	31,815	UNIVERSITY OF WISCONSIN IN MADISON	HHSN261201200033I	31,815	
Contract	93.RD	-	31,438	UNIVERSITY OF TEXAS SOUTHWESTERN MEDICAL CENTER	HHSN268201200019C	31,438	
Contract #200-2015-M-64008	93.RD	28,930	-			28,930	
Contract #HHSN266200400073C	93.RD	26,855	-			26,855	26,855
Contract	93.RD	-	23,499	UNIVERSITY OF WISCONSIN IN MADISON	N01-CN-35153	23,499	
Contract	93.RD	-	17,691	DUKE UNIVERSITY	HHSN-275201000003I	17,691	
Contract	93.RD	-	14,492	DUKE UNIVERSITY	HHSN-275201000003I	14,492	
Contract	93.RD	-	12,802	DUKE UNIVERSITY	HHSN-275201000003I	12,802	
Contract	93.RD	-	12,653	UNIVERSITY OF CINCINNATI	HHSF223201110112A	12,653	
Contract	93.RD	-	11,174	UNIVERSITY OF FLORIDA	UFDSPO0011244	11,174	
Contract	93.RD	-	8,577	CONRAD, EASTERN VIRGINIA MEDICAL SCHOOL	200-2014-59074	8,577	
Contract #HHSN272201100035C-Option 2	93.RD	5,556	-			5,556	5,556
Contract	93.RD	-	4,922	ICF INCORPORATED LLC	HHSN316201200028W	4,922	
Contract #HHSN311201600036P	93.RD	3,334	-			3,334	
Contract	93.RD	-	3,189	UNIVERSITY OF CALIFORNIA IN SAN FRANCISCO	N01-AI-15416	3,189	
Contract	93.RD	-	2,874	DUKE UNIVERSITY	HHSN272200900023C	2,874	
Contract #HHSN272201600017C	93.RD	2,385	-			2,385	
Contract #HHSN272201600018C	93.RD	1,498	-			1,498	
Contract #HHSN272201100038C Opt 1	93.RD	1,028	-			1,028	
ARRA - 14X183ST PO#R003197	93.RD	-	111	LEIDOS BIOMEDICAL RESEARCH, INC	HHSN261200800001E	111	
Contract	93.RD	-	44	WESTAT CORPORATION	HHSN261201600007I	44	
Contract	93.RD	-	30	CHILDREN'S HOSPITAL OF PHILADELPHIA	N02-CM-62212	30	
Contract	93.RD	-	(1,290)	ABT ASSOCIATES INC	HHSN290201000031I	(1,290)	
Contract	93.RD	-	(1,470)	UNIVERSITY OF WISCONSIN IN MADISON	HHSN261201200033I	(1,470)	
Contract	93.RD	-	(26,210)	WASHINGTON UNIVERSITY IN ST LOUIS	HHSN261201000061C	(26,210)	
Unknown	93.RD	-	197,778	BRIGHAM & WOMENS HOSPITAL	5UM1A1068636	197,778	
Unknown	93.RD	-	180,517	RTI INTERNATIONAL	1U01HD069031	180,517	
Unknown	93.RD	-	99,810	ALABAMA DEPT OF PUBLIC HEALTH	3-U58DP003854	99,810	
Unknown	93.RD	-	75,345	LEGACY RESEARCH	ROIEY011610	75,345	
Unknown	93.RD	-	57,272	OREGON HEALTH & SCIENCES UNIVERSITY	5WOG	57,272	
Unknown	93.RD	-	47,220	UNIVERSITY OF PITTSBURGH	1U01NS081041-01A1	47,220	
Unknown	93.RD	-	45,784	WAKE FOREST UNIVERSITY SCHOOL OF MEDICINE	5U01AGO29824-07	45,784	
Unknown	93.RD	-	40,770	CENTRE FOR INFECTIOUS DISEASE RESEARCH IN ZAMBIA	018(115616) SA1	40,770	
Unknown	93.RD	-	27,745	JOHNS HOPKINS UNIVERSITY	UM1A1068632	27,745	
Unknown	93.RD	-	25,209	UNIVERSITY OF SOUTH FLORIDA	U01 DK061055	25,209	
Unknown	93.RD	-	20,650	EASTERN COOPERATIVE ONCOLOGY GROUP	ECOG	20,650	
Unknown	93.RD	-	14,315	UNIVERSITY OF PITTSBURGH	1R01MH103313-01A1	14,315	
Unknown	93.RD	-	10,637	EMMES CORPORATION	1U01NS026835-01A1	10,637	
Unknown	93.RD	-	8,206	CHILDREN'S HOSPITAL OF PHILADELPHIA	UG1CA189955	8,206	
Unknown	93.RD	-	5,048	INDIANA HEMOPHILIA AND THROMBOSIS CENTER	284-105C	5,048	
Unknown	93.RD	-	4,132	MASSACHUSETTS GENERAL HOSPITAL	1U10NS077420	4,132	
Unknown	93.RD	-	1,196	FRED HUTCHINSON CANCER RESEARCH CENTER	5UM1A1068614-10	1,196	
Unknown	93.RD	-	310	DUKE UNIVERSITY	U10CA76001	310	
Unknown	93.RD	-	260	EMORY UNIVERSITY	U54NS065701	260	
Unknown	93.RD	-	258	CHILDREN'S HOSPITAL OF PHILADELPHIA	U10CA098543	258	
Unknown	93.RD	-	156	COLUMBIA UNIVERSITY IN THE CITY OF NEW YORK	U01NS051483	156	
Unknown	93.RD	-	125	AMERICAN COLLEGE OF RADIOLOGY	ACRIN-6698	125	
Total Department of Health and Human Services		243,374,740	25,602,179			268,976,919	57,662,093
<b>Corporation for National and Community Services</b>							
Social Innovation Fund	94.019	-	143,753	AIDS UNITED	IOSIHD001	143,753	143,806
Total Corporation for National and Community Services		-	143,753			143,753	143,806
<b>Department of Homeland Security</b>							
Contract #HSCEMD-15-Z-00002	97.RD	56,484	-			56,484	
Contract #HSCEMD-16-Z-00014	97.RD	28,276	-			28,276	
Total Department of Homeland Security		84,760	-			84,760	-
<b>TOTAL RESEARCH AND DEVELOPMENT</b>		<b>266,710,213</b>	<b>28,981,543</b>			<b>295,691,756</b>	<b>59,877,551</b>

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, 2016

Federal Program	CFDA Number	Direct	Pass-through	Pass-Through Grantor	Contract/Award or Pass-Through Num	Total Expenditures	Passed to Subrecipients
<b>STUDENT FINANCIAL AID</b>							
<b>Department of Education</b>							
Federal Supplemental Education Opportunity Grant	84.007	787,721	-			787,721	
Federal Work-Study Program	84.033	1,143,417	-			1,143,417	
Federal Perkins Loan - Outstanding loans at fiscal year beginning	84.038	12,503,972	-			12,503,972	
Federal Perkins Loan - New loans issued during fiscal year	84.038	1,641,268	-			1,641,268	
Federal Perkins Loan - Administrative cost allowance	84.038	140,562	-			140,562	
Federal Pell Grant	84.063	18,746,844	-			18,746,844	
Direct Student Loans	84.268	148,930,162	-			148,930,162	
Teacher Education Assistance for College and Higher Education Grants (TEACH)	84.379	55,508	-			55,508	
Total Department of Education		183,949,454	-			183,949,454	-
<b>Department of Health and Human Services</b>							
Nurse Faculty Loan Program - Outstanding loans at fiscal year beginning	93.264	1,183,243	-			1,183,243	
Nurse Faculty Loan Program - New loans issued during fiscal year	93.264	367,000	-			367,000	
Health Professions Student Loans - Outstanding loans at fiscal year beginning	93.342	2,274,619	-			2,274,619	
Health Professions Student Loans - New loans issued during fiscal year	93.342	162,250	-			162,250	
Nurse Faculty Loan Program ARRA - Outstanding loans at fiscal year beginning	93.408	139,971	-			139,971	
Nurse Faculty Loan Program ARRA - New loans issued during fiscal year	93.408	20,000	-			20,000	
Scholarships for Health Professions Students from Disadvantaged Backgrounds	93.925	681,210	-			681,210	
Total Department of Health and Human Services		4,828,293	-			4,828,293	-
<b>TOTAL STUDENT FINANCIAL AID</b>		<b>188,777,747</b>	<b>-</b>			<b>188,777,747</b>	<b>-</b>
<b>G.E.A.R. Programs</b>							
<b>Department of Education</b>							
Gaining Early Awareness and Readiness for Undergraduate Programs	84.334	3,207,677	-			3,207,677	193,408
Total Department of Education		3,207,677	-			3,207,677	193,408
<b>TOTAL G.E.A.R. Programs</b>		<b>3,207,677</b>	<b>-</b>			<b>3,207,677</b>	<b>193,408</b>
<b>HEAD START</b>							
<b>Department of Health and Human Services</b>							
Head Start	93.600	966,440	-			966,440	97,627
Total Department of Health and Human Services		966,440	-			966,440	97,627
<b>TOTAL HEAD START</b>		<b>966,440</b>	<b>-</b>			<b>966,440</b>	<b>97,627</b>

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, 2016

Federal Program	CFDA Number	Direct	Pass-through	Pass-Through Grantor	Contract/Award or Pass-Through Num	Total Expenditures	Passed to Subrecipients
<b>OTHER PROGRAMS</b>							
<b>Department of Defense</b>							
Competitive Grants: Promoting K-12 Student Achievement at Military-Connected Schools	12.556	-	28,078	SUMTER SCHOOL DISTRICT	HE1254-13-1-0037	28,078	-
Contract - Navy Unknown	12.U00	817,700	-			817,700	-
Contract - Air Force Unknown	12.U01	556,832	-			556,832	-
Contract	12.U02	-	256,919	ALABAMA DEPT OF CHILDREN'S AFFAIRS	16CE2506015010	256,919	-
Contract - Health Profession Students	12.U03	151,595	-			151,595	-
Contract - Go Army	12.U04	61,750	-			61,750	-
Contract #FA4417-11-P-R045	12.U05	47,408	-			47,408	-
Contract - Medical Department Center and School	12.U06	37,979	-			37,979	-
Contract - Air Force Reserve	12.U07	18,848	-			18,848	-
Contract - Army Corp of Engineers	12.U08	8,634	-			8,634	-
Contract	12.U09	-	(18,114)	ALABAMA DEPT OF CHILDREN'S AFFAIRS	HV2015-C110	(18,114)	-
Unknown	12.U10	-	51,575	ALABAMA DEPT OF CHILDREN'S AFFAIRS	16CF1506016005	51,575	-
Unknown	12.U11	-	6,512	JOHNS HOPKINS UNIVERSITY	W81XWH-09-2-0108	6,512	-
Total Department of Defense		1,700,746	324,970			2,025,716	-
<b>Department of Housing and Urban Development</b>							
Supportive Housing Program	14.235	(4,043)	-			(4,043)	-
Total Department of Housing and Urban Development		(4,043)	-			(4,043)	-
<b>Department of Justice</b>							
Drug Court Discretionary Grant Program	16.585	-	79,493	JEFFERSON COUNTY COMMISSION	2015-DC-BX-0082	79,493	-
Second Chance Act Prisoner Reentry Initiative	16.812	-	162,904	JEFFERSON COUNTY COMMISSION	Second Chance Reentry	162,904	-
Total Department of Justice		-	242,397			242,397	-
<b>Department of Transportation</b>							
National Highway Traffic Safety Administration (NHTSA) Discretionary Safety Grants	20.614	190,984	-			190,984	-
Unknown	20.U12	-	177,412	ALABAMA DEPT OF TRANSPORTATION	K-15-1869	177,412	-
Unknown	20.U13	-	12,003	ALABAMA DEPT OF TRANSPORTATION	K-14-2011	12,003	-
Total Department of Transportation		190,984	189,415			380,399	-
<b>National Aeronautics and Space Administration</b>							
Education	43.008	-	73,410	UNIVERSITY OF ALABAMA IN HUNTSVILLE	NNX15AJ18H	73,410	-
Total National Aeronautics and Space Administration		-	73,410			73,410	-
<b>National Foundation on the Arts and the Humanities</b>							
Unknown	45.U14	-	5,250	ALABAMA COUNCIL ON THE ARTS	20016-22223	5,250	-
Unknown	45.U15	-	5,250	ALABAMA COUNCIL ON THE ARTS	2016-22224	5,250	-
Unknown	45.U16	-	5,250	ALABAMA COUNCIL ON THE ARTS	2016-22031	5,250	-
Unknown	45.U17	-	5,250	ALABAMA COUNCIL ON THE ARTS	2016-22034	5,250	-
Total National Foundation on the Arts and the Humanities		-	21,000			21,000	-
<b>Department of Energy</b>							
Energy Efficiency and Renewable Energy Information Dissemination, Outreach, Training and Technical Analysis/Assistance	81.117	59,101	-			59,101	-
Total Department of Energy		59,101	-			59,101	-
<b>Department of Education-TRIO Cluster</b>							
TRIO_ Student Support Services	84.042	600,040	-			600,040	-
Total Department of Education-TRIO Cluster		600,040	-			600,040	-

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, 2016

Federal Program	CFDA Number	Direct	Pass-through	Pass-Through Grantor	Contract/Award or Pass-Through Num	Total Expenditures	Passed to Subrecipients
<b>OTHER PROGRAMS</b>							
<b>Department of Education</b>							
Title I Grants to Local Educational Agencies	84.010	-	44,126	ALABAMA DEPT OF EDUCATION	100-297 I-A	44,126	-
Title I Grants to Local Educational Agencies	84.010	-	1,719	ALABAMA DEPT OF EDUCATION	X500685	1,719	-
		-	45,845			45,845	-
Graduate Assistance in Areas of National Need	84.200	251,319	-			251,319	-
Research in Special Education	84.324	70,593	-			70,593	-
Special Education - Personnel Development to Improve Services and Results for Children with Disabilities	84.325	366,358	-			366,358	-
English Language Acquisition State Grants	84.365	1,060,300	-			1,060,300	-
Mathematics and Science Partnerships	84.366	-	45,656	ALABAMA DEPT OF EDUCATION	PL 107-110	45,656	-
Improving Teacher Quality State Grants	84.367	-	343,901	ALABAMA DEPT OF EDUCATION	PL107-10	343,901	-
Improving Teacher Quality State Grants	84.367	-	201,726	ALABAMA COMM ON HIGHER EDUCATION	PL 107-110	201,726	-
Improving Teacher Quality State Grants	84.367	-	15,670	ALABAMA DEPT OF EDUCATION	PL 107-110	15,670	-
Improving Teacher Quality State Grants	84.367	-	13,957	ALABAMA DEPT OF EDUCATION	PL 107-10	13,957	-
Improving Teacher Quality State Grants	84.367	-	10,871	NATIONAL WRITING PROJECT	U367DI50004	10,871	-
		-	586,125			586,125	-
School Improvement Grants	84.377	-	637	ALABAMA DEPT OF EDUCATION	312184-005215-180650	637	-
Unknown	84.U18	-	139,018	ALABAMA DEPT OF CHILDREN'S AFFAIRS	16DEV50601UAB1	139,018	-
Unknown	84.U19	-	9,821	ALABAMA DEPT OF EDUCATION	ADS-0000	9,821	-
Total Department of Education		1,748,570	827,102			2,575,672	-
<b>Department of Health and Human Services</b>							
Global AIDS	93.067	-	284,872	CENTRE FOR INFECTIOUS DISEASE RESEARCH IN ZAMBIA	5U2GGH00226	284,872	-
Global AIDS	93.067	-	52,690	CENTRE FOR INFECTIOUS DISEASE RESEARCH IN ZAMBIA	5U2GGH000226-04	52,690	-
		-	337,562			337,562	-
Public Health Emergency Preparedness	93.069	11,375	-			11,375	18,745
Area Health Education Centers Point of Service Maintenance and Enhancement Awards	93.107	1,299,272	-			1,299,272	1,022,674
Maternal and Child Health Federal Consolidated Programs	93.110	1,916,709	-			1,916,709	20,000
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	-	19,387	ALABAMA DEPT OF PUBLIC HEALTH	5U52PS400489-30	19,387	-
Nurse Anesthetist Traineeships	93.124	52,955	-			52,955	-
AIDS Education and Training Centers	93.145	-	207,352	VANDERBILT UNIVERSITY MEDICAL CENTER	HRSA-15-032/1U01HA29297-01-01	207,352	-
AIDS Education and Training Centers	93.145	-	582	EMORY UNIVERSITY	HRSA 5 H4AHA0067-13-08	582	-
		-	207,934			207,934	-
Coordinated Services and Access to Research for Women, Infants, Children, and Youth	93.153	587,731	-			587,731	87,500
Disabilities Prevention	93.184	1,168,994	-			1,168,994	713,432
Disabilities Prevention	93.184	-	30,000	ALABAMA DEPT OF PUBLIC HEALTH	2NU59DD000947-04-00	30,000	-
Disabilities Prevention	93.184	-	11,209	HEMOPHILIA OF GEORGIA INC	2U27DD000862-04	11,209	-
		1,168,994	41,209			1,210,203	713,432

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, 2016

Federal Program	CFDA Number	Direct	Pass-through	Pass-Through Grantor	Contract/Award or Pass-Through Num	Total Expenditures	Passed to Subrecipients
<b>OTHER PROGRAMS</b>							
Substance Abuse and Mental Health Services_Projects of Regional and National Significance	93.243	-	270,442	JEFFERSON COUNTY COMMISSION	1H79T1026130-1	270,442	
Substance Abuse and Mental Health Services_Projects of Regional and National Significance	93.243	-	205,798	JEFFERSON COUNTY COMMISSION	1H79T1025496-2	205,798	
Substance Abuse and Mental Health Services_Projects of Regional and National Significance	93.243	178,912	-			178,912	3,960
Substance Abuse and Mental Health Services_Projects of Regional and National Significance	93.243	-	33,439	MOREHOUSE SCHOOL OF MEDICINE	5URIT1024252-04	33,439	
Substance Abuse and Mental Health Services_Projects of Regional and National Significance	93.243	-	12,538	JEFFERSON COUNTY COMMISSION	1H79T1025496-1	12,538	
Substance Abuse and Mental Health Services_Projects of Regional and National Significance	93.243	-	8,622	MERCER UNIVERSITY	1U79T1025372-01	8,622	
Substance Abuse and Mental Health Services_Projects of Regional and National Significance	93.243	-	2,915	MERCER UNIVERSITY	1U79T102372-01	2,915	
		<u>178,912</u>	<u>533,754</u>			<u>712,666</u>	<u>3,960</u>
Advanced Nursing Education Grant Program	93.247	60,966	-			60,966	
Health Systems Strengthening and HIV/AIDS Prevention, Care and Treatment under the President's Emergency Plan for AIDS Relief	93.266	-	15,475	ADDIS ABABA UNIVERSITY	T84HA21124-06	15,475	
Health Systems Strengthening and HIV/AIDS Prevention, Care and Treatment under the President's Emergency Plan for AIDS Relief	93.266	-	(39)	ADDIS ABABA UNIVERSITY	T84HA21124-05	(39)	
		<u>-</u>	<u>15,436</u>			<u>15,436</u>	<u>-</u>
The Affordable Care Act: Centers for Disease Control and Prevention_Investigations and Technical Assistance	93.283	-	37,453	ALABAMA DEPT OF PUBLIC HEALTH	5U58DP003854-03	37,453	
Trans-NIH Research Support	93.310	108,246	-			108,246	
Advanced Education Nursing Traineeships	93.358	378,967	-			378,967	
Nurse Education, Practice Quality and Retention Grants	93.359	967,667	-			967,667	
Cancer Research Manpower	93.398	735,072	-			735,072	
Affordable Care Act (ACA) Public Health Training Centers Program, Resources Development and Academic Support to the Public Health Training Centers Program and Public Health Infrastructure and Systems Support	93.516	-	99,915	EMORY UNIVERSITY	UB6HP27875-02-00	99,915	
Health Care Innovation Awards (HCIA)	93.610	1,167,226	-			1,167,226	514,828
Health Care Innovation Awards (HCIA)	93.610	-	195,476	ALABAMA QUALITY ASSURANCE FOUNDATION	1E1CMS331087-01-00	195,476	
		<u>1,167,226</u>	<u>195,476</u>			<u>1,362,702</u>	<u>514,828</u>
Strong Start for Mothers and Newborns	93.611	201,204	-			201,204	
University Centers for Excellence in Developmental Disabilities Education, Research, and Service	93.632	561,950	-			561,950	
ARRA - 90WT0007	93.721	405,534	-			405,534	86,086
Prevention Public Health Fund 2012: Viral Hepatitis Prevention	93.736	-	223,462	CDC FOUNDATION	MOA# 691-13 SC	223,462	
PPHF 2012: Racial and Ethnic Approaches to Community Health Program financed solely by 2012 Public Prevention and Health Funds	93.738	925,054	-			925,054	242,150
Preventive Health and Health Services Block Grant funded solely with PPHF	93.758	-	5,590	ALABAMA DEPT OF PUBLIC HEALTH	2B01OT009002-15	5,590	
Children's Health Insurance Program	93.767	-	313,836	ALABAMA DEPT OF PUBLIC HEALTH	7500515	313,836	65,490
Children's Health Insurance Program	93.767	-	(215)	ALABAMA DEPT OF PUBLIC HEALTH	7540515	(215)	
		<u>-</u>	<u>313,621</u>			<u>313,621</u>	<u>65,490</u>
Health Careers Opportunity Program	93.822	399,177	-			399,177	73,842
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	293,673	-			293,673	
Grants for Primary Care Training and Enhancement	93.884	391,949	-			391,949	
National Bioterrorism Hospital Preparedness Program	93.889	-	104,000	ALABAMA DEPT OF PUBLIC HEALTH	5U90TP000500-04	104,000	
Rural Health Care Services Outreach, Rural Health Network Development and Small Health Care Provider Quality Improvement Program	93.912	-	101,835	REGIONAL HEALTH CARE NETWORK	R01RH26278-01-00	101,835	

# University of Alabama at Birmingham

## Schedule of Expenditures of Federal Awards

### Year Ended September 30, 2016

Federal Program	CFDA Number	Direct	Pass-through	Pass-Through Grantor	Contract/Award or Pass-Through Num	Total Expenditures	Passed to Subrecipients
<b>OTHER PROGRAMS</b>							
Rural Health Care Services Outreach, Rural Health Network Development and Small Health Care Provider Quality Improvement Program	93.912	-	101,835	REGIONAL HEALTH CARE NETWORK	ROI RH26278-01-00	101,835	-
HIV Care Formula Grants	93.917	-	644,900	UNITED WAY OF CENTRAL ALABAMA INC	X07HA00049	644,900	-
HIV Care Formula Grants	93.917	-	224,727	UNITED WAY OF CENTRAL ALABAMA INC	HRS A-10-055	224,727	-
HIV Care Formula Grants	93.917	-	59,374	ALABAMA DEPT OF PUBLIC HEALTH	X07HA00049	59,374	-
		-	929,001			929,001	-
Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease	93.918	1,617,801	-			1,617,801	-
HIV Prevention Activities_Health Department Based	93.940	-	660,404	ALABAMA DEPT OF PUBLIC HEALTH	1U62PS003632-02 PS12-1201	660,404	-
HIV Prevention Activities_Health Department Based	93.940	-	61,926	ALABAMA DEPT OF PUBLIC HEALTH	U62/CCU423485	61,926	-
		-	722,330			722,330	-
HIV Demonstration, Research, Public and Professional Education Projects	93.941	(1,228)	-			(1,228)	(1,000)
Cooperative Agreements to Support State-Based Safe Motherhood and Infant Health Initiative Programs	93.946	-	7,295	ALABAMA DEPT OF PUBLIC HEALTH	1U01DP003150-01	7,295	-
Preventive Health Services_Sexually Transmitted Diseases Control Grants	93.977	373,606	-			373,606	71,738
Maternal and Child Health Services Block Grant to the States	93.994	-	17,926	ALABAMA DEPT OF PUBLIC HEALTH	B04MC28081	17,926	-
Maternal and Child Health Services Block Grant to the States	93.994	-	2,562	ALABAMA DEPT OF PUBLIC HEALTH	B04MC26648	2,562	-
Maternal and Child Health Services Block Grant to the States	93.994	-	1,605	ALABAMA DEPT OF PUBLIC HEALTH	B04MC26648	1,605	-
		-	22,093			22,093	-
Contract	93.U20	-	3,684	ALABAMA DEPT OF REHABILITATION SERVICES	MCHB	3,684	-
Contract	93.U21	-	1,957	ALABAMA FAMILY PRACTICE RURAL HEALTH BOARD	AFPRH	1,957	-
Contract	93.U22	-	132	ABT ASSOCIATES INC	HIT-WORKFLOW 43354	132	-
Contract	93.U23	-	(540)	ARKANSAS DEPT OF HEALTH	Arkansas	(540)	-
Unknown	93.U24	-	135,952	ALABAMA DEPT OF PUBLIC HEALTH	U58S0000007	135,952	-
Unknown	93.U25	-	87,595	JEFFERSON COUNTY COMMISSION	SAMSHA	87,595	-
Unknown	93.U26	-	30,000	ALABAMA DEPT OF PUBLIC HEALTH	3U58DP004791-02S1	30,000	-
Unknown	93.U27	-	14,585	ALABAMA DEPT OF PUBLIC HEALTH	H33MC06713	14,585	-
Unknown	93.U28	-	11,536	ALABAMA FAMILY PRACTICE RURAL HEALTH BOARD	AHEC	11,536	-
Total Department of Health and Human Services		13,802,812	4,202,254			18,005,066	2,919,445
<b>TOTAL OTHER PROGRAMS</b>		<b>18,098,210</b>	<b>5,880,548</b>			<b>23,978,758</b>	<b>2,919,445</b>
<b>SPECIAL FEDERAL APPROPRIATIONS</b>							
<b>Miscellaneous</b>							
John J. Sparkman Center	93.U29	458,256	-			458,256	-
Lister Hill Center for Health Policy	93.U30	267,734	-			267,734	-
Total Miscellaneous		725,990	-			725,990	-
<b>TOTAL SPECIAL FEDERAL APPROPRIATIONS</b>		<b>725,990</b>	<b>-</b>			<b>725,990</b>	<b>-</b>
<b>TOTAL FEDERAL</b>		<b>\$ 478,486,277</b>	<b>\$ 34,862,091</b>			<b>\$ 513,348,368</b>	<b>\$ 63,088,031</b>

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, 2016

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#### 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, 2016. Other campuses of the University of Alabama System are presented in separate reports. 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 the Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). 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. UAB has elected to adopt the grace period granted by the OMB for the new Uniform Guidance procurement standard. 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.

The blended component units of UAB include Triton Health Systems, L.L.C., UAB Research Foundation, and UAB Athletics Foundation. These component units do not expend federal awards and therefore are not subject to requirements of the OMB Uniform Guidance.

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.

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

#### 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 applies its predetermined approved facilities and administrative rate when charging indirect cost to federal awards rather than the 10% de minimis cost rate described in Section 200.414 of the Uniform Guidance. UAB operates under predetermined fixed F&A cost rates which are effective from October 1, 2015 through September 30, 2019. The predetermined fixed rates were based on 2014 financial information. The base rate for on-campus research is 47% for the year ended September 30, 2016. Base rates for other F&A cost recoveries range from 26% to 47% for the year ended September 30, 2016.

**University of Alabama at Birmingham**  
**Notes to Schedule of Expenditures of Federal Awards**  
**Year Ended September 30, 2016**

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**4. 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, 2016 under the federal student loan programs are summarized as follows:

	<b>Perkins</b> <b>(CFDA#84.038)</b>	<b>HPSL</b> <b>(CFDA#93.342)</b>	<b>NFLP</b> <b>(CFDA#93.264)</b>	<b>LDS</b> <b>(CFDA#93.342)</b>	<b>NFLP-ARRA</b> <b>(CFDA#93.408)</b>	<b>Total</b>
Total loan balance outstanding, September 30, 2016	\$ 12,319,430	\$ 1,541,544	\$ 1,401,991	\$ 457,046	\$ 120,616	\$ 15,840,627

**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.

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**Part II**  
**Schedule of Findings and Questioned Costs**

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**University of Alabama at Birmingham  
 Schedule of Findings and Questioned Costs  
 Year Ended September 30, 2016**

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**Section I – Summary of Auditors Results**

**Financial Statements**

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified?     yes   x   no  
 Significant deficiency(ies) identified that are not considered to be material weaknesses?     yes   x   none reported  
 Noncompliance material to financial statements noted?     yes   x   no

**Federal Awards**

Internal control over major programs:

Material weakness(es) identified?     yes   x   no  
 Significant deficiency(ies) identified that are not considered to be material weaknesses?     yes   x   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 the with 2 CFR 200.516(a)?   x   yes     no

Identification of major programs:

<b>CFDA Number(s)</b>	<b>Name of Federal Program or Cluster</b>
Various	Research and Development Cluster
Various	Student Financial Aid Cluster
84.334	Gaining Early Awareness and Readiness for Undergraduate Programs
93.184	Disabilities Prevention
93.600	Head Start

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

Auditee qualified as low-risk auditee?   x   yes     no

**Section II - Financial Statement Findings**

No matters were noted

**University of Alabama at Birmingham**  
**Schedule of Findings and Questioned Costs**  
**Year Ended September 30, 2016**

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**Section III – Federal Award Findings**

**Finding 2016-001:** Open bidding not performed

**Program:** Gaining Early Awareness and Readiness for Undergraduate Programs (“Gear UP”)

**Agency:** Department of Education

**CFDA number:** 84.334

**Criteria**

In accordance with 2 CFR Part 200.317, when procuring property and services under a Federal award, states are required to follow the same policies and procedures used for procurements from its non-Federal sources. UAB, as a state institution, is subject to requirements of the Alabama State Bid Law. That law requires that all purchases and/or contracts for labor, services, materials, equipment, and supplies involving \$15,000 or more must have open, competitive bidding, on sealed bids, to the lowest responsible bidder.

**Questioned Costs**

None identified.

**Condition**

During the 2015-2016 award year, for one out of twenty-five procurements tested of a population of 996, the open bidding process was not performed prior to procurement of services.

**Cause**

The department responsible for the grant failed to initiate the procurement through the bidding process prior to contacting the vendor. The University’s Purchasing department identified the omission of the bidding process and raised the proper concerns to management. Since the services had already been performed by the vendor without a bid or contract, management granted an exception and approved the services for payment.

**Effect**

The required open bidding process was not performed, therefore the University could have received a lower bid for the services received.

**Recommendation**

We recommend the University emphasize the requirement to all departments that initiate procurement transactions

**Management’s Views and Corrective Action Plan**

Management’s views and corrective action plan is found on page 28 and is considered a part of this report.

June 26, 2017

**Management Views and Corrective Action Plan  
Year Ended September 30, 2016**

The following was noted during the audit of Federal programs in accordance with OMB Uniform Guidance. Management proposes the following Corrective Action Plan:

**Finding 2016-001: Open Bidding Not Performed**

Management's View

The University agrees with this finding and will review and strengthen its training procedures to ensure departments are aware of the importance of performing the bid process prior to the procurement of services when it is required.

Corrective Action Plan

The University will reemphasize to the departments on campus the importance of performing the bid process prior to the procurement of services when it is required. This corrective action will be completed by September 30, 2017. In addition, as the University currently monitors the various procurements of the departments on campus to determine their purchasing needs, we will investigate if the University would be better served to have one specific vendor under contract to provide this type service.

Sincerely,



Stephanie Mullins  
Chief Financial Officer



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**Part III**  
**Summary Schedule of Prior Audit Findings**

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**University of Alabama at Birmingham  
Summary Schedule of Prior Audit Findings  
Year Ended September 30, 2016**

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There are no findings from the prior year that require an update in this report.

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**Part IV**  
**2016 Financial Report**

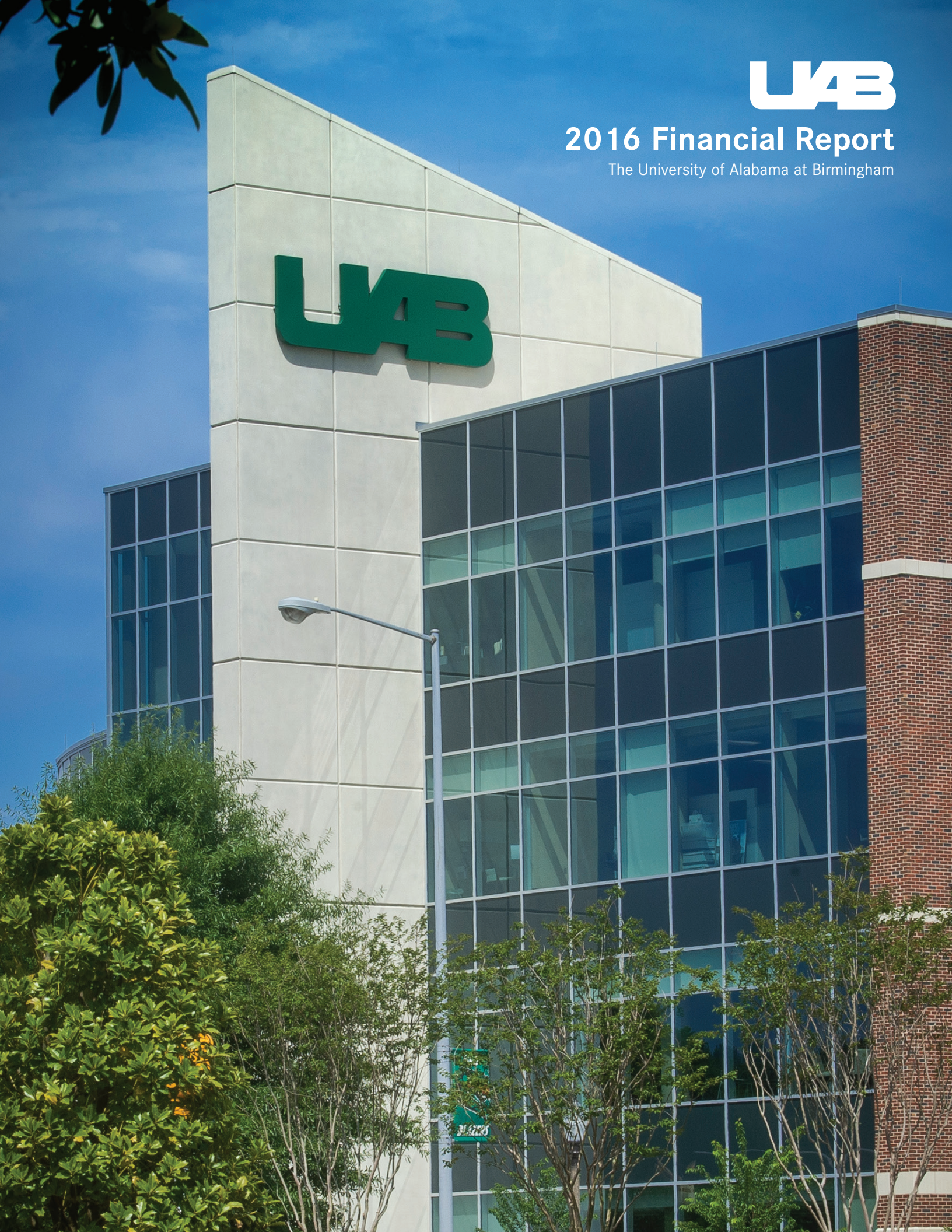
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# 2016 Financial Report

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



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# Introduction to UAB

## Vision

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

## Mission

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.

In fall 2016 UAB achieved record-high overall enrollment (19,535) and its largest freshman class ever (2,021), with enrollment growth in every school on campus. The UAB Honors College enrolled its largest-ever freshman class of 502 honors students—with an average 4.08 high school GPA and 30.3 ACT—to bring the College to a record-high total enrollment of 1,540 students.

UAB's research enterprise continues to be globally renowned. In the 2017 U.S. News & World Report "Best Global Universities," UAB vaulted 36 spots to number 162 in the world and is the top-ranked Alabama university by more than 250 spots. R&D expenditures are over \$510 million, including \$243 million in funding from the National Institutes of Health (NIH), putting UAB 10th among public universities nationally in NIH funding.

UAB is home to the 3rd largest public hospital in the U.S. and the state's only level 1 adult trauma center. In the U.S. News & World Report "Best Hospitals," UAB has nine specialties ranked in the national top 50 and recognition as the top hospital in Alabama and the best-performing public academic medical center for adults in the South.

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.

## 2016 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 engaged in a robust research enterprise, some beginning in their freshman year. UAB offers students novel academic programs and unrivaled research opportunities, such as the new B.S. in Immunology, the only undergrad program of its kind in Southeast. In the past two years, students have earned a Marshall Scholarship and UAB's third Rhodes Scholarship (more than any other

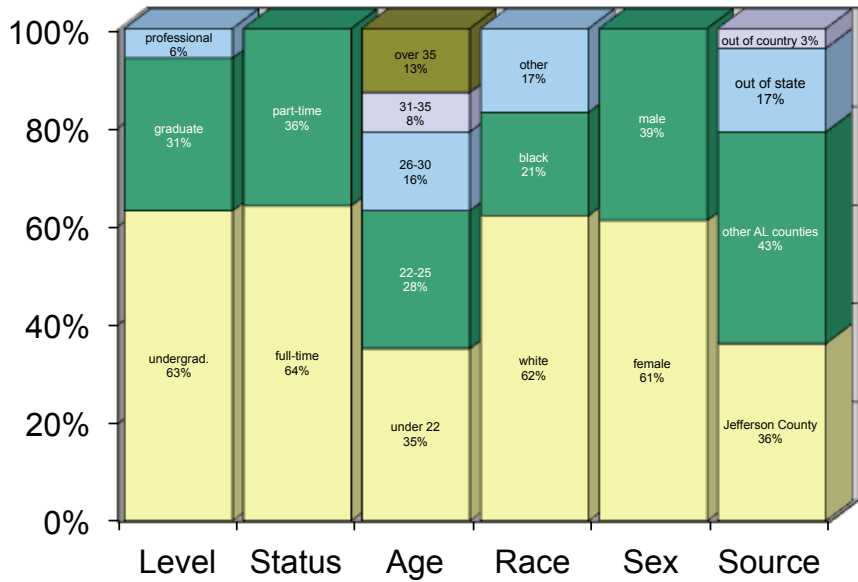
university in the state since year 2000), among a host of other highly competitive national and international awards.

Graduate programs also continue to garner national recognition. In the 2017 U.S. News & World Report "Best Graduate Schools," UAB has 10 programs in the top 25 nationally, including a master's in health administration that ranks 2nd in the nation.

UAB is among only 62 universities—and the only one in Alabama—classified by the Carnegie Foundation for both "Highest 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 \$1.25 billion economic impact over the past five years.

# Highlights



## Student Profile

Total 18,333  
As of Fall 2015

\*Excludes Advanced Professionals

## Student Financial Aid

In fiscal year 2016, 70.0% of UAB's students received student financial aid from UAB. Financial aid disbursements of \$239.0 million were provided from the following sources:

Federal Government	
Student Loans	\$ 151,120,680
Grants	19,590,073
Work-Study	<u>1,401,901</u>
Subtotal Federal	172,112,654
State Government	121,087
University	
Loans	374,394
Scholarships	<u>66,437,695</u>
Subtotal University	66,812,089
Total	\$ <u>239,045,830</u>



# Student Headcount

Enrollment for the fall semester of the 2015-2016 school year is outlined in the following table.

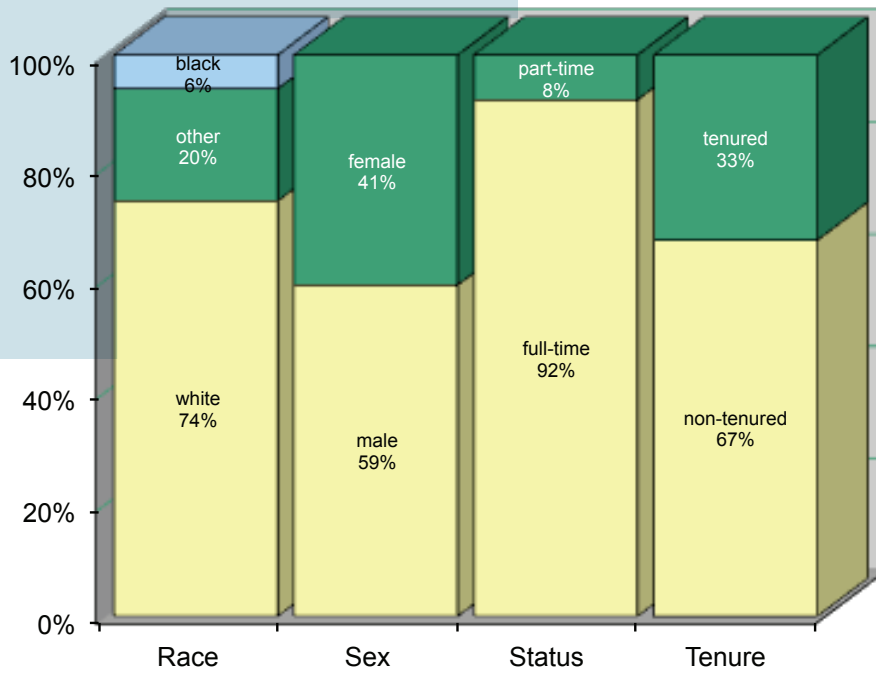
FALL 2015				
	UNDERGRADUATE	GRADUATE	FIRST PROFESSIONAL / ADVANCED PROFESSIONAL*	TOTAL
SCHOOL OF ARTS AND SCIENCES	5,721	514	20	6,255
SCHOOL OF BUSINESS	2,334	435		2,769
SCHOOL OF EDUCATION	888	768	1	1,657
SCHOOL OF ENGINEERING	911	486	1	1,398
UNCLASSIFIED		188		188
<b>SUBTOTAL</b>	<b>9,854</b>	<b>2,391</b>	<b>22</b>	<b>12,267</b>
<b>ACADEMIC HEALTH CENTER:</b>				
SCHOOL OF MEDICINE			1,774	1,774
SCHOOL OF DENTISTRY	26	1	335	362
SCHOOL OF OPTOMETRY			222	222
SCHOOL OF NURSING	602	1,580		2,182
SCHOOL OF HEALTH PROFESSIONS	801	1,053	13	1,867
SCHOOL OF PUBLIC HEALTH	228	356	14	598
JOINT HEALTH SCIENCES		321	63	384
<b>SUBTOTAL, ACADEMIC HEALTH CENTER</b>	<b>1,657</b>	<b>3,311</b>	<b>2,421</b>	<b>7,389</b>
<b>TOTAL ENROLLMENT</b>	<b>11,511</b>	<b>5,702</b>	<b>2,443</b>	<b>19,656</b>

\*Includes 1,094 first professionals and 1,323 advanced professionals.

## Faculty Profile

Total 2,468

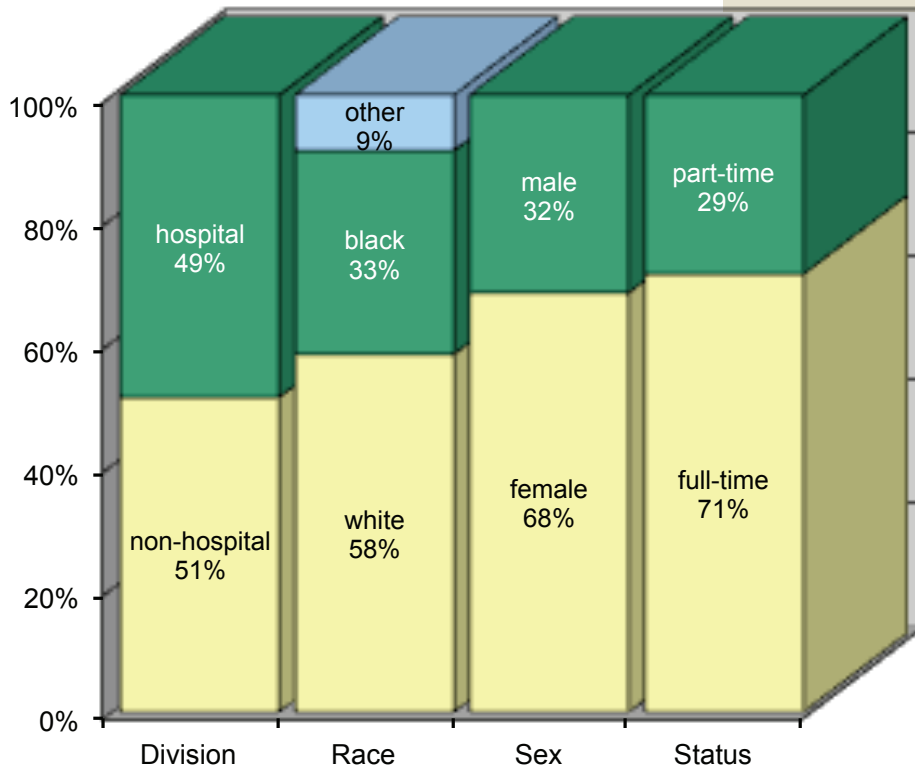
As of Fall 2015



## Staff Profile

Total 18,317

As of Fall 2015



# State Appropriations

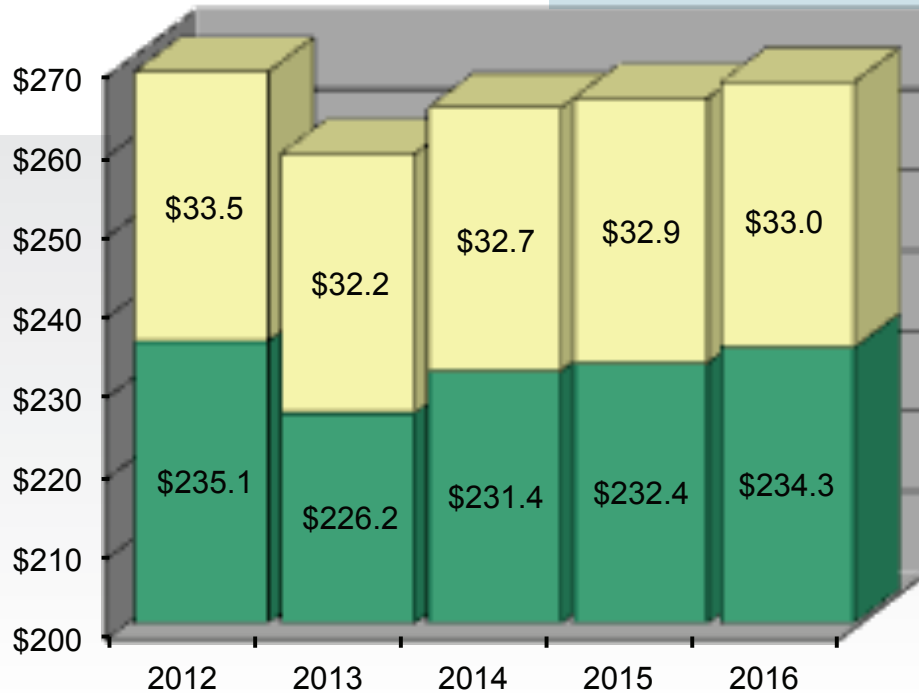
State appropriations for UAB are made by the Alabama State Legislature based upon a process which involves requests from the Board of Trustees of The University of Alabama, and budget recommendations by the Alabama Commission on Higher Education and the Governor. State funds are appropriated annually from the Educational Trust Fund (ETF) to UAB. For the fiscal year ended September 30, 2016, UAB received direct funding from the ETF in the amount of \$267,329,728.

## Appropriations Received

Fiscal years ended September 30

(Dollars in millions)

■ University   ■ Hospital



# Sponsored Grants and Contracts

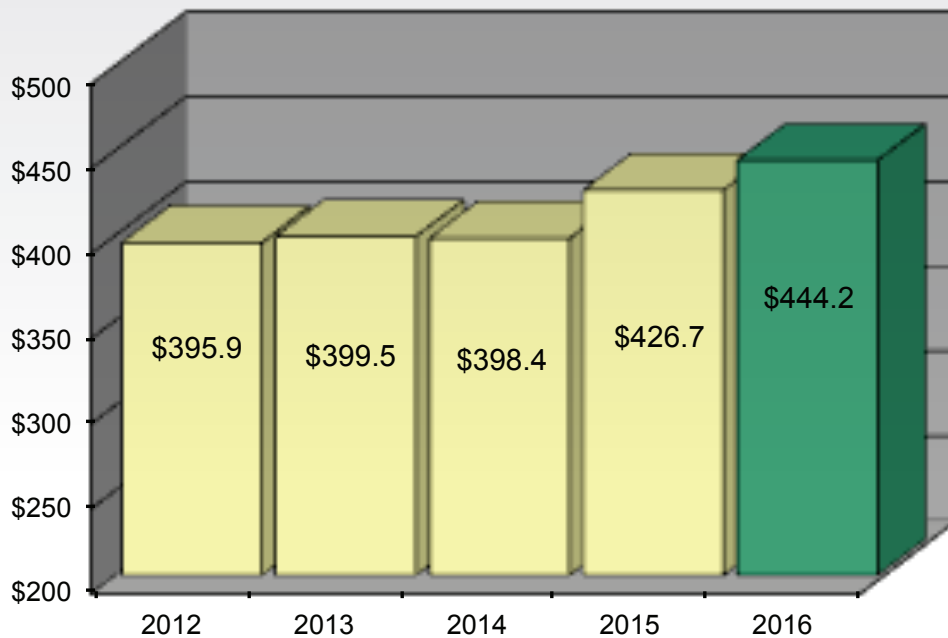
During fiscal year 2016, UAB received \$444.2 million in sponsored grants and contracts revenues (including \$80.8 million of indirect cost recovery). Various federal agencies provided the majority of support for these projects, with the National Institutes of Health (NIH) being the primary sponsor. 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 \$426.7 million during fiscal year 2015 to \$444.2 million during fiscal year 2016, an increase of 4.1% for the period.

## Grants and Contracts Revenues

Fiscal years ended September 30

(Dollars in millions)



# Hospital

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

## Hospital Awards and Accolades

Nine UAB Medicine specialties are among the nation's top 50 in the 16 categories evaluated for nearly 4,700 U.S. hospitals this year by U.S. News and World Report. Three of these specialties were in the top 20. The rankings appear in the 2016-17 annual "America's Best Hospitals" special edition issue. UAB Hospital has been named by Becker's Hospital Review among the 2016 "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 2016 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.

# Operations

The Hospital has continued to experience strong growth from operations in fiscal year 2016. Inpatient discharges increased 1.6% and adjusted patient discharges increased 3.8%. Operating room cases increased 1.5% over fiscal year 2015. Also emergency room visits increased 2.7% during fiscal year 2016. 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 \$101.9 million or 7.7% in fiscal year 2016. The Hospital had an increase in net position of \$150 million in fiscal year 2016.

Selected Hospital operating statistics are outlined below:

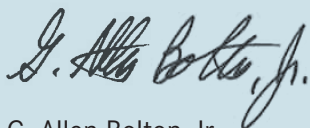
	<b>2016</b>	<b>2015</b>
Beds in service	1,157	1,157
Patient discharges	49,625	48,877
Adjusted patient discharges	83,009	79,982
Patient days	355,413	346,983
Adjusted patient days	594,509	567,663
Operating room cases	33,901	33,427
Emergency department visits	106,550	103,743
Patient origin:		
Jefferson County	46.8%	47.3%
Other Alabama counties	47.5%	47.1%
Out of state	5.7%	5.6%

## Management's Responsibility for Financial Reporting

The accompanying financial statements of the University of Alabama at Birmingham (UAB) for the years ended September 30, 2016 and 2015 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 Chief Financial Officer



## **Report of Independent Auditors**

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 (the "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, 2016 and 2015, which comprise 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, and the related notes to the financial statements.

### ***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.

### ***Auditors' Responsibility***

Our responsibility is to express an opinion 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 1, 2016 and January 2, 2015 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., UAB Athletics Foundation, 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 opinion.

### ***Opinion***

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 as of September 30, 2016 and 2015, 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 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, 2016 and 2015, 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.

### ***Other Matters***

#### ***Required Supplementary Information***

The accompanying management's discussion and analysis on pages 11 through 17 and the required supplementary information on pages 60 and 61 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 an opinion 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 is 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 23, 2017 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, 2016. 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 23, 2017



# 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, 2016 and 2015. 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 14), as amended by GASB Statement No. 61, *The Financial Reporting Entity: Omnibus—an amendment of GASB Statements No. 14 and No. 34* (GASB 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), UAB Athletics Foundation (UABAF) 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 \$4.41, \$4.11, and \$4.07 billion at September 30, 2016, 2015, and 2014, respectively. Increases of \$300 million or 7% from 2015 to 2016 were primarily due to increases in investment assets and the continued growth in accounts receivable. 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.

Total liabilities increased \$154.7 million or 6% from September 30, 2015 to September 30, 2016. The increase relates primarily to an increase in the pension liability, as well as growth in accounts payable and accrued liabilities, offset by reductions in bonds payable related to annual principal payments.

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.

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, 2016, 2015, and 2014, as follows:

	2016	2015	2014
<b>TOTAL OPERATING REVENUES</b>	\$2,971,428,032	\$2,757,271,163	\$2,528,819,107
<b>TOTAL OPERATING EXPENSES</b>	3,137,324,351	2,971,735,542	2,819,301,958
<b>NET OPERATING LOSS</b>	(165,896,319)	(214,464,379)	(290,482,851)
<b>TOTAL NONOPERATING INCOME, CAPITAL, ENDOWMENT AND OTHER ACTIVITIES</b>	455,164,660	276,164,537	435,218,951
<b>INCREASE IN NET POSITION</b>	\$289,268,341	\$61,700,158	\$144,736,100

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, 2016, 2015, and 2014, is as follows:

	2016	2015	2014
<b>ASSETS AND DEFERRED OUTFLOW OF RESOURCES</b>			
Capital Assets, Net	\$1,539,894,566	\$1,543,382,487	\$1,534,728,580
Other Assets	2,865,159,548	2,561,775,690	2,531,149,355
<b>TOTAL ASSETS</b>	<b>4,405,054,114</b>	<b>4,105,158,177</b>	<b>4,065,877,935</b>
Deferred outflow from debt refundings	11,128,220	12,166,509	11,970,051
Deferred outflow from pension obligations	167,981,000	84,999,000	
<b>TOTAL DEFERRED OUTFLOW OF RESOURCES</b>	<b>179,109,220</b>	<b>97,165,509</b>	<b>11,970,051</b>
<b>TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES</b>	<b>\$4,584,163,334</b>	<b>\$4,202,323,686</b>	<b>\$4,077,847,986</b>
<b>LIABILITIES, DEFERRED INFLOW OF RESOURCES AND NET POSITION</b>			
Current Liabilities	495,362,237	448,846,513	429,071,009
Noncurrent Liabilities	2,119,813,291	2,011,660,998	937,973,766
<b>TOTAL LIABILITIES</b>	<b>2,615,175,528</b>	<b>2,460,507,511</b>	<b>1,367,044,775</b>
Deferred inflow from debt refundings	89,496	213,206	241,400
Deferred inflow from pension obligations	51,775,000	113,748,000	
<b>TOTAL DEFERRED INFLOW OF RESOURCES</b>	<b>51,864,496</b>	<b>113,961,206</b>	<b>241,400</b>
<b>Net Position</b>	<b>1,917,123,310</b>	<b>1,627,854,969</b>	<b>2,710,561,811</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOW OF RESOURCES AND NET POSITION</b>	<b>\$4,584,163,334</b>	<b>\$4,202,323,686</b>	<b>\$4,077,847,986</b>

At September 30, 2016, the major categories of current assets consist primarily of cash and cash equivalents, short-term investments, and accounts receivable, which totaled \$1.49 billion of the \$1.55 billion and increased \$218.4 million or 17.2% from 2015. The increase is a result of growth in cash, short term investments and accounts receivable.

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, 2016, total current liabilities of \$495.4 million consist primarily of accounts payable, accrued payroll and related benefits, and unearned revenue, which totaled \$449.1 million, compared to \$405.6 million at September 30, 2015, an increase of \$43.5 million or 10.7% from 2015.

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.

UAB's endowment and life income investments increased \$43.9 million to \$449.3 million from September 30, 2015 to September 30, 2016. This increase resulted from net investment gains and by the establishment of new endowment funds through gifts and the creation of Board-designated quasi-endowments. UAB's endowment funds consists of both permanent and quasi-endowments.

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 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 be 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, 2016, 2015, and 2014 respectively, UAB's investment in the Professional Liability Trust Fund (PLTF) and other long-term investments totaled approximately \$60.5, \$48.6, and \$52.8 million. The

\$11.8 million increase from September 30, 2015 to September 30, 2016 is a result of growth in investment values at September 30, 2016. The \$2.8 million decrease from September 30, 2014 to September 30, 2015 is a result of net investment losses at the end of the year.

At September 30, 2016, deferred outflows from pension obligations were \$168.0 million and deferred inflows from pension obligations were \$51.8 million. At September 30, 2015, UAB reported deferred outflows from pension obligations of \$85.0 million and deferred inflows from pension obligations of \$114.0 million. UAB recorded these balances for the first time in fiscal year 2015 upon implementation of GASB 68. These balances were not previously recorded in the financial statements.

At September 30, 2016, deferred outflows from debt refundings were \$11.1 million and deferred inflows from debt refundings were \$0.1 million. At September 30, 2015, deferred outflows from debt refundings were \$12.2 million and deferred inflows from debt refundings were \$0.2 million. These changes from 2015 to 2016 are related to 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. The increase of \$0.2 million in deferred outflows from September 30, 2014 to September 30, 2015 is the result of a bond refunding during fiscal year 2015, net of the annual amortization of these balances.

## 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 \$94.0 million and \$124.1 million from September 30, 2015 to September 30, 2016 and from September 30, 2014 to September 30, 2015, respectively. This increase consists primarily of capital expenditures and capital additions totaling \$128.0 million (offset primarily by \$38 million in disposals) and \$147.2 million (offset primarily by \$23 million in disposals) in 2016 and 2015. 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 \$3.3 million and \$9.7 million, debt proceeds of \$11.6 million and \$14.6 million, and the remainder by UAB funds designated for capital purchases in 2016 and 2015, respectively.

Capital projects in process at September 30, 2016 include the School of Nursing addition and renovation, Camp Hall renovations, construction of the Football Operations Building and renovations at Highlands. The primary capital project in process at September 30, 2015 was the replacement of Hill University Center.

UAB's long-term debt related to capital assets, consisting of bonds and capital leases, totaled \$878.5, \$908.6, and \$939.4 million at September 30, 2016, 2015, and 2014, respectively. The decrease in debt during 2016 and 2015 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, 2016, 2015, and 2014, is summarized as follows:

	2016	2015	2014
<b>NET INVESTMENT IN CAPITAL ASSETS</b>	<b>\$686,403,862</b>	<b>\$677,862,629</b>	<b>\$694,763,792</b>
<b>RESTRICTED</b>			
<b>Nonexpendable</b>	<b>320,965,491</b>	<b>285,371,572</b>	<b>297,300,148</b>
<b>Expendable</b>	<b>315,513,729</b>	<b>276,376,346</b>	<b>238,570,638</b>
<b>UNRESTRICTED</b>	<b>594,240,228</b>	<b>388,244,422</b>	<b>1,479,927,233</b>
<b>TOTAL NET POSITION</b>	<b>\$1,917,123,310</b>	<b>\$1,627,854,969</b>	<b>\$2,710,561,811</b>

Net position invested in capital assets represents UAB's capital assets, net of accumulated depreciation and outstanding principal of debt in excess of related bond proceeds attributable to the acquisition, construction, or improvement of those assets. The \$8.5 million increase in fiscal 2016 reflects the growth in capital assets net of annual depreciation expense, along with the decrease in total debt related to the annual principal payments. The \$16.9 million decrease in fiscal 2015 reflects the decrease in unexpended bond proceeds in excess of the growth in capital assets net of annual depreciation expense.

Restricted nonexpendable net position includes UAB's permanent endowment funds and annuity and life income assets that will ultimately become pure endowment funds. The \$35.6 million increase in 2016 relates to the increase in fair values of investments and contributions at year-end. The \$11.9 million decrease in 2015 relates to the decrease in fair values of investments and contributions at the end of the year.

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 \$39.1 million increase in 2016 and \$37.8 million increase in 2015 result primarily from gifts.

Unrestricted net position includes UAB's assets whose use is not restricted by an external entity. Unrestricted net position increased by \$206.0 million or 53.1% in 2016. Unrestricted net position decreased \$1.1 billion or 73.7% in 2015 due to the implementation of GASB 68 and the recording of the \$1.1 billion pension liability.

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, 2016, 2015, and 2014 is presented on the following page:

	2016	2015	2014
<b>OPERATING REVENUES</b>			
Student tuition and fees, net	\$182,483,417	\$169,249,316	\$161,170,368
Grants and contracts	414,788,777	398,214,165	371,578,206
Sales and services	2,305,553,473	2,131,411,413	1,940,550,998
Other revenues	68,602,365	58,396,269	55,519,535
<b>REVENUES SUPPORTING CORE ACTIVITIES</b>	<b>2,971,428,032</b>	<b>2,757,271,163</b>	<b>2,528,819,107</b>
<b>OPERATING EXPENSES</b>			
Operating expenses	3,137,324,351	2,971,735,542	2,819,301,958
<b>OPERATING LOSS</b>	<b>(165,896,319)</b>	<b>(214,464,379)</b>	<b>(290,482,851)</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
State educational appropriations	267,329,728	265,293,488	264,072,721
Grants and contracts	29,383,991	28,451,597	26,863,696
Gifts	41,958,002	54,203,316	43,981,418
Investment income (loss)	123,951,690	(64,196,326)	83,662,716
Interest expense	(32,030,211)	(30,644,143)	(29,451,270)
Loss on asset disposition, net	(3,028,152)	(231,544)	(4,930,045)
Capital state appropriations		5,292,219	30,754,632
Capital gifts and grants	3,347,165	4,398,406	8,293,498
Endowment gifts	19,431,880	14,930,217	17,026,885
Net other nonoperating (expense) revenue	4,820,567	(1,332,693)	(5,055,300)
<b>NET NONOPERATING REVENUES AND OTHER CHANGES</b>	<b>455,164,660</b>	<b>276,164,537</b>	<b>435,218,951</b>
<b>INCREASE IN NET POSITION</b>	<b>289,268,341</b>	<b>61,700,158</b>	<b>144,736,100</b>
Net position, beginning of year as previously reported	1,627,854,969	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	1,627,854,969	1,566,154,811	2,565,825,711
<b>NET POSITION, END OF YEAR</b>	<b>\$1,917,123,310</b>	<b>\$1,627,854,969</b>	<b>\$2,710,561,811</b>

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, 2016 and 2015, respectively.

Figure A: Revenue Streams 2016

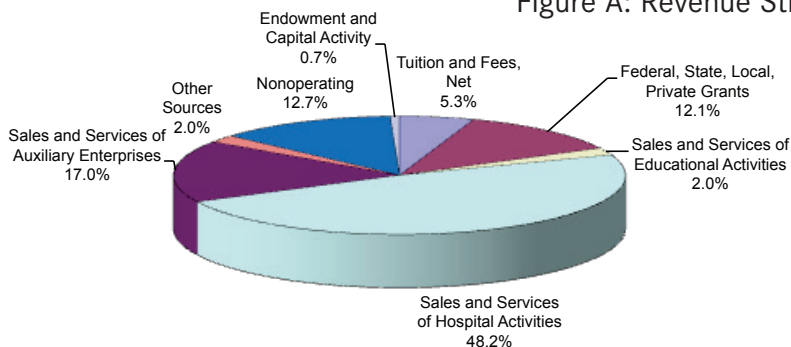
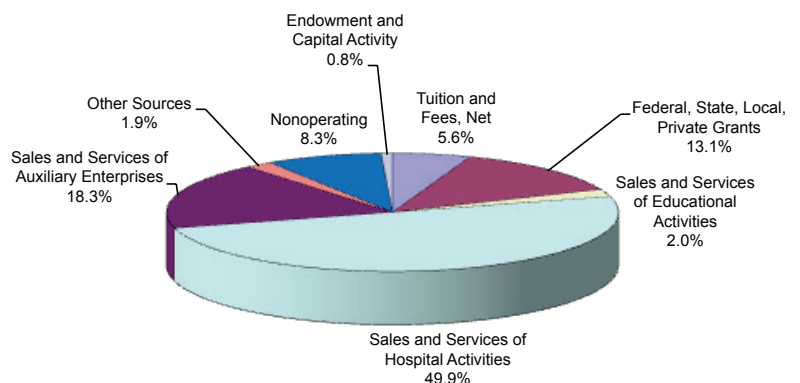


Figure A1: Revenue Streams 2015



Gross tuition and fees revenue increased by \$15.4 million and \$12.5 million in 2016 and 2015, respectively. Tuition rates increased 3.5% in 2016 and 4% in 2015. Total student headcount of 19,656 and 19,973 decreased by 317 or 1.6% in Fall 2015 and increased by 149 or 0.8% in Fall 2014.

UAB recognized \$64.5, \$73.2, and \$68.6 million in gift revenue (composed partially of \$3.2, \$4.1, and \$7.6 million and \$19.4, \$14.9, and \$17.0 million in capital and endowment gifts, respectively) for the years ended September 30, 2016, 2015, and 2014, respectively.

UAB receives state educational appropriations and capital funding from the State of Alabama. UAB recognized educational appropriations and capital funding from the State of Alabama totaling \$267.3, \$270.6, and \$294.8 million, of which \$267.3, \$265.3, and \$264.1 million was primarily from the Educational Trust Fund (ETF), which is included as nonoperating revenue in 2016, 2015, and 2014, respectively. The remaining \$5.3 and \$30.8 million in 2015 and 2014 represents Public School and College Authority funds and other state capital funds.

Net hospital sales and service revenue totaled \$1.65 billion, \$1.52 billion, and \$1.38 billion, an increase of 9.1% and 9.9% from 2015 to 2016 and 2014 to 2015, 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 \$0.14, \$0.33, and \$0.65 million in 2016, 2015, and 2014, 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 2016 and 2015, respectively.

Figure B: Grants and Contract Revenues

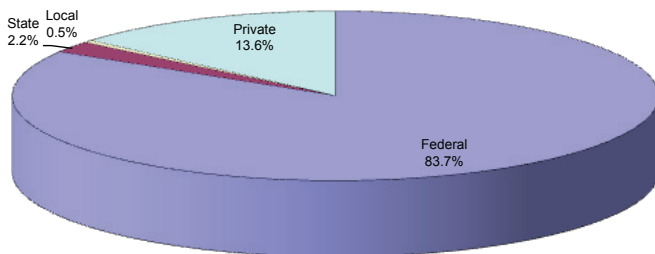
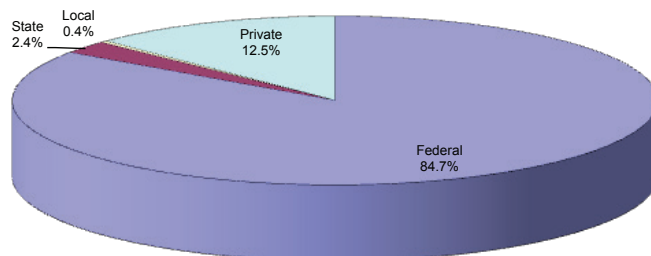


Figure B1: Grants and Contract Revenues



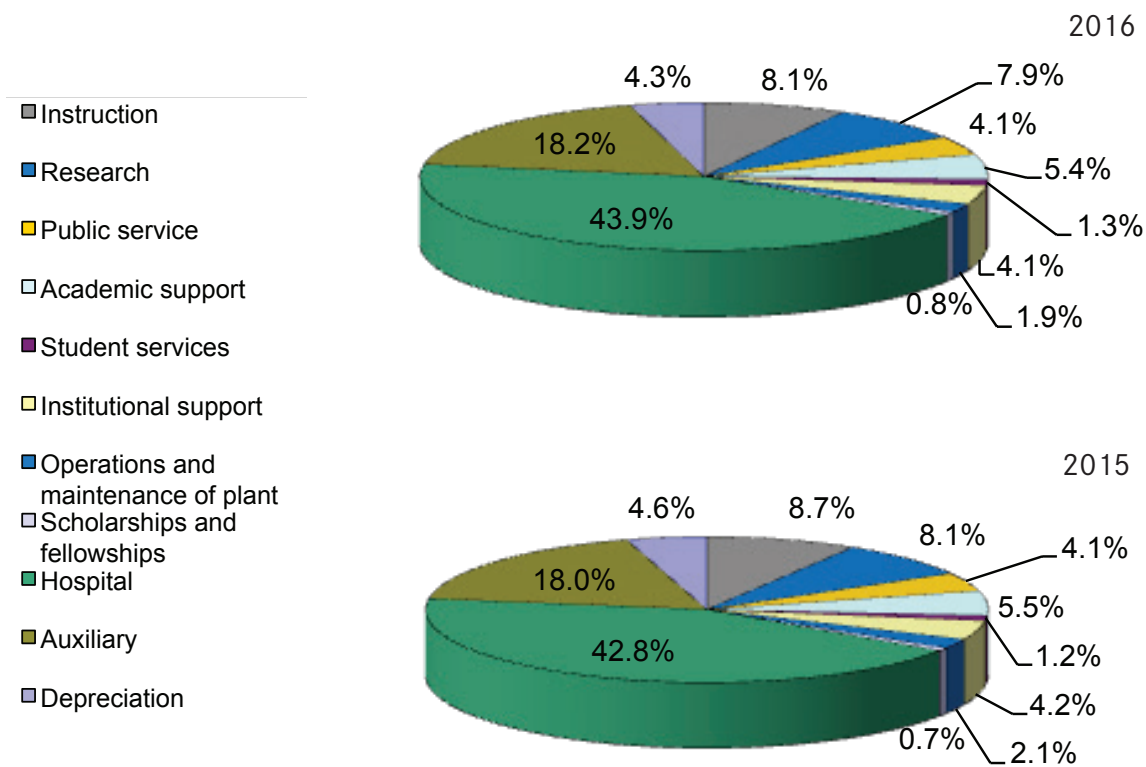
Net investment income increased \$188.1 million from 2015 to 2016. This increase was a result of an increase in the fair value of investments at the end of the year. Net investment income decreased \$146.5 million from 2014 to 2015. The decrease was a result of a decrease in the fair value of investments.

A comparative summary of UAB's operating expenses for the years ended September 30, 2016, 2015, and 2014, is as follows:

	2016	2015	2014
Salaries, Wages, and Benefits	\$1,467,912,381	\$1,390,766,703	\$1,380,369,207
Supplies and Services	1,512,804,330	1,422,828,210	1,288,371,950
Depreciation	131,758,758	137,027,585	129,547,649
Scholarships and Fellowships	24,848,882	21,113,044	21,013,152
	\$3,137,324,351	\$2,971,735,542	\$2,819,301,958

Salaries, wages, and benefits increased \$77.1 million or 5.5% during 2016 and \$10.4 million or 0.8% during 2015. These increases are primarily due to the growth of UAB's salary base and rising benefit costs. Supplies and services expenses increased \$90.0 million or 6.3% and \$134.5 million or 10.4% during 2016 and 2015, 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, 2016 and 2015, 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.

	2016	2015	2014
Net Cash Used In Operating Activities	\$(14,135,990)	\$(128,984,849)	\$(164,743,273)
Net Cash Used In Capital and Related Financing Activities	(195,357,427)	(196,379,304)	(145,181,642)
Net Cash Provided By Noncapital Financing Activities	361,348,281	341,930,501	345,440,094
Net Cash Used In Investing Activities	(45,087,246)	(113,957,362)	(2,707,331)
Net Increase (Decrease) In Cash And Cash Equivalents	106,767,618	(97,391,014)	32,807,848
Cash and Cash Equivalents, Beginning Of Year	274,569,121	371,960,135	339,152,287
Cash and Cash Equivalents, End Of Year	\$381,336,739	\$274,569,121	\$371,960,135

UAB used \$14.1, \$129.0, and \$164.7 million of cash for operating activities, offset by \$361.3, \$341.9, and \$345.4 million of cash provided by noncapital financing activities in 2016, 2015 and 2014, 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 \$195.4, \$196.4, and \$145.2 million in 2016, 2015 and 2014, 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 \$45.1, \$114.0, and \$2.7 million in 2016, 2015 and 2014, 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 2016, 70% of UAB students received financial aid, including \$172.1 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, 2016 and 2015

	<b>2016</b>	<b>2015</b>
<b>ASSETS</b>		
Current Assets:		
Cash and cash equivalents	\$ 366,615,811	\$ 248,272,848
Short term investments	765,478,983	685,513,907
Accounts receivable, net	354,251,209	334,200,375
Loans receivable, current portion	2,669,457	2,637,651
Pledges receivable, current portion	14,134,117	19,163,293
Inventories	16,105,894	17,341,148
Other current assets	34,372,193	26,013,396
<b>Total current assets</b>	<b>1,553,627,664</b>	<b>1,333,142,618</b>
Noncurrent Assets:		
Cash and cash equivalents designated for capital activities	14,001,320	25,647,600
Restricted cash and cash equivalents	719,608	648,673
Investments for capital activities	718,044,845	679,164,557
Endowment and life income investments	449,335,052	405,437,955
Investment in Professional Liability Trust Fund	60,460,407	48,615,182
Other long-term investments	11,821,995	18,076,824
Loans receivable, net	13,098,818	14,049,787
Pledges receivable	44,000,021	36,938,307
Capital assets, net	1,539,894,566	1,543,382,487
Other noncurrent assets	49,818	54,187
<b>Total noncurrent assets</b>	<b>2,851,426,450</b>	<b>2,772,015,559</b>
<b>Total Assets</b>	<b>4,405,054,114</b>	<b>4,105,158,177</b>
<b>DEFERRED OUTFLOW OF RESOURCES</b>		
Deferred outflow from debt refundings	11,128,220	12,166,509
Deferred outflow from pension obligations	167,981,000	84,999,000
<b>Total Deferred Outflow of Resources</b>	<b>179,109,220</b>	<b>97,165,509</b>
<b>LIABILITIES</b>		
Current Liabilities:		
Accounts payable and accrued liabilities	330,348,017	300,851,972
Deposits	11,413,395	9,121,344
Unearned revenue-grants	29,611,942	25,474,095
Unearned revenue-other	89,141,648	79,301,319
Long-term debt, current portion	34,847,235	34,097,783
<b>Total current liabilities</b>	<b>495,362,237</b>	<b>448,846,513</b>
Noncurrent Liabilities:		
Federal advances-loan funds	13,993,312	14,371,308
Long-term debt, noncurrent portion	843,683,512	874,533,980
Pension liability	1,247,128,000	1,107,275,000
Other noncurrent liabilities	15,008,467	15,480,710
<b>Total noncurrent liabilities</b>	<b>2,119,813,291</b>	<b>2,011,660,998</b>
<b>Total Liabilities</b>	<b>2,615,175,528</b>	<b>2,460,507,511</b>
<b>DEFERRED INFLOW OF RESOURCES</b>		
Deferred inflow from debt refundings	89,496	213,206
Deferred inflow from pension obligations	51,775,000	113,748,000
<b>Total Deferred Inflow of Resources</b>	<b>51,864,496</b>	<b>113,961,206</b>
<b>NET POSITION</b>		
Net investment in capital assets	686,403,862	677,862,629
Restricted		
Nonexpendable	320,965,491	285,371,572
Expendable	315,513,729	276,376,346
Unrestricted	594,240,228	388,244,422
<b>Total Net Position</b>	<b>\$ 1,917,123,310</b>	<b>\$ 1,627,854,969</b>

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, 2016 and 2015

	2016	2015
<b>Operating Revenues</b>		
Tuition and fees	\$ 241,529,320	\$ 226,080,561
Less: scholarship allowance	(58,252,486)	(56,356,037)
Less: bad debt expense	(793,417)	(475,208)
Tuition and fees, net	182,483,417	169,249,316
Grants and contracts:		
Federal	342,483,955	332,836,851
State	9,535,237	10,314,365
Local	2,138,910	1,517,304
Private	60,630,675	53,545,645
Sales and services:		
Educational activities	68,415,573	60,916,483
Hospital, net of bad debt expense of \$149,661,519 and \$213,771,766	1,653,127,317	1,515,127,206
Other auxiliary enterprises, net of scholarship allowance of \$2,895,788 and \$2,876,928	584,010,583	555,367,724
Other operating revenues	68,602,365	58,396,269
<b>Total operating revenues</b>	<b>2,971,428,032</b>	<b>2,757,271,163</b>
<b>Operating Expenses</b>		
Salaries, wages and benefits	1,467,912,381	1,390,766,703
Supplies and services	1,512,804,330	1,422,828,210
Depreciation	131,758,758	137,027,585
Scholarships and fellowships	24,848,882	21,113,044
<b>Total operating expenses</b>	<b>3,137,324,351</b>	<b>2,971,735,542</b>
<b>Operating loss</b>	<b>(165,896,319)</b>	<b>(214,464,379)</b>
<b>Nonoperating Revenues (Expenses)</b>		
State educational appropriations	267,329,728	265,293,488
Federal grants and contracts	29,258,706	28,304,839
State grants and contracts	107,285	115,969
Private grants and contracts	18,000	30,789
Gifts	41,958,002	54,203,316
Investment income (loss)	123,951,690	(64,196,326)
Interest expense	(32,030,211)	(30,644,143)
Loss on asset dispositions, net	(3,028,152)	(231,544)
Net other nonoperating income (expense)	4,820,567	(1,332,693)
<b>Net nonoperating revenues</b>	<b>432,385,615</b>	<b>251,543,695</b>
<b>Income before other revenues, expenses, gains, and losses</b>	<b>266,489,296</b>	<b>37,079,316</b>
<b>Other Changes in Net Position</b>		
Capital and endowment activities		
State capital funds		5,292,219
Capital grants and contracts	141,752	328,772
Capital gifts	3,205,413	4,069,634
Endowment gifts	19,431,880	14,930,217
<b>Net other changes in net position</b>	<b>22,779,045</b>	<b>24,620,842</b>
<b>Increase in net position</b>	<b>289,268,341</b>	<b>61,700,158</b>
<b>Net Position, beginning of year as previously reported</b>	<b>1,627,854,969</b>	<b>2,710,561,811</b>
<b>Adoption of GASB 68</b>		<b>(1,144,407,000)</b>
<b>Net Position, beginning of year as restated as of October 1, 2014</b>	<b>1,627,854,969</b>	<b>1,566,154,811</b>
<b>Net Position, end of year</b>	<b>\$ 1,917,123,310</b>	<b>\$ 1,627,854,969</b>

See accompanying notes to financial statements.

# The University of Alabama at Birmingham

## Statements of Cash Flows

Years Ended September 30, 2016 and 2015

	2016	2015
<b>Cash flows from operating activities</b>		
Student tuition and fees	\$ 187,583,912	\$ 169,363,822
Grants and contracts	419,834,507	397,357,860
Receipts from sales and services of:		
Educational activities	68,997,081	59,771,671
Patient services	1,643,846,454	1,493,494,050
Auxiliary enterprises, net	38,343,558	34,767,339
Premium and administrative fees collected	554,522,947	523,097,933
Payment to employees and related benefits	(1,210,289,629)	(1,197,347,390)
Payment for contract labor	(288,170,642)	(222,941,090)
Payment to suppliers	(1,471,647,514)	(1,416,396,865)
Payment for scholarships and fellowships	(24,843,330)	(21,113,044)
Other receipts	67,686,666	50,960,865
<b>Net cash used in operating activities</b>	<b>(14,135,990)</b>	<b>(128,984,849)</b>
<b>Cash flows from capital and related financing activities</b>		
Proceeds from issuance of capital debt		36,703,017
State capital funds		5,292,219
Capital grants and contracts	134,279	311,232
Private gifts	3,874,307	2,903,083
Proceeds from sale of capital assets	252,900	1,301,121
Purchases of capital assets	(131,822,608)	(142,583,094)
Principal payments on capital debt	(34,794,346)	(67,021,224)
Interest payments on capital debt	(33,001,959)	(33,285,658)
<b>Net cash used in capital and related financing activities</b>	<b>(195,357,427)</b>	<b>(196,379,304)</b>
<b>Cash flows from noncapital financing activities</b>		
State educational appropriations	267,329,728	265,293,488
Private gifts	58,688,433	47,864,971
Student direct lending receipts	150,583,782	135,941,130
Student direct lending disbursements	(148,930,162)	(136,484,916)
Other deposits	31,762,445	30,406,634
Deposits from (to) affiliates	1,914,055	(1,090,806)
<b>Net cash provided by noncapital financing activities</b>	<b>361,348,281</b>	<b>341,930,501</b>
<b>Cash flows from investing activities</b>		
Interest and dividends from investments, net	58,192,679	57,433,031
Proceeds from notes receivable	578,030	172,700
Proceeds from sales and maturities of investments	37,046,620	98,509,353
Investments in system pooled investment funds	(140,904,575)	(270,072,446)
<b>Net cash used in investing activities</b>	<b>(45,087,246)</b>	<b>(113,957,362)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>106,767,618</b>	<b>(97,391,014)</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>274,569,121</b>	<b>371,960,135</b>
<b>Cash and cash equivalents, end of year</b>	<b>\$ 381,336,739</b>	<b>\$ 274,569,121</b>
<b>Reconciliation of cash and cash equivalents to the statements of net position</b>		
Cash and cash equivalents	\$ 366,615,811	\$ 248,272,848
Cash designated for capital activities	14,001,320	25,647,600
Restricted cash and cash equivalents	719,608	648,673
<b>Total cash and cash equivalents</b>	<b>\$ 381,336,739</b>	<b>\$ 274,569,121</b>

See accompanying notes to financial statements.

# The University of Alabama at Birmingham

## Statements of Cash Flows (continued)

Years Ended September 30, 2016 and 2015

	2016	2015
<b>Reconciliation of operating loss to net cash used in operating activities</b>		
Operating loss	\$ (165,896,319)	\$ (214,464,379)
Adjustments to reconcile operating loss to net cash used in operating activities		
Depreciation expense	131,758,758	137,027,585
Pension expense	84,171,000	76,616,000
Changes in assets and liabilities:		
Accounts receivable, net	(19,297,792)	(48,829,259)
Prepaid expenses and other assets	(1,735,937)	(6,519,218)
Accounts payable and accrued liabilities	29,453,206	7,972,970
Pension obligations	(86,334,000)	(84,999,000)
Unearned revenue	13,745,094	4,210,452
<b>Net cash used in operating activities</b>	<b>\$ (14,135,990)</b>	<b>\$ (128,984,849)</b>
<b>Supplemental noncash activities information</b>		
Capital assets acquired included in accounts payable	\$ 6,922,709	\$ 12,949,689
Interest capitalized		1,568,225
Capital assets acquired through capital lease	5,746,261	943,971

See accompanying notes to financial statements.

# Southern Research Institute

## A Discretely Presented Component Unit

### Statements of Net Position

January 1, 2016 and January 2, 2015

	2016	2015 (Restated)
<b>ASSETS</b>		
<b>Current Assets:</b>		
Cash and cash equivalents	\$ 301,543	\$ 1,209,023
Investments	45,679,988	45,801,195
Restricted cash and investments	10,686,608	11,414,279
Accounts receivable, net	17,046,403	13,517,190
Other receivables	3,530,451	22,502,617
Insurance receivable, non-operating	3,169,448	
Materials and supplies, net	947,049	923,199
Prepayments and other current assets	1,617,081	1,541,946
<b>Total current assets</b>	<b>82,978,571</b>	<b>96,909,449</b>
<b>Noncurrent Assets:</b>		
Net OPEB asset	158,176	2,459,783
Capital assets:		
Land and improvements	8,157,347	8,086,347
Buildings and major plant equipment	64,355,578	70,626,838
Laboratory equipment and fixtures	62,171,952	63,091,569
Office furniture and equipment	2,609,539	2,480,925
Intangible assets, net	2,214,834	1,957,006
	139,509,250	146,242,685
Less accumulated depreciation	79,783,427	76,940,647
	59,725,823	69,302,038
Construction-in-progress	1,553,161	476,933
Total capital assets, net	61,278,984	69,778,971
<b>Total noncurrent assets</b>	<b>61,437,160</b>	<b>72,238,754</b>
<b>Total Assets</b>	<b>144,415,731</b>	<b>169,148,203</b>
<b>DEFERRED OUTFLOW OF RESOURCES</b>		
Accumulated change in fair value of interest rate swap	376,458	563,516
<b>Total Deferred Outflow of Resources</b>	<b>376,458</b>	<b>563,516</b>
<b>LIABILITIES</b>		
<b>Current Liabilities:</b>		
Accounts payable	1,550,481	3,497,750
Accrued liabilities	9,617,914	16,796,398
Unearned contract revenue	3,387,870	2,955,368
Current maturities of long-term debt and capital lease obligations	600,000	560,000
Note payable	2,668,938	1,849,029
<b>Total current liabilities</b>	<b>17,825,203</b>	<b>25,658,545</b>
<b>Noncurrent Liabilities:</b>		
Long-term debt and capital lease obligations	17,290,000	17,840,000
Derivative instrument - interest rate swap	376,458	563,516
<b>Total noncurrent liabilities</b>	<b>17,666,458</b>	<b>18,403,516</b>
<b>Total Liabilities</b>	<b>35,491,661</b>	<b>45,009,423</b>
<b>NET POSITION</b>		
Net investment in capital assets	43,388,984	51,378,971
Restricted		
Expendable	10,844,784	13,874,062
Unrestricted	55,066,760	60,396,625
<b>Total Net Position</b>	<b>\$ 109,300,528</b>	<b>\$ 125,649,658</b>

See accompanying notes to financial statements.

**Southern Research Institute**  
**A Discretely Presented Component Unit**  
**Statements of Revenues, Expenses, and Changes in Net Position**  
**Years Ended January 1, 2016 and January 2, 2015**

	2016	2015 (Restated)
<b>Operating Revenues</b>		
Contract revenues	\$ 63,362,767	\$ 65,326,361
Intellectual property revenues, net of direct expenses	4,470,005	16,551,805
<b>Total operating revenues</b>	<b>67,832,772</b>	<b>81,878,166</b>
<b>Operating Expenses</b>		
Salaries, wages and benefits	45,198,054	43,729,386
Supplies and services	28,539,114	31,448,080
Depreciation and amortization	7,750,688	8,064,463
<b>Total operating expenses</b>	<b>81,487,856</b>	<b>83,241,929</b>
<b>Operating loss</b>	<b>(13,655,084)</b>	<b>(1,363,763)</b>
<b>Nonoperating Revenues (Expenses)</b>		
Contributions	159,002	97,552
Investment (loss) income	(949,539)	2,961,079
Interest expense	(513,047)	(588,610)
Loss on disposal of assets	(1,384,161)	(1,880,472)
<b>Net nonoperating revenues (expenses)</b>	<b>(2,687,745)</b>	<b>589,549</b>
<b>Loss before other revenues, expenses, gains and losses</b>	<b>(16,342,829)</b>	<b>(774,214)</b>
<b>Other Changes in Net Position</b>		
Environmental cleanup		78,016
Loss from discontinued operations	(6,301)	(184,477)
<b>Net other changes in net position</b>	<b>(6,301)</b>	<b>(106,461)</b>
<b>Decrease in net position</b>	<b>(16,349,130)</b>	<b>(880,675)</b>
<b>Net Position, beginning of year, as previously reported</b>	<b>125,649,658</b>	<b>123,676,222</b>
<b>Adjustment to adopt new accounting guidance issued by the GASB</b>		<b>2,854,111</b>
<b>Net Position, beginning of year, as restated</b>	<b>125,649,658</b>	<b>126,530,333</b>
<b>Net Position, end of year</b>	<b>\$ 109,300,528</b>	<b>\$ 125,649,658</b>

See accompanying notes to financial statements.

# The University of Alabama at Birmingham Notes to Financial Statements

September 30, 2016 and 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* (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 fiscal year-end of September 30. The financial results of SRI are discretely presented in the accompanying financial statements.

The by-laws and corporate charters of the UAB Research Foundation (UABRF) allow UAB to appoint a majority of the board of directors and allow UAB to impose its will on the entity. UABRF operates for the exclusive benefit of UAB. The UAB Athletics Foundation (UABAF) was organized to support the UAB Athletics Department in its quest for excellence in all programs. UABAF operates as an extension of the UAB Athletics Department and it almost exclusively benefits the University. 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 or Directors. The by-laws allow the ACP Member Board certain operational and financial protective rights. Additionally, Triton Health Systems, L.L.C. (Triton) and UAB Hospital Management, L.L.C. (LLC) have governing bodies that are substantively the same as the governing body of UAB and there is a financial benefit or burden relationship between UAB and these entities. Therefore, management has determined that UABRF, UABAF, ACP, Triton and LLC (the Blended Component Units) constitute blended component units of UAB under GASB Statements No. 14 and No. 61. The Blended Component Units report financial results under principles prescribed under the GASB.

Triton was formed to advance the educational and research mission of UAB and to educate and train physicians and other health care professionals. Triton is owned 99% by UAB and 1% by The UAB Educational Foundation (UABEF). UABRF was organized exclusively for charitable, scientific, and educational purposes in order to benefit UAB. The LLC was organized for the exclusive purpose of supporting UAB in connection with the management, administration, and operation of the Hospital, including, without limitation, providing management, administrative, and staffing services to the Hospital. 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 at the time of being eligible to become a fully certified RCO by July 1, 2017. Subsequent to fiscal year ended September 30, 2016, ACP resolved to cease its pursuit of full regional care organization certification from the Alabama Medicaid Agency and cease efforts to enter into a risk contract with Medicaid to provide regional care organization services to Medicaid beneficiaries. ACP expects to continue to provide care management services to Alabama Medicaid Health Home members under the terms of its original agreement. ACP's members are the University of Alabama Hospital, St. Vincent's Health System and Triton. UABAF was formed in November 2015 as a nonprofit corporation organized to 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 encourages alumni and friends to generously support the Athletics Department and contribute to scholarship funding for UAB's student athletes. UABAF also supports 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. UABRF, UABAF, 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, UABAF and UABRF by contacting UAB.

**Implementation of New Standards:** 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. Refer to Note 4 for further discussion of the adoption of this 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) and GASB 72 (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 commingled investment pools 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.

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

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 ended September 30, 2016 and 2015 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 primarily represents 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 \$2,102,000 for the year ended September 30, 2016 and \$2,433,000 for the year ended September 30, 2015. In December 2014, UABEF changed its fiscal year-end from September 30th to June 30th. UABEF made contributions to UAB which totaled approximately \$5,634,000 for the year ended June 30, 2016 and approximately \$3,590,000 for the nine months ended June 30, 2015. UABEF's total assets were approximately \$54,155,000 and \$53,777,000 at June 30, 2016 and June 30, 2015, respectively. UABEF's total liabilities were approximately \$16,215,000 and \$16,743,000 at June 30, 2016 and June 30, 2015, respectively.

HSF's primary purpose is to provide a group medi-

cal 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 \$33,701,000 and \$33,485,000 of funding from HSF in 2016 and 2015, 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 \$11,155,000 and \$19,264,000 in 2016 and 2015, respectively, and the Hospital purchases various services from HSF, aggregating approximately \$54,050,000 and \$40,089,000 for the years ended September 30, 2016 and 2015, respectively. As a result of these transactions, the Hospital had a net payable to HSF of approximately \$6,856,000 and \$108,000, respectively, at September 30, 2016 and September 30, 2015.

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 received reimbursements from HSF totaling approximately \$13,453,000 and \$13,582,000, which is included in the accompanying statement of net position as unearned revenue-other for the years ended September 30, 2016 and 2015, respectively. Approximately \$147,000 and \$163,000 was recognized as rent revenue during the years ended September 30, 2016 and 2015, respectively.

The Board and the HSF's board have entered into an agreement under which UAB and HSF have established a common management group, UABHS, to provide management for their existing and future health care delivery operations. The UABHS Board of Directors is composed of 18 members, of whom nine are appointed by the Board. For the fiscal years ended September 30, 2016 and 2015, respectively, UAB contributed approximately \$11,325,000 and \$8,100,000 to UABHS to support UABHS administrative functions. In addition, UABHS periodically makes payments on behalf of the Hospital for which it is reimbursed. The Hospital had a net receivable from UABHS of approximately \$965,000 and \$84,000 for the years ended September 30, 2016 and 2015, 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 \$10,281,000 and \$10,340,000 and total liabilities were approximately \$922,000 and \$1,432,000 at September 30, 2016 and 2015, respectively.

The Hospital received premium revenue (capitation fees) of approximately \$67,195,000 and \$64,599,000 from Triton during the years ended September 30, 2016 and 2015.

The Hospital purchased \$262,561,000 and \$197,971,000 in management, administrative, and staffing services from the LLC during the years ended September 30, 2016 and 2015, 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, 2016 and 2015, respectively, UAB had cash and cash equivalents totaling \$381,336,739 and \$274,569,121.

## (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 estab-

lished 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.

### 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.

### 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.

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.

### **Fair Value Measurements**

During 2016, UAB adopted GASB 72. With the adoption of this statement, UAB expanded disclosures to present its investments across a hierarchy of valuation inputs. The disclosure requirements of the standard were applied retroactively to all years presented.

GASB 72 sets forth the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under GASB 72 are described as follows:

- Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that UAB has the ability to access.
- Level 2 – Inputs to the valuation methodology include:
  - Quoted prices for similar assets or liabilities in active markets;
  - Quoted prices for identical or similar assets or liabilities in inactive markets;
  - Inputs other than quoted prices that are observable for the assets or liabilities;
  - Inputs that are derived principally from or corroborated by observable market data by correlation or other means.
- Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement. Unobservable inputs reflect UAB's own assumptions about the inputs market participants would use in pricing the asset or liability (including assumptions about risk). Unobservable inputs are developed based on the best information available in the circumstances and may include UAB's own data.

GASB 72 allows for the use of net asset value (NAV) as a practical expedient for valuation purposes. Investments that use NAV in determining fair value are disclosed separately from the valuation hierarchy as presented herein.

The level within the hierarchy is based on the lowest level of input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The determination of what constitutes observable requires judgment by UAB's management. UAB management considers observable data to be that market data which is readily available, regularly distributed or updated, reliable, and verifiable, not proprietary, and provided by multiple independent sources that are actively involved in the relevant market.

The categorization of an investment within the hierarchy is based upon the relative observability of the inputs to its fair value measurement and does not necessarily correspond to UAB management's perceived risk of that investment.

The following is a description of the valuation methods and assumptions used by UAB to estimate the fair value of its investments. There have been no changes in the methods and assumptions used at September 30, 2016. The methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. UAB management believes its valuation methods are appropriate and consistent with other market participants. The use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

When available, quoted prices are used to determine fair value. When quoted prices in active markets are available, investments are classified with Level 1 of the fair value hierarchy. UAB's Level 1 investments primarily consist of investments in mutual funds, exchange traded funds, and both domestic and foreign equity funds. When quoted prices in active markets are not available, fair values are based on evaluated prices received from UAB's custodian of investments.

UAB's Level 2 investments consist of mutual funds that are priced or traded at the end of the day.

UAB's Level 3 investments primarily consist of two very illiquid securities. The inputs or methodologies used for valuing securities are not necessarily an indication of the risks associated with investing in those securities. Changes in valuation techniques may result in transfers into or out of an assigned level within the disclosure hierarchy. Valuation techniques utilized by UAB are appraisals, entry price at the date of donation, and other valuations typically based on management assumptions or expectations.

At September 30, 2016 and 2015, the fair value of UAB's investments based on the inputs used to value them is summarized as follows:

	2016			NAV	TOTAL
	LEVEL 1	LEVEL 2	LEVEL 3		
Cash and equivalents:					
Commercial paper	\$100,000				\$100,000
Equities:					
Common Stock	198,334				198,334
Fixed Income Securities:					
Corporate bonds		15,975,630			15,975,630
Commingled Funds:					
U.S. equity funds		938,528			938,528
Non-U.S. equity funds		172,482			172,482
Real Estate			159,600		159,600
	\$298,334	\$17,086,640	\$159,600		\$17,544,574
Equity investments in partnerships					60,460,407
UAB Portion of System Pool Investments:					
Endowment Fund					449,809,239
Long Term Reserve Pool					874,127,670
Short Term Liquidity Pool					603,199,392
Total Reported Value with System Pooled Investments					\$2,005,141,282

	2015			NAV	TOTAL
	LEVEL 1	LEVEL 2	LEVEL 3		
Cash and equivalents:					
Commercial paper	\$100,000				\$100,000
Money market funds	543,707				543,707
Equities:					
Common Stock	196,753				196,753
Fixed Income Securities:					
U.S. government obligations		5,511,003			5,511,003
Corporate bonds		15,923,291			15,923,291
Commingled Funds:					
U.S. equity funds		10,978,603			10,978,603
Non-U.S. equity funds		7,068,191			7,068,191
U.S. bond funds		3,867,067			3,867,067
Non-U.S. bond funds		1,109,981			1,109,981
Liquid alternatives				5,220,313	5,220,313
Private equity funds				1,298,809	1,298,809
Real estate funds				2,473,407	2,473,407
Real Estate			159,600		159,600
	\$840,460	\$44,458,136	\$159,600	\$8,992,529	\$54,450,725
Equity investments in partnerships					48,615,182
UAB Portion of System Pool Investments:					
Endowment Fund					374,410,146
Long Term Reserve Pool					761,784,071
Short Term Liquidity Pool					597,548,301
Total Reported Value with System Pooled Investments					\$1,836,808,425

At September 30, 2016 and 2015, the fair value of investments for the System Pools based on the inputs used to value them is summarized as follows:

ENDOWMENT FUND 2016					
	LEVEL 1	LEVEL 2	LEVEL 3	NAV	TOTAL
Receivables:					
Accrued Income Receivables	\$	\$	\$	\$	\$754,939
Total Receivables					754,939
Cash Equivalents:					
Money Market Funds	37,501,965				37,501,965
Total Cash Equivalents	37,501,965				37,501,965
Equities:					
U.S. Common Stock	86,163,991				86,163,991
Foreign Stock	22,222,905				22,222,905
Total Equities	108,386,896				108,386,896
Fixed Income Securities:					
U.S. Government Obligations		11,635,633			11,635,633
Corporate Bonds		22,046,299			22,046,299
Non-U.S. Bonds		4,897,595			4,897,595
Total Fixed Income Securities		38,579,527			38,579,527
Commingled Funds:					
U.S. Equity Funds					
Non-U.S. Equity Funds		248,254,069			248,254,069
U.S. Bond Funds		59,563,636			59,563,636
Non-U.S. Bond Funds		26,423,526			26,423,526
Hedge Funds				466,576,876	466,576,876
Private Equity Funds				103,746,336	103,746,336
Real Estate Funds				178,180,675	178,180,675
Total Commingled Funds		334,241,231		748,503,887	1,082,745,118
Total Fund Investments	145,888,861	372,820,758		748,503,887	1,267,213,506
Total Fund Assets	145,888,861	372,820,758		748,503,887	1,267,968,445
Total Fund Liabilities					(164,929)
Affiliated Entity Investments					(200,896,480)
Total Net Asset Value	\$145,888,861	\$372,820,758		\$748,503,887	\$1,066,907,036

ENDOWMENT FUND 2015					
	LEVEL 1	LEVEL 2	LEVEL 3	NAV	TOTAL
Receivables:					
Accrued Income Receivables	\$	\$	\$	\$	\$732,281
Total Receivables					732,281
Cash Equivalents:					
Money Market Funds	45,827,694				45,827,694
Total Cash Equivalents	45,827,694				45,827,694
Equities:					
U.S. Common Stock	91,674,908				91,674,908
Foreign Stock	6,733,725				6,733,725
Total Equities	98,408,633				98,408,633
Fixed Income Securities:					
U.S. Government Obligations		11,925,084			11,925,084
Corporate Bonds		22,370,872			22,370,872
Non-U.S. Bonds		2,573,773			2,573,773
Total Fixed Income Securities		36,869,729			36,869,729
Commingled Funds:					
Non-U.S. Equity Funds		196,196,151			196,196,151
U.S. Bond Funds		59,672,727			59,672,727
Non-U.S. Bond Funds		27,041,898			27,041,898
Hedge Funds				448,537,456	448,537,456
Private Equity Funds				94,958,199	94,958,199
Real Estate Funds				132,005,489	132,005,489
Total Commingled Funds		282,910,776		675,501,144	958,411,920
Total Fund Investments	144,236,327	319,780,505		675,501,144	1,139,517,976
Total Fund Assets	144,236,327	319,780,505		675,501,144	1,140,250,257
Total Fund Liabilities					(138,496)
Affiliated Entity Investments					(145,926,519)
Total Net Asset Value	\$144,236,327	\$319,780,505		\$675,501,144	\$994,185,242

LONG TERM RESERVE POOL					
	2016				
	LEVEL 1	LEVEL 2	LEVEL 3	NAV	TOTAL
Receivables:					
Accrued Income Receivables	\$	\$	\$	\$	\$1,005,513
Total Receivables					1,005,513
Cash Equivalents:					
Money Market Funds	47,260,189				47,260,189
Total Cash Equivalents	47,260,189				47,260,189
Equities:					
U.S. Common Stock	153,820,643				153,820,643
Foreign Stock	34,992,179				34,992,179
Total Equities	188,812,822				188,812,822
Fixed Income Securities:					
U.S. Government Obligations		13,315,542			13,315,542
Corporate Bonds		26,606,940			26,606,940
Non-U.S. Bonds		5,796,426			5,796,426
Total Fixed Income Securities		45,718,908			45,718,908
Commingled Funds:					
Non-U.S. Equity Funds		365,311,576			365,311,576
U.S. Bond Funds		65,616,121			65,616,121
Non-U.S. Bond Funds		42,818,930			42,818,930
Hedge Funds				630,395,465	630,395,465
Real Estate Funds				100,534,353	100,534,353
Total Commingled Funds		473,746,627		730,929,818	1,204,676,445
Total Fund Investments	236,073,011	519,465,535		730,929,818	1,486,468,364
Total Fund Assets	236,073,011	519,465,535		730,929,818	1,487,473,877
Total Fund Liabilities					(272,799)
Affiliated Entity Investments					(86,586,181)
Total Net Asset Value	\$236,073,011	\$519,465,535		\$730,929,818	\$1,400,614,897

LONG TERM RESERVE POOL					
	2015				
	LEVEL 1	LEVEL 2	LEVEL 3	NAV	TOTAL
Receivables:					
Accrued Income Receivables	\$	\$	\$	\$	\$928,183
Total Receivables					928,183
Cash Equivalents:					
Money Market Funds	53,715,774				53,715,774
Total Cash Equivalents	53,715,774				53,715,774
Equities:					
U.S. Common Stock	78,549,689				78,549,689
Foreign Stock	7,331,290				7,331,290
Total Equities	85,880,979				85,880,979
Fixed Income Securities:					
U.S. Government Obligations		17,681,310			17,681,310
Corporate Bonds		32,050,655			32,050,655
Non-U.S. Bonds		3,857,095			3,857,095
Total Fixed Income Securities		53,589,060			53,589,060
Commingled Funds:					
U.S. Equity Funds		52,678,292			52,678,292
Non-U.S. Equity Funds		299,302,691			299,302,691
U.S. Bond Funds		55,754,545			55,754,545
Non-U.S. Bond Funds		33,568,513			33,568,513
Hedge Funds				528,911,448	528,911,448
Real Estate Funds				67,950,890	67,950,890
Total Commingled Funds		441,304,041		596,862,338	1,038,166,379
Total Fund Investments	139,596,753	494,893,101		596,862,338	1,231,352,192
Total Fund Assets	139,596,753	494,893,101		596,862,338	1,232,280,375
Total Fund Liabilities					(100,561)
Affiliated Entity Investments					(72,589,331)
Total Net Asset Value	\$139,596,753	\$494,893,101		\$596,862,338	\$1,159,590,483

SHORT TERM LIQUIDITY POOL					
2016					
	LEVEL 1	LEVEL 2	LEVEL 3	NAV	TOTAL
Receivables:					
Accrued Income Receivables	\$	\$	\$	\$	\$2,902,429
Total Receivables					2,902,429
Cash Equivalents:					
Money Market Funds	111,156,636				111,156,636
Total Cash Equivalents	111,156,636				111,156,636
Fixed Income Securities:					
U.S. Government Obligations		206,021,290			206,021,290
Mortgage Backed Securities		166,643,153			166,643,153
Collateralized Mortgage Obligations		12,035,018			12,035,018
Corporate Bonds		176,571,588			176,571,588
Non-U.S. Bonds		64,904,675			64,904,675
Total Fixed Income Securities		626,175,724			626,175,724
Commingled Funds:					
U.S. Bond Funds		199,067,054			199,067,054
Total Commingled Funds		199,067,054			199,067,054
Total Fund Investments	111,156,636	825,242,778			936,399,414
Total Fund Assets	111,156,636	825,242,778			939,301,843
Total Fund Liabilities					(309,260)
Affiliated Entity Investments					(75,561,002)
Total Net Asset Value	\$111,156,636	\$825,242,778			\$863,431,581

SHORT TERM LIQUIDITY POOL					
2015					
	LEVEL 1	LEVEL 2	LEVEL 3	NAV	TOTAL
Receivables:					
Accrued Income Receivables	\$	\$	\$	\$	\$2,875,267
Total Receivables					2,875,267
Cash Equivalents:					
Money Market Funds	107,786,001				107,786,001
Total Cash Equivalents	107,786,001				107,786,001
Fixed Income Securities:					
U.S. Government Obligations		233,056,867			233,056,867
Mortgage Backed Securities		155,032,472			155,032,472
Collateralized Mortgage Obligations		22,197,142			22,197,142
Corporate Bonds		185,111,586			185,111,586
Non-U.S. Bonds		67,420,921			67,420,921
Total Fixed Income Securities		662,818,988			662,818,988
Commingled Funds:					
U.S. Bond Funds		208,669,176			208,669,176
Total Commingled Funds		208,669,176			208,669,176
Total Fund Investments	107,786,001	871,488,164			979,274,165
Total Fund Assets	107,786,001	871,488,164			982,149,432
Total Fund Liabilities					(320,823)
Affiliated Entity Investments					(76,155,181)
Total Net Asset Value	\$107,786,001	\$871,488,164			\$905,673,428

## 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 \$1,220,000 and \$1,350,000 in the Endowment Fund and Long Term Reserve Pool, at September 30, 2016 and 2015, respectively, is invested in unrated fixed income securities, excluding fixed income commingled funds. Fixed income commingled funds were approximately \$279,200,000 and \$275,600,000 in the Endowment Fund and Long Term Reserve Pool, at September 30, 2016 and 2015, 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, 2016 and 2015, approximately \$78,100,000 and \$86,671,000, 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 \$310,200,000 and \$316,500,000 at September 30, 2016 and 2015, respectively.



The credit risk for fixed and variable income securities, for the System Pools, at September 30, 2016 and 2015 is as follows:

### September 30, 2016 and 2015

	ENDOWMENT FUND		LONG TERM RESERVE POOL		SHORT TERM LIQUIDITY POOL	
	2016	2015	2016	2015	2016	2015
Fixed or Variable Income Securities						
U.S. Government Obligations	\$ 11,635,633	\$ 11,925,084	\$ 13,315,542	\$ 17,681,310	\$ 206,021,290	\$ 233,056,868
Other U.S. and Non-U.S. Denominated:						
AAA					66,722,557	76,994,388
AA	4,935,622	5,308,729	5,902,771	7,818,545	62,277,161	56,012,019
A	11,351,391	10,171,266	13,602,107	14,500,606	94,456,013	99,306,842
BBB	9,710,555	8,504,328	11,642,153	12,154,468	96,922,375	77,043,546
BB	396,563	410,273	581,625	634,058	12,178,203	21,027,641
B					6,109,639	8,654,442
C and < C					3,388,143	4,052,387
Unrated	549,764	550,050	674,710	800,073	78,100,343	86,670,856
Commingled Funds:						
U.S. Bond Funds: Unrated	59,563,636	59,672,727	65,616,121	55,754,545	199,067,054	208,669,176
Non-U.S. Bond Funds: Unrated	26,423,526	27,041,898	42,818,930	33,568,513		
Money Market Funds: Unrated	37,501,965	45,827,694	47,260,189	53,715,774	111,156,636	107,786,001
<b>TOTAL</b>	<b>\$ 162,068,655</b>	<b>\$ 169,412,049</b>	<b>\$ 201,414,148</b>	<b>\$ 196,627,892</b>	<b>\$ 936,399,414</b>	<b>\$ 979,274,166</b>

The credit risk for fixed and variable income securities of UAB's separately held investments at September 30, 2016 and 2015 is as follows:

### September 30, 2016 and 2015

	2016	2015
Fixed or Variable Income Securities		
U.S. Government Obligations	\$	\$ 5,511,003
Other U.S. and Non U.S. Denominated:		
AAA	15,975,630	15,923,291
AA		
A		
BBB		
BB		
B		
CCC		
CC		
Unrated		
Commingled Funds:		
U.S. Bond Funds: Unrated		3,867,067
Non-U.S. Bond Funds: Unrated		1,109,981
Money Market Funds: Unrated		543,707
Commercial Paper: Unrated	100,000	100,000
<b>TOTAL</b>	<b>\$ 16,075,630</b>	<b>\$ 27,055,049</b>

#### 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, 2016 and 2015, 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, 2016 and 2015 are as follows:

### September 30, 2016 and 2015

	ENDOWMENT FUND		LONG TERM RESERVE POOL		SHORT TERM LIQUIDITY POOL	
	2016	2015	2016	2015	2016	2015
U.S. Government Obligations	8.1	7.3	8.4	7.2	1.9	1.7
Corporate Bonds	4.7	4.4	4.6	4.4	2.1	2.0
Commingled Bond Funds	1.8	2.4	1.5	2.1	2.8	2.7
Non-U.S. Bonds					2.1	2.0

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, 2016 and 2015 are as follows:

### September 30, 2016 and 2015

	2016	2015
Commingled Bond Funds		2.6

**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

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, 2016 and 2015, the fair market values of these investments in the System Pools are as follows:

### September 30, 2016 and 2015

	SHORT TERM LIQUIDITY POOL	
	2016	2015
Mortgage Backed Securities	\$ 166,643,153	\$ 155,032,472
Collateralized Mortgage Obligations	12,035,018	22,197,142
<b>TOTAL</b>	<b>\$ 178,678,171</b>	<b>\$ 177,229,614</b>

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, 2016 and 2015, the effective durations for these securities held in the System Pools are as follows:

### September 30, 2016 and 2015

	SHORT TERM LIQUIDITY POOL	
	2016	2015
Mortgage backed securities	0.9	1.1
Collateralized mortgage obligations	1.7	0.9

There are no mortgage backed securities or CMOs in UAB's separately held investments at September 30, 2016 and 2015.

### 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, 2016 and 2015, 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 \$64.9 million and \$67.4 million of foreign bonds denominated in U.S. dollars and held by the Short Term Liquidity Pool at September 30, 2016 and 2015, 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, 2016 and 2015, 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 \$60,460,000 and \$48,620,000 at September 30, 2016 and 2015, respectively. See Note 19 for further discussion of the PLTF.

# (5) Accounts Receivable

The composition of accounts receivable at September 30, 2016 and 2015 is summarized as follows:

	2016	2015
Patient care	\$ 324,690,408	\$ 322,921,280
Receivables from sponsoring agencies	62,549,691	63,272,058
Student accounts	30,626,030	26,928,717
Other	63,075,552	58,936,793
	<b>\$ 480,941,681</b>	<b>\$ 472,058,848</b>
Less: Provision for doubtful accounts from patient care	123,345,316	134,980,641
Less: Provision for doubtful accounts from student accounts	1,524,987	1,507,683
Less: Provision for doubtful accounts other	1,820,169	1,370,149
<b>Total accounts receivable</b>	<b>\$ 354,251,209</b>	<b>\$ 334,200,375</b>

# (6) Loans and Pledges Receivable

The composition of loans and pledges receivable at September 30, 2016 and 2015, 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.

	2016	2015
<b>LOANS RECEIVABLE:</b>		
Federal loan program	\$ 15,840,627	\$ 16,101,806
University loan funds	2,152,542	2,132,448
Other	729,745	1,241,004
Total loans receivable	18,722,914	19,475,258
Less allowance for doubtful accounts	2,954,639	2,787,820
Total loans receivable, net	15,768,275	16,687,438
Less: current portion	2,669,457	2,637,651
<b>Total loans receivable outstanding, noncurrent</b>	<b>\$ 13,098,818</b>	<b>\$ 14,049,787</b>
<b>GIFT PLEDGES OUTSTANDING:</b>		
Operations	\$ 50,051,898	\$ 47,427,041
Capital	8,082,240	8,674,559
Total gift pledges	58,134,138	56,101,600
Less: current portion	14,134,117	19,163,293
<b>Total gift pledges, noncurrent</b>	<b>\$ 44,000,021</b>	<b>\$ 36,938,307</b>

# (7) Capital Assets

Capital assets activity for the years ended September 30, 2016 and 2015 is summarized below:

There were no net interest costs capitalized in 2016 for the University and component units. Net interest costs capitalized for the University and Component Units in 2015 were approximately \$1,568,000 (net of \$191,000 investment earnings). There were no net interest costs capitalized in 2016 or 2015 for the Hospital.

## September 30, 2016

	BEGINNING BALANCE		ADDITIONS		SALES/RETIREMENTS/ TRANSFERS		ENDING BALANCE
<b>UNIVERSITY AND COMPONENT UNITS</b>							
Capital assets not being depreciated							
Land	\$	77,062,960	\$	3,600,000	\$		\$ 80,662,960
Construction in progress		45,407,799		11,682,596		43,963,116	13,127,279
		<b>122,470,759</b>		<b>15,282,596</b>		<b>43,963,116</b>	<b>93,790,239</b>
Capital assets being depreciated							
Land Improvements		28,514,799		5,515,140			34,029,939
Buildings		1,387,039,839		65,439,959			1,452,479,798
Fixed Equipment Systems		85,791,089		1,168,708			86,959,797
Equipment		373,013,284		24,592,958		18,887,261	378,718,981
Library Materials		104,387,519		4,910,247			109,297,766
		<b>1,978,746,530</b>		<b>101,627,012</b>		<b>18,887,261</b>	<b>2,061,486,281</b>
Total Capital Assets		2,101,217,289		116,909,608		62,850,377	2,155,276,520
Less: Accumulated Depreciation		1,149,661,625		70,098,811		15,931,910	1,203,828,526
<b>Total Net Capital Assets</b>	<b>\$</b>	<b>951,555,664</b>	<b>\$</b>	<b>46,810,797</b>	<b>\$</b>	<b>46,918,467</b>	<b>\$ 951,447,994</b>
<b>HOSPITAL</b>							
Capital assets not being depreciated							
Land	\$	19,044,954	\$		\$		\$ 19,044,954
Construction in progress		7,242,897		3,316,422		3,994,530	6,564,789
		<b>26,287,851</b>		<b>3,316,422</b>		<b>3,994,530</b>	<b>25,609,743</b>
Capital assets being depreciated							
Land Improvements		656,874					656,874
Buildings		877,180,960		9,725,280			886,906,240
Fixed Equipment Systems		10,002,839					10,002,839
Equipment		407,506,625		49,623,993		18,746,181	438,384,437
		<b>1,295,347,298</b>		<b>59,349,273</b>		<b>18,746,181</b>	<b>1,335,950,390</b>
Total Capital Assets		1,321,635,149		62,665,695		22,740,711	1,361,560,133
Less: Accumulated Depreciation		729,808,326		61,659,947		18,354,712	773,113,561
<b>Total Net Capital Assets</b>	<b>\$</b>	<b>591,826,823</b>	<b>\$</b>	<b>1,005,748</b>	<b>\$</b>	<b>4,385,999</b>	<b>\$ 588,446,572</b>
<b>TOTAL UAB</b>							
Capital assets not being depreciated							
Land	\$	96,107,914	\$	3,600,000	\$		\$ 99,707,914
Construction in progress		52,650,696		14,999,018		47,957,646	19,692,068
		<b>148,758,610</b>		<b>18,599,018</b>		<b>47,957,646</b>	<b>119,399,982</b>
Capital assets being depreciated							
Land Improvements		29,171,673		5,515,140			34,686,813
Buildings		2,264,220,799		75,165,239			2,339,386,038
Fixed Equipment Systems		95,793,928		1,168,708			96,962,636
Equipment		780,519,909		74,216,951		37,633,442	817,103,418
Library Materials		104,387,519		4,910,247			109,297,766
		<b>3,274,093,828</b>		<b>160,976,285</b>		<b>37,633,442</b>	<b>3,397,436,671</b>
Total Capital Assets		3,422,852,438		179,575,303		85,591,088	3,516,836,653
Less: Accumulated Depreciation		1,879,469,951		131,758,758		34,286,622	1,976,942,087
<b>Total Net Capital Assets</b>	<b>\$</b>	<b>1,543,382,487</b>	<b>\$</b>	<b>47,816,545</b>	<b>\$</b>	<b>51,304,466</b>	<b>\$ 1,539,894,566</b>

## September 30, 2015

	BEGINNING BALANCE		ADDITIONS		SALES/RETIREMENTS/ TRANSFERS		ENDING BALANCE
<b>UNIVERSITY AND COMPONENT UNITS</b>							
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
	<b>113,959,820</b>		<b>28,989,710</b>		<b>20,478,771</b>		<b>122,470,759</b>
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
	<b>1,894,419,713</b>		<b>94,882,702</b>		<b>10,555,885</b>		<b>1,978,746,530</b>
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
<b>Total Net Capital Assets</b>	<b>\$ 921,697,216</b>	<b>\$</b>	<b>51,202,243</b>	<b>\$</b>	<b>21,343,795</b>	<b>\$</b>	<b>951,555,664</b>
<b>HOSPITAL</b>							
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
	<b>40,236,611</b>		<b>3,931,612</b>		<b>17,880,372</b>		<b>26,287,851</b>
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	386,111,831		33,934,799		12,540,005		407,506,625
	<b>1,250,122,782</b>		<b>57,764,521</b>		<b>12,540,005</b>		<b>1,295,347,298</b>
Total Capital Assets	1,290,359,393		61,696,133		30,420,377		1,321,635,149
Less: Accumulated Depreciation	677,328,029		64,357,416		11,877,119		729,808,326
<b>Total Net Capital Assets</b>	<b>\$ 613,031,364</b>	<b>\$</b>	<b>(2,661,283)</b>	<b>\$</b>	<b>18,543,258</b>	<b>\$</b>	<b>591,826,823</b>
<b>TOTAL UAB</b>							
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
	<b>154,196,431</b>		<b>32,921,322</b>		<b>38,359,143</b>		<b>148,758,610</b>
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	745,181,529		56,038,568		20,700,188		780,519,909
Library Materials	100,240,733		4,146,786				104,387,519
	<b>3,144,542,495</b>		<b>152,647,223</b>		<b>23,095,890</b>		<b>3,274,093,828</b>
Total Capital Assets	3,298,738,926		185,568,545		61,455,033		3,422,852,438
Less: Accumulated Depreciation	1,764,010,346		137,027,585		21,567,980		1,879,469,951
<b>Total Net Capital Assets</b>	<b>\$ 1,534,728,580</b>	<b>\$</b>	<b>48,540,960</b>	<b>\$</b>	<b>39,887,053</b>	<b>\$</b>	<b>1,543,382,487</b>

# (8) Long-Term Debt

Long-term debt activity for the years ended September 30, 2016 and 2015 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, 2016

	BEGINNING BALANCE	NEW DEBT	PRINCIPAL REPAYMENT	ENDING BALANCE
<b>UNIVERSITY</b>				
Leases Payable, 3.19% due annually through 2019 and 4.47% due monthly through 2020	\$ 518,034	\$	\$ 113,040	\$ 404,994
Birmingham General Revenue Bonds Series 2005A, 3.0% to 5.0% due annually from 2007 through 2021	20,830,000		5,355,000	15,475,000
Birmingham General Revenue Bonds Series 2005B, 3.0% to 4.5% due annually through 2028	2,550,000		2,550,000	
Birmingham General Revenue Bonds Series 2010A, 2.0% to 5.0% due annually through 2041	51,125,000		1,510,000	49,615,000
Birmingham General Revenue Bonds Series 2010B, 1.0% to 5.8% due annually through 2041	51,010,000		1,440,000	49,570,000
Birmingham General Revenue Bonds Series 2010C, 2.0% to 5.0% due annually through 2028	21,601,011		2,992,454	18,608,557
Birmingham General Revenue Bonds Series 2013A-1, 1.1% due annually through 2020	17,645,000		1,585,000	16,060,000
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	42,350,000		2,905,000	39,445,000
Birmingham General Revenue Bonds Series 2013C, 1.0% to 1.45% due annually through 2019	2,555,000		540,000	2,015,000
Birmingham General Revenue Bonds Series 2013D-1, 1.97% due annually through 2023	19,395,000		1,270,000	18,125,000
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		535,000	32,025,000
	\$ 413,059,045	\$	\$ 20,795,494	\$ 392,263,551
Less (Plus): unamortized bond discount (premium)				(4,030,311)
<b>TOTAL UNIVERSITY DEBT</b>				<b>\$ 396,293,862</b>
Less: current portion				20,222,865
<b>TOTAL UNIVERSITY DEBT, NONCURRENT</b>				<b>\$ 376,070,997</b>
<b>HOSPITAL</b>				
Lease Payable, 2.0% to 3.75% due monthly through 2020	\$ 10,251,811	\$ 5,746,261	\$ 3,557,306	\$ 12,440,766
Birmingham Hospital Revenue Bonds Series 2006A, 4.0% due annually through 2041	234,070,000		1,130,000	232,940,000
Birmingham Hospital Revenue Bonds Series 2008A, 4.0% to 5.75% due annually through 2025	94,720,000		7,850,000	86,870,000
Birmingham General Revenue Bonds Series 2010C, 2.0% to 4.0% due annually through 2018	748,989		237,546	511,443
Birmingham Hospital Revenue Bonds Series 2012A, 2.57% due annually through 2027	17,092,000		1,224,000	15,868,000
Birmingham Hospital Revenue Bonds Series 2012B, variable interest rate (0.84% at September 30, 2016), due annually through 2042	65,000,000		-	65,000,000
Birmingham Hospital Revenue Bonds Series 2012C, variable interest rate (0.91% at September 30, 2016), due annually through 2042	65,000,000		-	65,000,000
	\$ 486,882,800	\$ 5,746,261	\$ 13,998,852	\$ 478,630,209
Less (Plus): unamortized bond discount (premium)				(3,606,676)
<b>TOTAL HOSPITAL DEBT</b>				<b>\$ 482,236,885</b>
Less: current portion				14,624,370
<b>TOTAL HOSPITAL DEBT, NONCURRENT</b>				<b>\$ 467,612,515</b>
<b>TOTAL UAB</b>	<b>\$ 899,941,845</b>	<b>\$ 5,746,261</b>	<b>\$ 34,794,346</b>	<b>\$ 870,893,760</b>
Less (Plus): unamortized bond discount (premium)				(7,636,987)
<b>TOTAL UAB DEBT</b>				<b>\$ 878,530,747</b>
Less: current portion				34,847,235
<b>TOTAL UAB DEBT, NONCURRENT</b>				<b>\$ 843,683,512</b>

## September 30, 2015

	BEGINNING BALANCE	NEW DEBT	PRINCIPAL REPAYMENT	ENDING BALANCE
<b>UNIVERSITY</b>				
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, 3.0% to 5.0% due annually from 2007 through 2021	25,950,000		5,120,000	20,830,000
Birmingham General Revenue Bonds Series 2005B, 3.0% 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 5.0% 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 5.0% 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)
<b>TOTAL UNIVERSITY DEBT</b>				<b>\$ 417,946,669</b>
Less: current portion				20,795,496
<b>TOTAL UNIVERSITY DEBT, NONCURRENT</b>				<b>\$ 397,151,173</b>
<b>HOSPITAL</b>				
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)
<b>TOTAL HOSPITAL DEBT</b>				<b>\$ 490,685,094</b>
Less: current portion				13,302,287
<b>TOTAL HOSPITAL DEBT, NONCURRENT</b>				<b>\$ 477,382,807</b>
<b>TOTAL UAB</b>	<b>\$ 933,459,098</b>	<b>\$ 33,503,971</b>	<b>\$ 67,021,224</b>	<b>\$ 899,941,845</b>
Less (Plus): unamortized bond discount (premium)				(8,689,918)
<b>TOTAL UAB DEBT</b>				<b>\$ 908,631,763</b>
Less: current portion				34,097,783
<b>TOTAL UAB DEBT, NONCURRENT</b>				<b>\$ 874,533,980</b>

Maturities and interest on notes, leases, and bonds payable for the next five years and in 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, 2016.

<b>UNIVERSITY</b>			
<b>FISCAL YEAR</b>	<b>PRINCIPAL</b>	<b>INTEREST</b>	<b>TOTAL</b>
2017	\$ 20,222,865	\$ 14,371,900	\$ 34,594,765
2018	20,889,418	13,713,229	34,602,647
2019	19,601,009	13,052,371	32,653,380
2020	20,150,259	12,405,074	32,555,333
2021	20,225,000	11,784,777	32,009,777
2022-2026	85,870,000	49,792,610	135,662,610
2027-2031	73,555,000	35,373,672	108,928,672
2032-2036	57,915,000	23,073,850	80,988,850
2037-2041	52,600,000	10,929,044	63,529,044
2042-2044	21,235,000	1,388,738	22,623,738
<b>TOTAL UNIVERSITY</b>	<b>\$ 392,263,551</b>	<b>\$ 185,885,265</b>	<b>\$ 578,148,816</b>

<b>HOSPITAL</b>			
<b>FISCAL YEAR</b>	<b>PRINCIPAL</b>	<b>INTEREST</b>	<b>TOTAL</b>
2017	\$ 14,624,370	\$ 18,199,920	\$ 32,824,290
2018	15,241,100	17,587,967	32,829,067
2019	14,000,803	16,973,564	30,974,367
2020	13,481,562	16,314,407	29,795,969
2021	14,160,070	15,618,704	29,778,774
2022-2026	75,551,304	67,318,398	142,869,702
2027-2031	81,946,000	58,913,680	140,859,680
2032-2036	97,155,000	47,292,063	144,447,063
2037-2041	124,000,000	20,449,813	144,449,813
2042-2044	28,470,000	228,353	28,698,353
<b>TOTAL HOSPITAL</b>	<b>\$ 478,630,209</b>	<b>\$ 278,896,869</b>	<b>\$ 757,527,078</b>

<b>TOTAL UAB</b>			
<b>FISCAL YEAR</b>	<b>PRINCIPAL</b>	<b>INTEREST</b>	<b>TOTAL</b>
2017	\$ 34,847,235	\$ 32,571,820	\$ 67,419,055
2018	36,130,518	31,301,196	67,431,714
2019	33,601,812	30,025,935	63,627,747
2020	33,631,821	28,719,481	62,351,302
2021	34,385,070	27,403,481	61,788,551
2022-2026	161,421,304	117,111,008	278,532,312
2027-2031	155,501,000	94,287,352	249,788,352
2032-2036	155,070,000	70,365,913	225,435,913
2037-2041	176,600,000	31,378,857	207,978,857
2042-2044	49,705,000	1,617,091	51,322,091
<b>TOTAL UAB</b>	<b>\$ 870,893,760</b>	<b>\$ 464,782,134</b>	<b>\$ 1,335,675,894</b>

During fiscal year 2016, Standard & Poor's Ratings Services raised its rating to AA from AA- on UAB's general revenue bonds. The outlook is stable.

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 position as of September 30, 2016 and 2015. 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, 2016.

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 2016 of \$1.7 billion, the projected maximum annual debt service requirement of 1.15 is covered approximately 9.22 times by pledged revenues. UAB and the Hospital are in compliance with all covenants as of September 30, 2016.

Subsequent to year-end, in October 2016, the Hospital joined three other affiliated entities (Callahan Eye Hospital Health Care Authority, UABHS and HSF) in the formation of an obligated group through a master trust indenture. Under the terms of the indenture, each of the participating entities can issue its own debt through a conduit entity, the UAB Medicine Financing Authority, but all members of the obligated group are jointly and severally liable for the debt of each entity issued through the obligated group. In October 2016, the Hospital issued \$367.7 million of debt through the obligated group. In conjunction with that issuance, the Hospital defeased \$384.8 million of its Hospital Revenue Bonds Series 2006A, 2008A and 2012C.

Also subsequent to year-end, in November 2016, the University issued \$120.1 million of debt. The proceeds of this debt will be used for the purposes of financing a portion of the cost of certain capital improvements to the UAB campus, as well as paying costs and expenses associated with this issue.

## (9) Other Noncurrent Liabilities

The activity with respect to other noncurrent liabilities for the year ended September 30, 2016 and 2015, is as follows for UAB:

### September 30, 2016

	BEGINNING BALANCE	ADDITIONS	DEDUCTIONS	ENDING BALANCE
Advances federal loans	\$ 14,371,308	\$ 163,568	\$ (541,564)	\$ 13,993,312
Unearned revenue	13,664,089		(228,872)	13,435,217
Other noncurrent liabilities	1,816,621		(243,371)	1,573,250
<b>Total advances federal loans and other noncurrent liabilities</b>	<b>\$ 29,852,018</b>	<b>\$ 163,568</b>	<b>\$ (1,013,807)</b>	<b>\$ 29,001,779</b>

### September 30, 2015

	BEGINNING BALANCE	ADDITIONS	DEDUCTIONS	ENDING BALANCE
Advances federal loans	\$ 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
<b>Total advances federal loans and other noncurrent liabilities</b>	<b>\$ 30,507,593</b>	<b>\$ 212,380</b>	<b>\$ (867,955)</b>	<b>\$ 29,852,018</b>

## (10) Pledged Revenues

Pledged revenues for 2016 and 2015, as defined by the Series 2006A, 2008A, 2012A, 2012B and 2012C Hospital Revenue Trust Indentures, are as follows:

HOSPITAL BONDS	2016	2015
Total pledged revenues	\$ 1,676,362,964	\$ 1,539,411,704

Pledged revenues for 2016 and 2015, 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	2016	2015
Tuition fees	\$ 241,529,320	\$ 226,080,561
Indirect cost recovery	80,832,348	77,112,629
Sales and service of educational activities	68,415,573	60,916,483
Auxiliary sales and service	36,210,145	32,830,327
Endowment and investment income	34,506,803	34,558,101
Other sources	58,437,463	54,609,646
<b>TOTAL PLEDGED REVENUES</b>	<b>\$ 519,931,652</b>	<b>\$ 486,107,747</b>

# (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](http://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 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 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, 2016 was 11.94% of annual pay for Tier 1 members and 10.84% of annual pay for Tier 2 members. 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. 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 2016, 2015 and 2014, respectively, were approximately \$144,624,000, \$143,414,000 and \$147,975,000, which consisted of \$89,326,000, \$87,868,000 and \$90,532,000 from UAB and \$55,298,000, \$55,546,000 and \$57,443,000 from employees.

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions.** At September 30, 2016 and September 30, 2015, UAB reported a liability of \$1,247,128,000 and \$1,107,275,000, respectively, for its proportionate share of the collec-

tive net pension liability. At September 30, 2016, the collective net pension liability was measured as of September 30, 2015 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of September 30, 2014. At September 30, 2015, 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 employers' shares of contributions to the pension plan relative to the total employer

contributions of all participating TRS employers. At September 30, 2015, UAB's proportion was 11.91%, which was a decrease of 0.27% from its proportion measured as of September 30, 2014. 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 years ended September 30, 2016 and September 30, 2015, UAB recognized pension expense of \$84,171,000 and \$76,616,000, respectively. At September 30, 2016, 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	\$	\$ 6,762,000
Changes of assumptions		
Net difference between projected and actual earnings on pension plan investments	81,647,000	
Changes in proportion and differences between Employer contributions and proportionate share of contributions		45,013,000
Employer contributions subsequent to the measurement date	86,334,000	
<b>Total</b>	<b>\$ 167,981,000</b>	<b>\$ 51,775,000</b>

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	
<b>Total</b>	<b>\$ 84,999,000</b>	<b>\$ 113,748,000</b>

\$86,334,000 reported as deferred outflows of resources related to pensions resulting from UAB contributions subsequent to the measurement date as of September 30, 2016 will be recognized as a reduction of the net pension liability in the year ended September 30, 2017. \$84,999,000 reported as deferred outflows of resources related to pensions resulting from UAB contributions subsequent to the measurement date as of September 30, 2015 is 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:		
2017	\$	6,550,000
2018		6,550,000
2019		6,550,000
2020		11,552,000
2021		(1,330,000)
Thereafter		0

**Actuarial assumptions.** The total pension liability was determined by an actuarial valuation as of September 30, 2014 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, 2014, 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%
<b>Total</b>	<b>100.00%</b>	

\*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 plan members. Therefore, the long-term expected rate of return on pension plan

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

**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	\$	1,649,857,000	\$ 1,247,128,000	\$ 905,552,000

The amounts presented and disclosed in the financial statements as of September 30, 2016 related to the GASB 68 pension activity were based upon the best available information at the valuation date. Subsequent to the valuation date, the Retirement Systems of Alabama completed experience studies for the TRS. As a result, certain assumptions including the mortality rates and discount rate will likely change for future valuations of the pension liability. This could result in a significant increase in the pension liability recorded by UAB in fiscal year 2017.

**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, 2015. The supporting actuarial information is included in the GASB Statement No. 67 Report for the TRS prepared as of September 30, 2015. The auditor's report dated October 17, 2016 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, 2015 along with supporting schedules is also available. The additional financial and actuarial information is available at [www.rsa-al.gov](http://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 2016 and 2015, respectively, excluding employee amounts not eligible for matching, were approximately \$45,680,000 and \$40,581,000 which included approximately \$22,840,000 and \$20,291,000 each from UAB and its employees.

The University, the Hospital, LLC and UABRF total salaries and wages for fiscal years 2016 and 2015, respectively, were approximately \$1,099,285,000 and \$1,038,222,000. Total salaries and wages during fiscal years 2016 and 2015 for covered employees participating in TRS were approximately \$757,941,000 and \$754,457,000, respectively. Total salaries and wages during fiscal years 2016 and 2015 for covered employees participating in the 403(b) Plan were approximately \$484,800,000 and \$428,869,000, 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 \$68,975,000 and \$78,572,000 as of September 30, 2016 and 2015, 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 Public Education Employees' Health Insurance 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, 2016 and 2015:

### Retired Member Rates

- Individual Coverage/Non-Medicare Eligible - \$166 and \$151
- Family Coverage/Non-Medicare Eligible Retired Member and Non-Medicare Eligible Dependent(s) - \$421 and \$391
- Family Coverage/Non-Medicare Eligible Retired Member and Dependent Medicare Eligible - \$280 and \$250
- Individual Coverage/Medicare Eligible Retired Member - \$25 and \$10
- Family Coverage/Medicare Eligible Retired Member and Non-Medicare Eligible Dependent(s) - \$280 and \$250
- Family Coverage/Medicare Eligible Retired Member and Dependent Medicare Eligible - \$139 and \$109

The required contribution rates of the employer were \$399 and \$370 per employee per month in the years ended September 30, 2016 and 2015, respectively. 100% of 2016 and 2015 contributions were paid in 2016 and 2015, respectively. UAB contributed \$22,248,000 and \$19,793,000 to PEEHIP in 2016 and 2015, 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 \$4,511,358 and \$4,392,898 in retiree healthcare and benefit expense during the years ended September 30, 2016 and 2015, 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, 2016 and 2015 is as follows:

	2016		2015		2014	
Annual required contributions	\$	8,471,374	\$	8,052,020	\$	6,800,515
Interest on obligations for retiree benefits		1,114,284		1,642,495		1,427,882
Adjustment to annual required contribution		(1,029,297)		(1,251,505)		(1,087,980)
Annual retiree benefit costs		8,556,361		8,443,010		7,140,417
UAB contributions		(4,045,001)		(4,050,112)		(4,074,521)
Increase in obligations for retiree benefits		4,511,360		4,392,898		3,065,896
Obligations for retiree benefits, beginning of year		27,857,110		23,464,212		20,398,316
<b>Total obligations for retiree benefits, end of year</b>	<b>\$</b>	<b>32,368,470</b>	<b>\$</b>	<b>27,857,110</b>	<b>\$</b>	<b>23,464,212</b>

The annual retiree benefit cost, percentage of the annual retiree benefit cost contributed to the retiree benefit plan and the net obligation for retiree benefits for UAB for the years ended September 30, 2016 and 2015 are as follows:

	2016		2015		2014	
Annual retiree benefit cost	\$	\$8,556,361	\$	8,443,010	\$	7,140,417
Percentage of annual cost contributed		47.27%		47.97%		57.06%
Net obligation to the retiree benefit plan	\$	\$32,368,470	\$	27,857,110	\$	23,464,212

## 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, 2015, 2014 and 2013 was as follows:

	2016		2015		2014	
Actuarial accrued liability	\$	59,143,976	\$	49,061,930	\$	47,438,259
Actuarial value of plan assets						
Unfunded actuarial accrued liability	\$	59,143,976	\$	49,061,930	\$	47,438,259
Funding ratio		Zero		Zero		Zero
Covered payroll	\$	885,142,710	\$	873,791,461	\$	889,980,309
Unfunded actuarial accrued liability as a percentage of covered payroll		6.68%		5.61%		5.33%

## 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, 2015;
- actuarial cost method-projected unit cost method;
- assumed return on investment of 4% per year, based on the estimated return on UAB's assets expected to be used to finance benefits;
- health care cost trend rate 7.75% and 7.5% for the years ended September 30, 2016 and September 30, 2015, respectively, reduced by increments to an ultimate rate of 5.0% over years through 2022;
- 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, 2016 and 2015, respectively, UAB disbursed approximately \$148,930,000 and \$136,485,000 under the FDSLP.

## (14) Grants and Contracts

At September 30, 2016 and 2015, UAB had been awarded approximately \$447,545,000 and \$425,062,000 in grants and contracts which had not been expended. These awards, which represent commitments of sponsors to provide funds for specific research, training, and service projects, have not been reflected in the financial statements.

## (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 25% and 26% of the Hospital's net patient service revenue for the years ended September 30, 2016 and 2015.

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, 2016, 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 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% of the Hospital's net patient service revenue for each of the years ended September 30, 2016 and 2015.

**Medicaid**—Inpatient services rendered to Medicaid program beneficiaries are reimbursed at all-inclusive prospectively determined per diem rates. Outpatient services are reimbursed based on an established fee schedule. The 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 \$51,667,000 and \$40,304,000 in 2016 and 2015, 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% of the Hospital's net patient service revenue for the years ended September 30, 2016 and 2015.

**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:

	2016	2015
Gross Patient Service Revenue	\$ 6,017,301,912	\$ 5,779,150,092
Less Provision for Contractual and Other Adjustments	(4,436,084,563)	(4,235,689,398)
Less Provision Bad Debts	(149,661,519)	(213,771,766)
Net Patient Service Revenue	\$ 1,431,555,830	\$ 1,329,688,928
Capitation Revenue	67,194,959	64,599,138
Other Operating Revenue	154,825,870	120,865,899
<b>TOTAL HOSPITAL SALES REVENUE</b>	<b>\$ 1,653,576,659</b>	<b>\$ 1,515,153,965</b>

## (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, 2016 and 2015:

	2016	2015
Approximate charges foregone, based on established rates	\$ 125,881,000	\$ 148,365,000
Percentage of charity charges to total charges	2.1%	2.6%

## (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, 2016 and 2015 follows:

	2016	2015
Other	48%	44%
Medicare	16	21
Blue Cross	29	26
Medicaid	7	9
	100%	100%

## (18) Construction Commitments and Financing

UAB has contracted for the construction and renovation of several facilities. At September 30, 2016 and 2015, the estimated remaining cost to complete the construction and renovation of these facilities was approximately \$177,652,000 and \$138,060,000, respectively, which is expected to be financed from private gifts, grants, bond proceeds, and UAB reserves.

to protect participants against losses should a claim arise that exceeds PLTF coverage limits. Although UAB is the sponsor of PLTF, it is not the predominant participant in the fund.

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

## (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.

The PLTF agreement requires 10% of all PLTF assets to be held in liquid assets. At September 30, 2016 and 2015, the liquid assets of the PLTF, as defined by the agreement, were in compliance with the agreement.

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 2016 and 2015 was 2%. The associated risks of claims are subject to aggregate limits, with excess liability coverage provided by independent insurers

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.

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 2016 and 2015.

Changes in the total self-insured liabilities for the years ended September 30, 2016 and 2015 are presented as follows for UAB:

SELF INSURED LIABILITIES	2016		2015	
Balance, beginning of year	\$	6,594,264	\$	10,760,082
Claims incurred and changes in estimates		67,811,018		67,127,630
Claim payments		(65,201,121)		(71,293,448)
<b>BALANCE, END OF YEAR</b>	<b>\$</b>	<b>9,204,161</b>	<b>\$</b>	<b>6,594,264</b>

## (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 actions 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 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, 2016 and 2015 are as follows for UAB:

<b>September 30, 2016</b>	<b>SALARIES, WAGES, AND BENEFITS</b>	<b>SUPPLIES AND SERVICES</b>	<b>DEPRECIATION AND AMORTIZATION</b>	<b>SCHOLARSHIPS AND FELLOWSHIPS</b>	<b>TOTAL</b>
Instruction	\$ 227,011,961	\$ 27,909,016			\$ 254,920,977
Research	149,161,130	99,204,901			248,366,031
Public service	94,063,354	35,977,472			130,040,826
Academic support	139,904,003	29,926,347			169,830,350
Student services	23,735,571	18,556,256			42,291,827
Institutional support	69,182,017	60,401,884			129,583,901
Operations and maintenance of plant	28,923,273	29,472,302			58,395,575
Scholarships and fellowships				\$ 24,848,882	24,848,882
Hospital	684,137,004	693,718,100			1,377,855,104
Auxiliary	51,794,068	517,638,052			569,432,120
Depreciation			\$ 131,758,758		131,758,758
<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 1,467,912,381</b>	<b>\$ 1,512,804,330</b>	<b>\$ 131,758,758</b>	<b>\$ 24,848,882</b>	<b>\$ 3,137,324,351</b>

<b>September 30, 2015</b>	<b>SALARIES, WAGES, AND BENEFITS</b>	<b>SUPPLIES AND SERVICES</b>	<b>DEPRECIATION AND AMORTIZATION</b>	<b>SCHOLARSHIPS AND FELLOWSHIPS</b>	<b>TOTAL</b>
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
<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 1,390,766,703</b>	<b>\$ 1,422,828,210</b>	<b>\$ 137,027,585</b>	<b>\$ 21,113,044</b>	<b>\$ 2,971,735,542</b>

# (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, 2016 and 2015 is as follows:

<b>UNIVERSITY</b>	<b>2016</b>	<b>2015</b>
<b>CONDENSED STATEMENT OF NET POSITION</b>		
Current assets	\$ 610,277,428	\$ 522,564,725
Capital assets, net	945,862,131	946,494,158
Other assets	691,304,093	685,847,628
<b>TOTAL ASSETS</b>	<b>\$ 2,247,443,652</b>	<b>\$ 2,154,906,511</b>
<b>DEFERRED OUTFLOW OF RESOURCES</b>		
Current liabilities	284,736,684	273,151,122
Long-term debt	376,070,997	397,151,173
Other noncurrent liabilities	842,743,312	746,944,307
<b>TOTAL LIABILITIES</b>	<b>\$ 1,503,550,993</b>	<b>\$ 1,417,246,602</b>
<b>DEFERRED INFLOW OF RESOURCES</b>		
Net investment in capital assets	565,195,592	561,599,546
Restricted nonexpendable	320,737,392	285,143,473
Restricted expendable	275,678,757	246,232,165
Unrestricted	(331,333,078)	(370,074,821)
<b>TOTAL NET POSITION</b>	<b>\$ 830,278,663</b>	<b>\$ 722,900,363</b>
<b>CONDENSED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION</b>		
Tuition and fees, net	\$ 182,483,417	\$ 169,249,316
Grant and contract revenue	414,788,777	398,214,165
Sales and services, auxiliary	68,415,573	60,916,483
Other operating revenues	94,647,608	87,439,973
Salaries, wages, and benefits	(752,103,864)	(734,150,282)
Supplies and services	(325,591,133)	(313,813,430)
Depreciation expense	(68,787,776)	(71,757,776)
Scholarships and fellowships	(24,831,560)	(21,090,496)
<b>OPERATING LOSS</b>	<b>(410,978,958)</b>	<b>(424,992,047)</b>
State appropriations	234,298,327	232,426,422
Investment (loss) income	68,554,657	(30,769,550)
Interest expense	(13,053,229)	(11,299,065)
Gifts	30,243,769	54,123,625
Other nonoperating revenues	29,235,348	30,714,768
<b>LOSS BEFORE OTHER CHANGES IN NET POSITION</b>	<b>(61,700,086)</b>	<b>(149,795,847)</b>
Capital gifts	3,204,693	4,060,318
Endowment gifts	19,431,880	14,930,217
Other	141,752	5,620,991
Intergovernmental transfers	146,300,061	119,362,779
<b>INCREASE (DECREASE) IN NET POSITION</b>	<b>107,378,300</b>	<b>(5,821,542)</b>
Net position, beginning of year as previously reported	722,900,363	1,485,860,905
Adoption of GASB 68		(757,139,000)
Net position, beginning of year as restated as of October 1, 2014	722,900,363	728,721,905
<b>NET POSITION, END OF YEAR</b>	<b>\$ 830,278,663</b>	<b>\$ 722,900,363</b>
<b>CONDENSED STATEMENT OF CASH FLOWS</b>		
Net cash provided by (used in):		
Operating activities	\$ (332,928,036)	\$ (357,687,132)
Noncapital financing activities	492,340,116	408,346,523
Capital and related financing activities	(107,574,023)	(121,225,447)
Investing activities	(23,808,596)	183,834
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>28,029,461</b>	<b>(70,382,222)</b>
Cash and cash equivalents, beginning of year	85,281,864	155,664,086
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b>\$ 113,311,325</b>	<b>\$ 85,281,864</b>

<b>HOSPITAL</b>	<b>2016</b>	<b>2015</b>
<b>CONDENSED STATEMENT OF NET POSITION</b>		
Current assets	\$ 656,520,801	\$ 572,512,579
Capital assets, net	588,466,572	591,826,823
Other assets	599,814,961	545,761,493
<b>TOTAL ASSETS</b>	<b>\$ 1,844,802,334</b>	<b>\$ 1,710,100,895</b>
<b>DEFERRED OUTFLOW OF RESOURCES</b>		
	<b>\$ 59,996,719</b>	<b>\$ 36,456,848</b>
Current liabilities	118,288,840	124,790,616
Long-term debt	467,612,515	477,382,807
Other noncurrent liabilities	431,813,217	388,366,088
<b>TOTAL LIABILITIES</b>	<b>\$ 1,017,714,572</b>	<b>\$ 990,539,511</b>
<b>DEFERRED INFLOW OF RESOURCES</b>		
	<b>\$ 19,138,000</b>	<b>\$ 38,493,000</b>
Net investment in capital assets	115,622,407	111,201,578
Restricted nonexpendable	128,099	128,099
Restricted expendable	29,807,577	30,144,181
Unrestricted	722,388,398	576,051,374
<b>TOTAL NET POSITION</b>	<b>\$ 867,946,481</b>	<b>\$ 717,525,232</b>
<b>CONDENSED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION</b>		
Operating revenues	\$ 1,653,576,659	\$ 1,515,153,965
Operating expenses	(1,377,972,424)	(1,272,299,509)
Depreciation expense	(61,659,947)	(64,357,416)
<b>OPERATING INCOME</b>	<b>213,944,288</b>	<b>178,497,040</b>
State appropriations	33,031,401	32,867,066
Investment income (loss)	55,241,302	(34,969,677)
Interest expense	(18,976,982)	(19,345,079)
Gifts	1,586,529	79,691
Other nonoperating expenses, net	(323,364)	(526,672)
<b>INCOME BEFORE OTHER CHANGES IN NET POSITION</b>	<b>284,503,174</b>	<b>156,602,369</b>
Capital gifts	720	9,316
Intergovernmental transfers	(134,082,645)	(104,615,838)
<b>INCREASE IN NET POSITION</b>	<b>150,421,249</b>	<b>51,995,847</b>
Net position, beginning of year as previously reported	717,525,232	1,052,797,385
Adoption of GASB 68		(387,268,000)
Net position, beginning of year as restated as of October 1, 2014	717,525,232	665,529,385
<b>NET POSITION, END OF YEAR</b>	<b>\$ 867,946,481</b>	<b>\$ 717,525,232</b>
<b>CONDENSED STATEMENT OF CASH FLOWS</b>		
Net cash provided by (used in):		
Operating activities	\$ 274,429,056	\$ 229,670,427
Noncapital financing activities	(119,464,715)	(51,669,081)
Capital and related financing activities	(85,948,010)	(75,049,140)
Investing activities	(21,930,024)	(154,961,576)
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>47,086,307</b>	<b>(52,009,370)</b>
Cash and cash equivalents, beginning of year	1,311,533	53,320,903
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b>\$ 48,397,840</b>	<b>\$ 1,311,533</b>

# (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, 2015 and 2014 is included in UAB's financial statements and presented as follows:

<b>TRITON HEALTH SYSTEMS, LLC</b>	<b>2016</b>	<b>2015</b>
<b>CONDENSED STATEMENT OF NET POSITION</b>		
Current assets	\$ 254,243,815	\$ 222,557,532
Capital assets, net	4,988,224	4,463,866
Other assets	11,991,815	16,786,400
<b>TOTAL ASSETS</b>	<b>\$ 271,223,854</b>	<b>\$ 243,807,798</b>
Current liabilities	78,471,252	65,631,314
Other noncurrent liabilities	1,573,249	1,815,628
<b>TOTAL LIABILITIES</b>	<b>\$ 80,044,501</b>	<b>\$ 67,446,942</b>
Net investment in capital assets	\$4,988,224	4,463,866
Restricted nonexpendable	100,000	100,000
Unrestricted	186,091,129	171,796,990
<b>TOTAL NET POSITION</b>	<b>\$ 191,179,353</b>	<b>\$ 176,360,856</b>
<b>CONDENSED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION</b>		
Operating revenues	\$ 634,527,227	\$ 610,785,030
Operating expenses	(604,666,713)	(577,844,749)
Depreciation and amortization expense	(1,311,036)	(912,393)
<b>OPERATING INCOME</b>	<b>28,549,478</b>	<b>32,027,888</b>
Investment income	154,200	1,542,901
Income tax benefit (expense)	1,562,343	(3,300,733)
<b>INCOME BEFORE OTHER CHANGES IN NET POSITION</b>	<b>30,266,021</b>	<b>30,270,056</b>
Distributions to members	(15,447,524)	(19,808,432)
<b>INCREASE IN NET POSITION</b>	<b>14,818,497</b>	<b>10,461,624</b>
Net position, beginning of year	176,360,856	165,899,232
<b>NET POSITION, END OF YEAR</b>	<b>\$ 191,179,353</b>	<b>\$ 176,360,856</b>
<b>CONDENSED STATEMENT OF CASH FLOWS</b>		
Net cash provided by (used in):		
Operating activities	\$ 36,900,221	\$ 1,863,292
Noncapital financing activities	(15,447,525)	(19,808,432)
Capital and related financing activities	(1,835,394)	(104,717)
Investing activities	651,424	40,820,381
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>20,268,726</b>	<b>22,770,524</b>
Cash and cash equivalents, beginning of year	172,933,909	150,163,385
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b>\$ 193,202,635</b>	<b>\$ 172,933,909</b>

## (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. Refer to Note 4 for further discussion of the adoption of this standard.

The GASB issued Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 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 15, 2015 – except those provisions that address employers and governmental nonemployer contributing entities for pensions that are not within the scope of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, which are effective for fiscal years beginning after June 15, 2016. UAB has determined there was no impact from the 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, 2016. 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 Benefits 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 currently evaluating the impact that GASB 75 will have on its financial statements, but notes that the adoption of this standard will likely result in the recognition of a material liability with a corresponding reduction of the University’s unrestricted net position.

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 supersedes 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 has determined there was no impact from the adoption of GASB 76.

The GASB issued Statement No. 79, *Certain External Investment Pools and Pool Participants* (“GASB 79”), in December 2015. The objective of this Statement is to address accounting and financial reporting for certain external investment pools and pool participants. This Statement is effective for financial statements for periods beginning after June 15, 2015, except for certain provisions on portfolio quality, custodial credit risk, and shadow pricing. These provisions are effective for reporting periods beginning after December 15, 2015. UAB has determined there was no impact from the adoption of GASB 79 since UAB does not invest in any external investment pools.

The GASB issued Statement No. 80, *Blending Requirements for Certain Component Units – an amendment of GASB Statement No. 14* (“GASB 80”), in January 2016. The objective of this Statement is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units. This Statement amends the blending requirements established in paragraph 53 of Statement No. 14, *The Financial Reporting Entity*, as amended. This Statement is effective for financial statements for reporting periods beginning after June 15, 2016. UAB is evaluating whether there will be any material impact from its adoption of GASB 80.



**The University of Alabama at Birmingham**  
**Required Supplementary Information**  
**September 30, 2016 and 2015**

## 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, 2015;
- actuarial cost method-projected unit cost method;
- assumed return on investment of 4% per year, based on the estimated return on UAB's assets expected to be used to finance benefits;
- health care cost trend rate 7.75% and 7.5% for the years ended September 30, 2016 and 2015, respectively, reduced by increments to an ultimate rate of 5.0% over years through 2022;
- 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, 2015	None	\$ 59,143,976	\$ (59,143,976)	Zero	\$ 885,142,710	-6.7%	
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

	2016	2015
Proportion of the net pension liability	11.916376%	12.188512%
Proportionate share of the net pension liability	\$1,247,128,000	\$1,107,275,000
Covered-employee payroll during the measurement period	\$770,432,000	\$783,289,000
Proportionate share of the net pension liability as a percentage of covered-employee payroll	161.87%	141.36%
Plan fiduciary net position as a percentage of the total pension liability	67.51%	71.01%

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

	2016	2015
Contractually required contribution	\$86,334,000	\$84,999,000
Contributions in relation to the contractually required contribution	\$86,334,000	\$84,999,000
Contribution deficiency (excess)	0	0
Covered-employee payroll	\$777,761,000	\$770,432,000
Contributions as a percentage of covered-employee payroll	11.10%	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 2016, the measurement period is October 1, 2014 - September 30, 2015.

# The University of Alabama at Birmingham Administration

As of September 30, 2016



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As of September 30, 2016

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