

University of Alabama at Birmingham

Report on Federal Awards In Accordance With OMB

Circular A-133

September 30, 2012

EIN: 63-6005396

University of Alabama at Birmingham
Report on Federal Awards in Accordance with OMB Circular A-133
September 30, 2012

Table of Contents

	Page
Part I	Federal Award Programs
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 <i>Government Auditing Standards</i>	1–2
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 OMB Circular A-133	3–5
Schedule of Expenditures of Federal Awards Year Ended September 30, 2012.....	6–19
Notes to Schedules of Expenditures of Federal Awards	20–22
Part II	Schedule of Findings and Questioned Costs
Schedule of Findings and Questioned Costs Year Ended September 30, 2012.....	23
Part III	Summary Schedule of Prior Audit Findings
Summary Schedule of Prior Audit Findings Year Ended September 30, 2011	30
Part IV	2012 Financial Report

Part I
Federal Award Programs



**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 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, as of and for the year ended September 30, 2012, and have issued our report thereon dated January 25, 2013. Our report includes an emphasis of a matter regarding the presentation of the financial statements as discussed in Note 1 to the financial statements. We conducted our audit of the University 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. Other auditors audited the financial statements of Southern Research Institute, as described in our report on UAB's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. The financial statements of Triton Health Systems, L.L.C. and UAB Research Foundation were not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered UAB's internal control over financial reporting as a basis for designing our auditing procedures 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of UAB's internal control over financial reporting.

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 misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.



Compliance and Other Matters

As part of obtaining reasonable assurance about whether UAB's financial statements are free of 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*.

We noted certain matters that we reported to management of the University in a separate letter dated June 19, 2013.

This report is intended solely for the information and use of the Board of Trustees of The University of Alabama, management, and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than those specified parties.

PricewaterhouseCoopers LLP

January 25, 2013



**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 OMB Circular A-133**

To the Board of Trustees of The University of Alabama:

Compliance

We have audited the compliance of the University of Alabama at Birmingham (“UAB”), a campus of The University of Alabama System, which is a component unit of the State of Alabama, with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2012, except as described in the following two paragraphs of this report. UAB’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of UAB’s management. Our responsibility is to express an opinion on UAB’s compliance based on our audit.

We did not audit compliance by the Southern Research Institute (“SRI”) with the terms and conditions of its federal grants, contracts, and agreements with the federal government; and its subgrants received from UAB. SRI is a separate component unit of UAB and its compliance with such terms and conditions is audited by other auditors and is, therefore, outside the scope of this report.

We did not audit UAB’s compliance with the requirements governing maintaining repayment records, monitoring the timing and amount of collections and the performance of due diligence related to campus-based student loans, compliance requirements specified by the Federal Perkins Loan, Health Professional Student Loan, and Loans for Disadvantaged Students Programs and described in the *OMB Circular A-133 Compliance Supplement*. Compliance with these requirements was audited by other auditors whose report thereon has been furnished to us, and our opinion expressed herein, insofar as it relates to UAB’s compliance with those requirements, is based solely on the report of the other auditors.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about UAB’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on UAB’s compliance with those requirements.

In our opinion, based on our audit and the report of other auditors, UAB complied, in all material respects, with the 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, 2012. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items 2012-1, 2012-2 and 2012-3.

Internal Control Over Compliance

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

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

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

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

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 deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. Also, the report of other auditors associated with student loans, referenced above, did not identify any deficiencies in internal control over compliance that they consider to be material weaknesses, as defined above.



UAB's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit UAB's responses and, accordingly, we express no opinion on the responses.

Schedule of Expenditures of Federal Awards

We have audited the financial statements that collectively comprise UAB's basic financial statements as of and for the year ended September 30, 2012, and have issued our report thereon dated January 25, 2013, which contained an unqualified opinion on those financial statements. Our report includes a reference to other auditors and includes an emphasis of a matter regarding the presentation of the financial statements as discussed in Note 1 to the financial statements. Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for the purpose of additional analysis as required by OMB Circular A-133 and is not a required part of the financial statements. The information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The Schedule of Expenditures of Federal Awards has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 financial statements taken as a whole.

This report is intended solely for the information and use of the Board of Trustees of the University of Alabama, management, and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

PricewaterhouseCoopers LLP

January 25, 2013, except for Compliance and Internal Control Over Compliance as to which the date is June 27, 2013

University of Alabama at Birmingham

Schedule of Expenditures of Federal Awards

Year Ended September 30, 2012

Federal Grantor	Pass-Through Grantor	Contract/Award or Pass-Through Num	CFDA Number	Total Expenditures
RESEARCH AND DEVELOPMENT CLUSTER				
Department of Agriculture				
Direct				
Agricultural Research_Basic and Applied Research			10.001	\$ 99,410
Total Direct				99,410
Total Department of Agriculture				99,410
Department of Commerce				
Direct				
Sea Grant Support			11.4 17	(108,881)
Total Direct				(108,881)
Pass-Through				
Sea Grant Support	University of Southern Mississippi	NA06OAR4170078	11.4 17	(259)
Coastal Zone Management Administration Awards	Alabama Dept of Conservation and Natural Resources	10NOS4190206	11.4 19	14,601
Total Pass-Through				14,342
Total Department of Commerce				(94,539)
Department of Defense				
Direct				
Basic and Applied Scientific Research			12.300	126,430
Military Medical Research and Development			12.420	4,481,998
Basic Scientific Research			12.431	755,645
Basic, Applied, and Advanced Research in Science and Engineering			12.630	48,642
Uniformed Services University Medical Research Projects			12.750	203,485
Contract # FA9201-09-C-0207			12.	307,694
Contract # DOD - IPA - Meakin			12.	235,233
Contract # DOD - IPA - Ward			12.	228,153
Contract # FA8651-11-C-0291			12.	208,314
Contract # FA9451-10-C-0254			12.	158,011
Contract # W91CRB-11-C-0023			12.	58,779
Contract # FA4819-09-C-0038			12.	42,666
Contract # FA8651-09-C-0274			12.	12,948
Contract # FA9451-09-C-0353			12.	11,744
Contract # W912HZ-10-C-0106			12.	5,190
Contract # W31P4Q-08-D-0039 1001			12.	1,563
Total Direct				6,886,495
Pass-Through				
Basic and Applied Scientific Research	North Carolina A&T State University	N00014-09-1-0842	12.300	28,605
Basic and Applied Scientific Research	MEDICAL UNIVERSITY OF SOUTH CAROLINA	N00014-08-1-0341	12.300	210,661
				49,671
Military Medical Research and Development	THE CURATORS OF THE UNIVERSITY OF MISSOURI	W81XWH-11-2-0195	12.420	220,366
Military Medical Research and Development	University of California in San Francisco	W81XWH-10-1-0509	12.420	163,133
Military Medical Research and Development	HENRY FORD HEALTH SYSTEM	W81XWH-11-1-0671	12.420	17,038
Military Medical Research and Development	HENRY M JACKSON FOUNDATION	W81XWH-08-2-0700	12.420	5,571
				406,108
Basic, Applied, and Advanced Research in Science and Engineering	Alabama State University	5-522776-12	12.630	24,160
Contract	Sentar	FA8750-11-C-0250	12.	281,748
Contract	High Performance Technologies Inc	HPTI-PETTT-UAB	12.	256,598
Contract	Advanced Technology Institute	W15QKN-07-C-0066	12.	168,679
Contract	Advanced Technology Institute	W15QKN-10-2-0001	12.	115,910
Contract	CHENEGA FEDERAL SYSTEMS LLC	GST0407DB0305	12.	92,891
Contract	High Performance Technologies Inc	GST0407DB0305	12.	75,777
Contract	High Performance Technologies Inc	PP-CFD-KY03-018-P3	12.	54,265
Contract	Sentar	FA8750-11-C-0028	12.	46,375
Contract	MATERIALS SCIENCES CORP	N65540-08-D-011 ORDER # 0012	12.	44,818
Contract	High Performance Technologies Inc	PS1446350 HPTI 2353	12.	43,658
Contract	High Performance Technologies Inc	PP-CSM-KY02-132-P3	12.	40,000
Contract	POLARIS GROUP	W9113M-10-C-0054	12.	38,591
Contract	ANTHROTRONIX INC	N00014-11-M-0318	12.	24,849
Contract	Advanced Technology Institute	2004-611	12.	23,818
Contract	Aerospace Testing Alliance	F40600-03-C-0001	12.	10,408
Contract	The Geneva Foundation	HJ001-10-ITS05	12.	10,237
Contract	High Performance Technologies Inc	GS04T09DBC0017	12.	3,113
Contract	PHOTONICS INNOVATIONS	FA8650-06-D-54010013	12.	205
Unknown	AMERICAN FOUNDRY SOCIETY	W15QKN-11-2-0001	12.	48,343
Total Pass-Through				1,860,142
Total Department of Defense				8,746,637
Department of Interior				
Direct				
Conservation Grants Private Stewardship for Imperiled Species			15.632	24,574
Total Direct				24,574
Pass-Through				
Assistance to State Water Resources Research Institutes	Auburn University	G11AP20063	15.805	12,238
Total Pass-Through				12,238
Total Department of Interior				36,812
Department of Justice				
Pass-Through				
Unknown	FORENSIC SCIENCES FOUNDATION INC	2008-DN-BX-K216	16.	47
Total Pass-Through				47
Total Department of Justice				47

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, 2012

Federal Grantor	Pass-Through Grantor	Contract/Award or Pass-Through Num	CFDA Number	Total Expenditures
RESEARCH AND DEVELOPMENT CLUSTER, CONTINUED				
Department of Transportation				
Direct				
Public Transportation Research			20.514	\$ 225,367
University Transportation Centers Program			20.701	471,451
Contract #DTFT60-04-Z-7001			20.	565,900
Total Direct				<u>1,262,718</u>
Pass-Through				
Highway Planning and Construction	Regional Planning Commission of Greater Birmingham	STPBH-CN09	20.205	27,410
Highway Planning and Construction	Regional Planning Commission of Greater Birmingham	STPBH-PE08	20.205	24,612
				52,022
University Transportation Centers Program	University of Alabama in Tuscaloosa	DTRT06-G-0047	20.701	143,125
University Transportation Centers Program	University of Alabama in Huntsville	TASK ORDER NO 59 (UA 11-026)	20.701	7,365
				<u>150,490</u>
Contract	VIRGINIA TECH	DTMC75-11-J-00042	20.	145,376
Contract	Alabama Dept of Transportation	930-607B	20.	11,137
Unknown	NATIONAL TRANSPORTATION RESEARCH CENTER I	DTRT-06-G-0043-04	20.	64,624
Total Pass-Through				<u>423,649</u>
Total Department of Transportation				<u>1,686,367</u>
Department of the Treasury				
Pass-Through				
Unknown	PIKAM AB INC	02-0670592	21.	192,296
Total Pass-Through				<u>192,296</u>
Total Department of the Treasury				<u>192,296</u>
National Aeronautics and Space Administration				
Direct				
Science			43.001	1,331,539
Contract # NNJ10HB16B			43.	5,596,128
Contract # NNM07AA05A			43.	105,141
Contract # NNX09AV81G			43.	44,212
Contract # NNM12AC34P			43.	19,991
Contract # NNJ05HB42B			43.	(33,119)
Unknown # NNX11AC61G			43.	364,902
Unknown # NNX09AI28G			43.	43,582
Total Direct				<u>7,472,376</u>
Pass-Through				
Contract	University of Alabama in Huntsville	NNX10AJ80H	43.	73,059
Contract	NATIONAL INSTITUTE OF AEROSPACE ASSOCIATES	NNL09AA00A	43.	18,557
Unknown	University of Maryland	NCC3989	43.	118,167
Total Pass-Through				<u>209,783</u>
Total National Aeronautics and Space Administration				<u>7,682,159</u>
National Science Foundation				
Direct				
Engineering Grants			47.041	875,553
Mathematical and Physical Sciences			47.049	878,481
Geosciences			47.050	64
Computer and Information Science and Engineering			47.070	426,897
Biological Sciences			47.074	998,016
Social, Behavioral, and Economic Sciences			47.075	249,683
Education and Human Resources			47.076	3,358,015
Polar Programs			47.078	158,072
International Science and Engineering (OISE)			47.079	65,546
Office of Cyberinfrastructure			47.080	32,845
Total Direct				<u>7,043,722</u>
Pass-Through				
Engineering Grants	Alabama State University	HRD-0734232	47.041	51,740
Biological Sciences	University of Florida	IOS-1051890	47.074	6,502
Education and Human Resources	Tuskegee University	DUE-1102997	47.076	114,961
Education and Human Resources	American Institutes for Research	NSF 0929191	47.076	56,248
Education and Human Resources	Tuskegee University	HRD-1137681	47.076	51,993
				<u>223,202</u>
Office of Experimental Program to Stimulate Competitive Research	Tuskegee University	EPS-1158862	47.081	339,062
Contract	Sioux Manufacturing Corporation	IIP-1058155	47.	130,985
Contract	Children's Hospital of Philadelphia	UNKNOWN	47.	160
Total Pass-Through				<u>751,651</u>
ARRA Direct				
ARRA - ANT-0838773			47.082	125,725
ARRA - 0843746			47.082	123,655
ARRA - 0906316			47.082	39,694
ARRA - ANT-0838844			47.082	35,758
Total ARRA Direct				<u>324,832</u>
ARRA Pass-Through				
ARRA - UAH2011-017	University of Alabama in Huntsville	EPS-1006661	47.082	40,670
Total ARRA Pass-Through				<u>40,670</u>
Total National Science Foundation				<u>8,160,875</u>
Department of Veterans Affairs				
Direct				
Contract - Intergovernmental Personnel Agreements			64.	2,731,869
Contract # VA247-P-0675			64.	222,995
Total Direct				<u>2,954,864</u>
Total Department of Veterans Affairs				<u>2,954,864</u>

See accompanying notes to schedule of expenditures of federal awards.

University of Alabama at Birmingham

Schedule of Expenditures of Federal Awards

Year Ended September 30, 2012

Federal Grantor	Pass-Through Grantor	Contract/Award or Pass-Through Num	CFDA Number	Total Expenditures
RESEARCH AND DEVELOPMENT CLUSTER, CONTINUED				
Department of Energy				
Direct				
Fossil Energy Research and Development			81089	\$ 410,209
Stewardship Science Grant Program			81112	124,608
Total Direct				<u>534,817</u>
Pass-Through				
Office of Science Financial Assistance Program	University of Alabama in Huntsville	DE-SC0006652	81049	134,432
Office of Science Financial Assistance Program	University of Alabama in Tuscaloosa	DE-FG02-08ER46537	81049	87,242
				<u>221,674</u>
Fossil Energy Research and Development	MONTANA STATE UNIV-BOZEMAN	DE-FE0004478	81089	67,392
Stewardship Science Grant Program	Carnegie Institute of Washington	DE-FC52-08NA285544	81112	89,045
Contract	University of California Lawren Livermore Natl Lab	DE-AC52-07NA27344	81	106,401
Contract	UT-Battelle, LLC	DE-AC05-00OR22726	81	8,790
Unknown	Sandia National Laboratories	198675	81	199,675
Total Pass-Through				<u>692,677</u>
ARRA Direct				
ARRA - DE-FE0002224			81133	125,370
Total ARRA Direct				<u>125,370</u>
Total Department of Energy				<u>1,352,864</u>
Department of Education				
Direct				
National Institute on Disability and Rehabilitation Research			84.133	1,502,010
Graduate Assistance in Areas of National Need			84.200	79,993
Special Education - Personnel Development to Improve Services and Results for Childr			84.325	138,228
Total Direct				<u>1,720,231</u>
Pass-Through				
National Institute on Disability and Rehabilitation Research	University of Washington	H133A060107A; UW-341166	84.133	95,346
National Institute on Disability and Rehabilitation Research	THE INSTITUTE FOR REHABILITATION AND RESEAR	H133B090023	84.133	41,670
National Institute on Disability and Rehabilitation Research	The University of Montana	H133B080023-11	84.133	6,132
National Institute on Disability and Rehabilitation Research	Craig Hospital	H133G090013	84.133	(1,273)
Total Pass-Through				<u>141,875</u>
Total Department of Education				<u>1,862,106</u>
Department of Health and Human Services				
Direct				
Global AIDS			93.067	570,151
Chronic Diseases: Research, Control, and Prevention			93.068	331,658
Food and Drug Administration Research			93.103	41,510
Maternal and Child Health Federal Consolidated Programs			93.110	(848)
Environmental Health			93.113	1,693,222
Oral Diseases and Disorders Research			93.121	6,375,144
Centers for Research and Demonstration for Health Promotion and Disease Prevention			93.135	717,327
Coordinated Services and Access to Research for Women, Infants, Children, and Youth			93.153	834,764
Research Related to Deafness and Communication Disorders			93.173	1,217,090
Research and Training in Complementary and Alternative Medicine			93.213	250,534
National Research Service Awards Health Services Research Training			93.225	311,776
Research on Healthcare Costs, Quality and Outcomes			93.226	1,505,489
National Center on Sleep Disorders Research			93.233	762,109
Mental Health Research Grants			93.242	4,605,604
Geriatric Academic Career Awards			93.250	120,538
Occupational Safety and Health Program			93.262	1,253,507
Alcohol Research Programs			93.273	1,520,539
Drug Abuse and Addiction Research Programs			93.279	1,042,983
Mental Health Research Career/Scientist Development Awards			93.281	454,964
Mental Health National Research Service Awards for Research Training			93.282	37,238
The Affordable Care Act: Centers for Disease Control and Prevention Investigations			93.283	1,356,957
Discovery and Applied Research for Technological Innovations to Improve Human Health			93.286	439,084
Minority Health and Health Disparities Research			93.307	2,100,301
Trans-NIH Research Support			93.310	728,202
National Center for Advancing Translational Sciences			93.350	1877,061
Nursing Research			93.361	1,242,793
National Center for Research Resources			93.389	6,510,032
Cancer Construction			93.392	70,294
Cancer Cause and Prevention Research			93.393	4,508,298
Cancer Detection and Diagnosis Research			93.394	1,348,250
Cancer Treatment Research			93.395	4,206,003
Cancer Biology Research			93.396	1,976,693
Cancer Centers Support Grants			93.397	10,729,600
Cancer Research Marpower			93.398	2,843,268
The Patient Protection and Affordable Care Act of 2010 (ACA)			93.541	701,513
Cardiovascular Diseases Research			93.837	13,880,754
Lung Diseases Research			93.838	6,743,711
Blood Diseases and Resources Research			93.839	2,785,610
Arthritis, Musculoskeletal and Skin Diseases Research			93.846	8,724,014
Diabetes, Digestive, and Kidney Diseases Extramural Research			93.847	19,995,788
Extramural Research Programs in the Neurosciences and Neurological Disorders			93.853	14,105,112
Allergy, Immunology and Transplantation Research			93.855	28,920,337
Microbiology and Infectious Diseases Research			93.856	1,927
Biomedical Research and Research Training			93.859	6,841,347
Population Research			93.864	355,885
Child Health and Human Development Extramural Research			93.865	14,275,791
Aging Research			93.866	7,251,700
Vision Research			93.867	3,024,005
International Research and Research Training			93.989	222,235
Contract # HHSN268201100025C			93.	2,589,135
Contract # N01-HC-95095 OP# 1			93.	2,299,286
Contract # HHSN268200900047C OPTION 1			93.	2,262,566
Contract # HHSN261200433000 IC-52 958			93.	2,017,273
Contract # HHSN266200400073C			93.	2,006,090
Contract # HHSN272201000023C			93.	1826,035
Contract # HHSN272201000161			93.	1,087,022
Contract # N01-AI-30025			93.	1,038,119

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, 2012

Federal Grantor	Pass-Through Grantor	Contract/Award or Pass-Through Num	CFDA Number	Total Expenditures
RESEARCH AND DEVELOPMENT CLUSTER, CONTINUED				
Department of Health and Human Services, continued				
Contract # N01-CN-75022-70			93.	\$ 702,638
Contract # N01-HC-48047			93.	665,286
Contract # N01-HC-95095 OP# 2			93.	480,361
Contract # HHSN27220100038C			93.	470,508
Contract # HHSN27220100037C			93.	453,830
Contract # HHSN27220100036C			93.	437,432
Contract # HHSN27220100035C			93.	415,695
Contract # HHSN27220100034C			93.	407,254
Contract # N01-AI-30021			93.	326,026
Contract # HHS-N-260-2005-0008-C			93.	307,754
Contract # HHSN26820076191C OP2			93.	280,839
Contract # HHSN268200682278C			93.	252,884
Contract # 200-2007-23684			93.	246,554
Contract # HHSN268200736191C			93.	174,309
Contract # 200-2011-39419			93.	169,076
Contract # HHSN263201200010C			93.	133,009
Contract # N01-HC-48047 OPTION 2			93.	99,256
Contract # HHSN26620040073C			93.	97,558
Contract # 200-2011-42023			93.	60,454
Contract # 10IPA1003334			93.	47,646
Contract # HHSN272201000027I			93.	40,470
Contract # HHSN272201000010C			93.	21,954
Contract # 200-2010-M-37551			93.	4,051
Contract # HHSN26120100077P			93.	800
Contract # N01-CN-15136MAC# 78			93.	(118,35)
Contract # N01-HC-95095			93.	(1,348,567)
Unknown # OAR			93.	71,782
Total Direct				211,544,064
Pass-Through				
Alzheimer's Disease Demonstration Grants to States	Jefferson County Office of Senior Citizens Services	046-11	93.051	581
Comprehensive Community Mental Health Services for Children with Serious Emotional D	University of Alabama in Tuscaloosa	1U79SM059049-01	93.104	69,665
Environmental Health	YALE UNIV	2U01ES015674-06	93.113	70,117
Environmental Health	Wayne State University	5R01ES005823	93.113	39,866
Environmental Health	YALE UNIV	5U01ES015674-07	93.113	16,175
Environmental Health	Fox Chase Cancer Center	5U01ES012771-07	93.113	(4,370)
				12,1788
Oral Diseases and Disorders Research	The Research Foundation of SUNY	3U01DE18902-04S1	93.121	358,729
Oral Diseases and Disorders Research	Vista Engineering Inc.	2R42DE019335-03A1	93.121	71,505
Oral Diseases and Disorders Research	The Research Foundation of SUNY	2R56DE009838-15A1	93.121	68,196
Oral Diseases and Disorders Research	University of Texas Health Center at San Antonio	2R01DE015857-05A1	93.121	42,459
Oral Diseases and Disorders Research	AGILE SCIENCES INC	2R44DE021312-02	93.121	27,166
Oral Diseases and Disorders Research	UNIVERSITY AT BUFFALO	1R01DE02267301	93.121	5,967
Oral Diseases and Disorders Research	University of North Carolina at Chapel Hill	5U01DE014577-08	93.121	2,294
				576,316
Human Genome Research	University of Washington	5R01HG005115-03	93.172	228,712
Human Genome Research	University of North Carolina at Chapel Hill	5U01HG004803-03	93.172	47,712
Human Genome Research	Morehouse School of Medicine	SP50HG004488-05	93.172	5,663
				282,087
Research Related to Deafness and Communication Disorders	The Feinstein Institute for Medical Research	5U01DC007946	93.173	1,499
Disabilities Prevention	Hemophilia of Georgia Inc	1U27DD000862-0	93.184	36,472
Research and Training in Complimentary and Alternative Medicine	Massachusetts General Hospital	5U01AT000613	93.213	35,495
National Center on Sleep Disorders Research	California Pacific Med. Ctr.-Res. Inst.	5R01HL07194-09	93.233	168,483
Mental Health Research Grants	Social & Scientific Systems Inc	UM1A1068632-06	93.242	194,552
Mental Health Research Grants	Duke University	5R01MH086362	93.242	137,674
Mental Health Research Grants	Social & Scientific Systems Inc	1U01A1068632-01	93.242	23,429
Mental Health Research Grants	Children's Hospital Medical Center Cincinnati OH	5R01MH083665	93.242	15,884
Mental Health Research Grants	Social & Scientific Systems Inc	1U01A1068632-01	93.242	(1,462)
				370,077
Substance Abuse and Mental Health Services, Projects of Regional and National Signifi	HEALTHSERVICE CENTER	SAMHSA/CSAT	93.243	62,986
Substance Abuse and Mental Health Services, Projects of Regional and National Signifi	University of Colorado Health Sciences Center	4R33MH089291-03	93.243	9,654
				72,640
Occupational Safety and Health Program	MARSHFIELD CLINIC RESEARCH FOUNDATION	1R21OH010032-01	93.262	16,761
Alcohol Research Programs	University of Washington	1U01AA020793-01	93.273	20,695
Drug Abuse and Addiction Research Programs	MEDICAL UNIVERSITY OF SOUTH CAROLINA	3U01DA013727-12	93.279	220,019
Drug Abuse and Addiction Research Programs	Massachusetts General Hospital	5R01DA021245-04	93.279	25,074
Drug Abuse and Addiction Research Programs	University of North Carolina at Chapel Hill	1R01DA030793-02	93.279	21,111
Drug Abuse and Addiction Research Programs	UNIVERSITY AT BUFFALO	1R01DA027606-02	93.279	8,236
Drug Abuse and Addiction Research Programs	Emory University	RR376-009/4693598	93.279	8,087
				282,527
The Affordable Care Act: Centers for Disease Control and Prevention, Investigations	Alabama Dept of Public Health	C10114225	93.283	165,350
The Affordable Care Act: Centers for Disease Control and Prevention, Investigations	Assoc of American Medical Colleges	U36/CCU319276	93.283	73,967
The Affordable Care Act: Centers for Disease Control and Prevention, Investigations	Alabama Dept of Public Health	C00113147	93.283	275
The Affordable Care Act: Centers for Disease Control and Prevention, Investigations	Hemophilia of Georgia Inc	1U01DD000201-02	93.283	125
				239,717
Discovery and Applied Research for Technological Innovations to Improve Human Health	MONTANA STATE UNIV-BOZEMAN	1R01EB012027-01A1	93.286	215,357
Discovery and Applied Research for Technological Innovations to Improve Human Health	Brigham & Women's Hospital	5U54EB005149-08	93.286	8,058
				223,415
Minority Health and Health Disparities Research	University of Minnesota	1U24MD006970-01	93.307	125,619
Nursing Research	University of Maryland	1R01NR012686-01	93.361	258,100
Nursing Research	University of Michigan	1R21NR01192301A1	93.361	58,543
Nursing Research	University of California in San Diego	7R01NR011295-03	93.361	15,325
Nursing Research	University of Alabama in Tuscaloosa	1R21NR012550-01A1	93.361	13,585
Nursing Research	Rush-Presbyterian-St Luke's Medical Center	R01NR005200	93.361	43
				345,596

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, 2012

Federal Grantor	Pass-Through Grantor	Contract/Award or Pass-Through Num	CFDA Number	Total Expenditures
RESEARCH AND DEVELOPMENT CLUSTER, CONTINUED				
Department of Health and Human Services, continued				
Sickle Cell Treatment Demonstration Program	Health Services, Inc.	U1EM C07654	93.365	\$ 34,887
National Center for Research Resources	Boston University Medical Campus	3UL1RR025771-04S1	93.389	20,001
National Center for Research Resources	University of Pittsburgh	5KL2RR024154-05	93.389	20
				<u>20,021</u>
Cancer Cause and Prevention Research	Dana-Farber Cancer Institute	5U01CA93344-08	93.393	190,968
Cancer Cause and Prevention Research	Vanderbilt University	2 R01CA082729-07A1	93.393	109,298
Cancer Cause and Prevention Research	Duke University	1R01CA142081-01A1	93.393	107,650
Cancer Cause and Prevention Research	University of Massachusetts Worcester	7R01CA129091-03	93.393	95,880
Cancer Cause and Prevention Research	University of Southern California	1R01CA134786-01A2	93.393	69,835
Cancer Cause and Prevention Research	Georgetown University	R01CA135069-03S1	93.393	65,321
Cancer Cause and Prevention Research	THE REGENTS OF THE UNIVERSITY OF CALIFORNIA	1R01CA156271-01A1	93.393	37,965
Cancer Cause and Prevention Research	H. Lee Moffitt Cancer Center & Research Institute	1R01CA116174-01A2	93.393	37,990
Cancer Cause and Prevention Research	University of Massachusetts Worcester	1R01CA136888-01A1	93.393	17,315
Cancer Cause and Prevention Research	The George Washington University	1R21CA149478-01	93.393	16,345
Cancer Cause and Prevention Research	Johns Hopkins University	1R01CA140311-01A2	93.393	14,117
Cancer Cause and Prevention Research	University of Maryland	R01CA105202	93.393	2,949
Cancer Cause and Prevention Research	Dana-Farber Cancer Institute	5U01CA93344-07	93.393	692
				<u>765,925</u>
Cancer Detection and Diagnosis Research	University of Arkansas for Medical Studies	5R01CA128897-03	93.394	30,852
Cancer Detection and Diagnosis Research	University of California in San Diego	R01CA159954	93.394	13,706
				<u>44,558</u>
Cancer Treatment Research	University of California in San Diego	1R01CA148791-02	93.395	241,673
Cancer Treatment Research	St. Jude Children's Research Hospital	5P01CA023099-32	93.395	225,481
Cancer Treatment Research	Natl Childhood Cancer Foundation	5 U10 CA98543-04	93.395	173,472
Cancer Treatment Research	Southeastern Gynecologic Oncology	27469-02	93.395	142,454
Cancer Treatment Research	Eastern Cooperative Oncology Group	CA21115	93.395	141,743
Cancer Treatment Research	Eastern Cooperative Oncology Group	U10CA21115-36	93.395	90,983
Cancer Treatment Research	Natl Childhood Cancer Foundation	5U10 CA0985543-08	93.395	68,197
Cancer Treatment Research	Johns Hopkins University	U01CA137443-01	93.395	62,952
Cancer Treatment Research	Natl Childhood Cancer Foundation	U01CA97452-05	93.395	50,178
Cancer Treatment Research	University of Wisconsin in Madison	1R01CA139872-01A1	93.395	36,791
Cancer Treatment Research	Children's Hospital of Philadelphia	U10CA098543	93.395	29,400
Cancer Treatment Research	Duke University	CA31946	93.395	16,373
Cancer Treatment Research	University of Alabama in Tuscaloosa	1R21CA141388-01A1	93.395	7,413
Cancer Treatment Research	Natl Childhood Cancer Foundation	U01CA97452-10	93.395	7,273
Cancer Treatment Research	Natl Childhood Cancer Foundation	U10 CA98543-04	93.395	6,035
Cancer Treatment Research	St. Jude Children's Research Hospital	2U24CA055727-18	93.395	3,282
Cancer Treatment Research	Johns Hopkins University	5R21CA128232-02	93.395	2,747
Cancer Treatment Research	St. Jude Children's Research Hospital	2 U24 CA055727-17A t, 7237590	93.395	1,346
Cancer Treatment Research	University of Chicago	U10 CA31946	93.395	811
				<u>1,308,604</u>
Cancer Biology Research	Cedars-Sinai Medical Center	5P01CA098912-07	93.396	224,542
Cancer Centers Support Grants	Johns Hopkins University	5P50CA098252-07	93.397	1,013,667
Cancer Centers Support Grants	Johns Hopkins University	5P50CA098252-08	93.397	114,340
Cancer Centers Support Grants	University of New Mexico	U54CA164336-01	93.397	15,530
Cancer Centers Support Grants	Singing River Hospital System	1UCA142158-01	93.397	(1,625)
Cancer Centers Support Grants	Singing River Hospital System	U56CA105478	93.397	(3,690)
				<u>1,128,222</u>
Cancer Control	Mayo Clinic Rochester	1U10CA149950-01A1	93.399	10,622
Cancer Control	Mayo Clinic Rochester	5U10CA149950-02	93.399	3,588
Cancer Control	University of Michigan	U01CA084986	93.399	1,280
Cancer Control	Southwest Oncology Group	CA37429	93.399	93
				<u>15,583</u>
Cardiovascular Diseases Research	University of Washington	3U01HL077863-07S1	93.837	239,080
Cardiovascular Diseases Research	University of Louisville Research Foundation, Inc	2P01HL078825-06	93.837	208,312
Cardiovascular Diseases Research	Elgavish Paramagnetics Inc	2R42HL084844-02A1	93.837	198,399
Cardiovascular Diseases Research	University of Texas Health Center at Tyler	R18HL092955	93.837	114,391
Cardiovascular Diseases Research	University of California in Davis	2P01HL080101-06A1	93.837	90,809
Cardiovascular Diseases Research	University of Minnesota	5R01HL053560-14	93.837	81,698
Cardiovascular Diseases Research	Medical College of Wisconsin	1U01HL107437-01	93.837	56,554
Cardiovascular Diseases Research	University of Minnesota	1R01HL080093	93.837	44,681
Cardiovascular Diseases Research	Columbia University in the City of New York	5P01HL088117-03	93.837	41,499
Cardiovascular Diseases Research	Boston University Medical Campus	5P01HL081587-06A1	93.837	33,839
Cardiovascular Diseases Research	University of Washington	1R01HL103612-01A1	93.837	23,527
Cardiovascular Diseases Research	Elgavish Paramagnetics Inc	2R42HL080886-02	93.837	21,704
Cardiovascular Diseases Research	Northwestern University	R01HL107577-01	93.837	19,583
Cardiovascular Diseases Research	University of Michigan	U01HL094345	93.837	13,215
Cardiovascular Diseases Research	Northwestern University	R01HL077428	93.837	6,948
Cardiovascular Diseases Research	MOLECULAR TARGETING TECHNOLOGIES	2R44HL062770-04A1	93.837	6,945
Cardiovascular Diseases Research	Fred Hutchinson Cancer Research Center	5 R01HL050655-02	93.837	3,361
Cardiovascular Diseases Research	Brigham & Women's Hospital	1R01HL094635-01A	93.837	2,429
Cardiovascular Diseases Research	Beth Israel Deaconess Medical Center	5R01HL091757-02	93.837	2,360
Cardiovascular Diseases Research	Yale University School of Medicine	R01HL081153	93.837	2,165
Cardiovascular Diseases Research	University of Washington	1R01HL103612-02	93.837	1,941
Cardiovascular Diseases Research	Fred Hutchinson Cancer Research Center	1R01HL050655-01A1	93.837	1,697
Cardiovascular Diseases Research	University of Rochester	1R01HL077478-01A1	93.837	993
Cardiovascular Diseases Research	University of Minnesota	2R01HL053560-13A1	93.837	(112)
Cardiovascular Diseases Research	University of California in Davis	7P01HL080101-04	93.837	(2,125)
Cardiovascular Diseases Research	University of Washington	3U01HL077863-06S1	93.837	(6,670)
				<u>1,207,223</u>

See accompanying notes to schedule of expenditures of federal awards.

University of Alabama at Birmingham

Schedule of Expenditures of Federal Awards

Year Ended September 30, 2012

Federal Grantor	Pass-Through Grantor	Contract/Award or Pass-Through Num	CFDA Number	Total Expenditures
RESEARCH AND DEVELOPMENT CLUSTER, CONTINUED				
Department of Health and Human Services, continued				
Lung Diseases Research	University of Michigan	R01HL094230-01A1	93.838	\$ 200,099
Lung Diseases Research	Mayo Clinic Rochester	5 U01A1069544	93.838	81,105
Lung Diseases Research	REGENTS OF THE UNIVERSITY OF COLORADO	1U01HL02235-01A1	93.838	73,142
Lung Diseases Research	REGENTS OF THE UNIVERSITY OF MINNESOTA	U01HL074424	93.838	145,858
Lung Diseases Research	University of Colorado Health Sciences Center	3P50HL084923-05S1	93.838	77,790
Lung Diseases Research	University of Pennsylvania	5U01HL086622-03	93.838	35,030
Lung Diseases Research	Duke University	1U01HL080413-01	93.838	19,627
Lung Diseases Research	University of Maryland	5R01HL084223-05	93.838	11,582
Lung Diseases Research	University of Pennsylvania	5R01HL08169-02	93.838	8,984
Lung Diseases Research	Brigham & Women's Hospital	1R01HL107246	93.838	8,599
Lung Diseases Research	Children's Hospital of Philadelphia	5R01HL098087-02	93.838	4,289
Lung Diseases Research	University of Pennsylvania	5R01HL087150-02	93.838	423
Lung Diseases Research	Medical College of Wisconsin	5R01HL095410-02	93.838	(3,388)
				863,140
Blood Diseases and Resources Research	Baylor College of Medicine	7R01HL095647-03	93.839	76,785
Blood Diseases and Resources Research	St. Jude Children's Research Hospital	5 U01HL78787-02	93.839	46
Blood Diseases and Resources Research	St. Jude Children's Research Hospital	5R01HL095647-02	93.839	(2,320)
				74,511
Arthritis, Musculoskeletal and Skin Diseases Research	University of Washington	1U01AR057954-01	93.846	346,840
Arthritis, Musculoskeletal and Skin Diseases Research	Children's Hospital Medical Center Cincinnati OH	5P60AR047784-09	93.846	54
				347,354
Diabetes, Digestive, and Kidney Diseases Extramural Research	Cleveland Clinic Foundation	5U01DK082236-03	93.847	242,777
Diabetes, Digestive, and Kidney Diseases Extramural Research	Washington University in St Louis	5U01DK082315-03	93.847	206,752
Diabetes, Digestive, and Kidney Diseases Extramural Research	University of California in San Diego	7R01DK084063-02	93.847	193,117
Diabetes, Digestive, and Kidney Diseases Extramural Research	Mount Sinai School of Medicine	5U54DK083909-03	93.847	157,205
Diabetes, Digestive, and Kidney Diseases Extramural Research	Pennington Biomedical Research Center	9R01DK089641	93.847	103,315
Diabetes, Digestive, and Kidney Diseases Extramural Research	Cleveland Clinic Foundation	5U01DK082236	93.847	103,125
Diabetes, Digestive, and Kidney Diseases Extramural Research	University of Texas Southwestern Medical Center	5U01DK085369-12	93.847	82,145
Diabetes, Digestive, and Kidney Diseases Extramural Research	Mayo Clinic Rochester	5U01DK056957-11	93.847	77,581
Diabetes, Digestive, and Kidney Diseases Extramural Research	DISCOVERY BIOMED LLC	2R44DK084658-02A1	93.847	61,374
Diabetes, Digestive, and Kidney Diseases Extramural Research	APOIMMUNE INC	1R41DK081296-01A2	93.847	61,009
Diabetes, Digestive, and Kidney Diseases Extramural Research	New England Research Institute	U01DK058229-10	93.847	44,765
Diabetes, Digestive, and Kidney Diseases Extramural Research	Kaiser Foundation Research Institute	1R01DK084997-01A1	93.847	41,167
Diabetes, Digestive, and Kidney Diseases Extramural Research	Columbia University in the City of New York	5R01DK052431-18	93.847	37,412
Diabetes, Digestive, and Kidney Diseases Extramural Research	Mayo Clinic Rochester	1R01DK079856-01A2	93.847	31,498
Diabetes, Digestive, and Kidney Diseases Extramural Research	Emory University	1DP3DK094346-01	93.847	24,274
Diabetes, Digestive, and Kidney Diseases Extramural Research	Mayo Clinic Rochester	5U01DK056957-12	93.847	19,814
Diabetes, Digestive, and Kidney Diseases Extramural Research	Children's Hospital Medical Center Cincinnati OH	2UM1DK072493-06	93.847	15,180
Diabetes, Digestive, and Kidney Diseases Extramural Research	University of Pittsburgh	1R01DK77906-01A2	93.847	11,288
Diabetes, Digestive, and Kidney Diseases Extramural Research	MEDICAL UNIVERSITY OF SOUTH CAROLINA	1R21DK084413-01	93.847	10,711
Diabetes, Digestive, and Kidney Diseases Extramural Research	MEDICAL UNIVERSITY OF SOUTH CAROLINA	5R01DK080234-03	93.847	10,428
Diabetes, Digestive, and Kidney Diseases Extramural Research	Wayne State University	2U01DK074062-06	93.847	5,297
Diabetes, Digestive, and Kidney Diseases Extramural Research	Children's Hospital Medical Center Cincinnati OH	5R01DK080020-03	93.847	4,837
Diabetes, Digestive, and Kidney Diseases Extramural Research	Children's Hospital Medical Center Cincinnati OH	5R01DK080020-05	93.847	3,225
Diabetes, Digestive, and Kidney Diseases Extramural Research	Children's Hospital Medical Center Cincinnati OH	U01DK072493	93.847	2,256
Diabetes, Digestive, and Kidney Diseases Extramural Research	Mayo Clinic Rochester	5U01DK056957-10	93.847	1,063
Diabetes, Digestive, and Kidney Diseases Extramural Research	Massachusetts General Hospital	2R01DK078616-04	93.847	588
Diabetes, Digestive, and Kidney Diseases Extramural Research	University of Texas Southwestern Medical Center	2U01DK085369-11	93.847	439
Diabetes, Digestive, and Kidney Diseases Extramural Research	University of Pennsylvania	5R01DK089738-03	93.847	(3,615)
Diabetes, Digestive, and Kidney Diseases Extramural Research	Wayne State University	5U01DK074062-03	93.847	(7,287)
				1,541,740
Extramural Research Programs in the Neurosciences and Neurological Disorders	University of Medicine & Dentistry of New Jersey	5R01NS038384-10	93.853	784,659
Extramural Research Programs in the Neurosciences and Neurological Disorders	Mount Sinai School of Medicine	5U01NS045719-07	93.853	739,065
Extramural Research Programs in the Neurosciences and Neurological Disorders	University of British Columbia	2 U01NS038529-09	93.853	619,383
Extramural Research Programs in the Neurosciences and Neurological Disorders	University of Medicine & Dentistry of New Jersey	2R01NS038384-12	93.853	398,411
Extramural Research Programs in the Neurosciences and Neurological Disorders	Massachusetts General Hospital	5P50NS037409	93.853	373,088
Extramural Research Programs in the Neurosciences and Neurological Disorders	Arizona State University	7R01NS061846-04	93.853	346,434
Extramural Research Programs in the Neurosciences and Neurological Disorders	University of Wisconsin in Madison	5P01NS042803-09	93.853	335,851
Extramural Research Programs in the Neurosciences and Neurological Disorders	BOSTON MEDICAL CENTER	1R01NS070307-01A1	93.853	152,195
Extramural Research Programs in the Neurosciences and Neurological Disorders	Johns Hopkins University	7R01NS075047-02	93.853	103,454
Extramural Research Programs in the Neurosciences and Neurological Disorders	University of Chicago	1R01NS069997-01	93.853	97,811
Extramural Research Programs in the Neurosciences and Neurological Disorders	THE UNIVERSITY OF CALIFORNIA	1U01NS053998	93.853	81,854
Extramural Research Programs in the Neurosciences and Neurological Disorders	University of Texas Health Science Ctr at Houston	5P50NS044227-07	93.853	57,971
Extramural Research Programs in the Neurosciences and Neurological Disorders	Mount Sinai School of Medicine	U01NS045719	93.853	54,942
Extramural Research Programs in the Neurosciences and Neurological Disorders	YALE UNIV	5R01NS053865-05	93.853	46,297
Extramural Research Programs in the Neurosciences and Neurological Disorders	University of California in San Francisco	1U01NS058634-01A2	93.853	46,073
Extramural Research Programs in the Neurosciences and Neurological Disorders	University of Medicine & Dentistry of New Jersey	R01NS38384	93.853	41,299
Extramural Research Programs in the Neurosciences and Neurological Disorders	MEDICAL UNIVERSITY OF SOUTH CAROLINA	1U01NS058728-01A1	93.853	38,434
Extramural Research Programs in the Neurosciences and Neurological Disorders	Johns Hopkins University	5 R01NS046309-06	93.853	32,916
Extramural Research Programs in the Neurosciences and Neurological Disorders	Washington University in St Louis	5U01NS042804-06	93.853	30,194
Extramural Research Programs in the Neurosciences and Neurological Disorders	University of Florida	R01NS073346	93.853	24,776
Extramural Research Programs in the Neurosciences and Neurological Disorders	Children's Hospital Medical Center Cincinnati OH	2U01NS045911-06A2	93.853	17,881
Extramural Research Programs in the Neurosciences and Neurological Disorders	THE REGENTS OF THE UNIVERSITY OF CALIFORNIA	R01NS07163	93.853	14,692
Extramural Research Programs in the Neurosciences and Neurological Disorders	GEORGE MASON UNIVERSITY	1R21NS070740-01A1	93.853	12,265
Extramural Research Programs in the Neurosciences and Neurological Disorders	YALE UNIV	2U01NS044876-06	93.853	11,706
Extramural Research Programs in the Neurosciences and Neurological Disorders	University of Texas Health Science Ctr at Houston	3P50NS044227-08S1	93.853	8,974
Extramural Research Programs in the Neurosciences and Neurological Disorders	University of South Carolina Research Foundation	1R01NS061846	93.853	6,895
Extramural Research Programs in the Neurosciences and Neurological Disorders	Massachusetts General Hospital	2P50NS037409-10A1	93.853	3,504
Extramural Research Programs in the Neurosciences and Neurological Disorders	University of Cincinnati	2U01NS052220-06	93.853	3,475
Extramural Research Programs in the Neurosciences and Neurological Disorders	Yale University School of Medicine	1R01NS053856-01A2	93.853	1,536
Extramural Research Programs in the Neurosciences and Neurological Disorders	UNIVERSITY OF MIAMI	1R01NS069938-01	93.853	1,464
Extramural Research Programs in the Neurosciences and Neurological Disorders	Case Western University	5R01NS018400-26	93.853	740
Extramural Research Programs in the Neurosciences and Neurological Disorders	Massachusetts General Hospital	5R01NS052592-03	93.853	445
Extramural Research Programs in the Neurosciences and Neurological Disorders	University of California in San Diego	P50NS044148-07	93.853	11
Extramural Research Programs in the Neurosciences and Neurological Disorders	REGENTS OF THE UNIVERSITY OF MINNESOTA	1U01NS062091-01A2	93.853	(3,684)
Extramural Research Programs in the Neurosciences and Neurological Disorders	University of Wisconsin in Madison	5P01NS042803-08	93.853	(8,1342)
				4,403,404

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, 2012

Federal Grantor	Pass-Through Grantor	Contract/Award or Pass-Through Num	CFDA Number	Total Expenditures
RESEARCH AND DEVELOPMENT CLUSTER, CONTINUED				
Department of Health and Human Services, continued				
Allergy, Immunology and Transplantation Research	Fred Hutchinson Cancer Research Center	5U01A1068614	93.855	\$ 809,883
Allergy, Immunology and Transplantation Research	Emory University	2R01A1064060-06A1	93.855	566,320
Allergy, Immunology and Transplantation Research	Emory University	U01A1084150-01	93.855	468,211
Allergy, Immunology and Transplantation Research	Duke University	5U19A1067854-07	93.855	424,562
Allergy, Immunology and Transplantation Research	University of North Carolina at Chapel Hill	3U54A105757-07	93.855	360,719
Allergy, Immunology and Transplantation Research	Florida State University	1P01A1074805-01A1FSU#227000-520-02	93.855	342,306
Allergy, Immunology and Transplantation Research	OKLAHOMA MEDICAL RESEARCH FOUNDATION	1P01A1083194-01	93.855	258,814
Allergy, Immunology and Transplantation Research	Social & Scientific Systems Inc	UM1A1068636-06	93.855	225,225
Allergy, Immunology and Transplantation Research	University of Pennsylvania	1U01A1082211-01	93.855	217,694
Allergy, Immunology and Transplantation Research	Brigham & Women's Hospital	7UM1A1068636-07	93.855	174,491
Allergy, Immunology and Transplantation Research	University of California in Davis	1R01A1097629-01	93.855	149,580
Allergy, Immunology and Transplantation Research	University of Minnesota	1U19A107019-06	93.855	137,287
Allergy, Immunology and Transplantation Research	University of Texas at El Paso	5R01A1077413-02	93.855	83,925
Allergy, Immunology and Transplantation Research	University of Pennsylvania	5U01A1082211-04	93.855	83,095
Allergy, Immunology and Transplantation Research	Johns Hopkins University	1U01A1069918-06	93.855	73,024
Allergy, Immunology and Transplantation Research	THE REGENTS OF THE UNIVERSITY OF CALIFORNIA	5U01A1083005	93.855	60,184
Allergy, Immunology and Transplantation Research	University of North Carolina at Chapel Hill	7UM1A1069455-06	93.855	56,783
Allergy, Immunology and Transplantation Research	University of Minnesota	1U19A107019-01	93.855	56,636
Allergy, Immunology and Transplantation Research	University of Rochester	5P01A1078907-02	93.855	53,123
Allergy, Immunology and Transplantation Research	ALBANY MEDICAL COLLEGE	R01A1075193	93.855	50,951
Allergy, Immunology and Transplantation Research	Duke University	5U19A1056363-08	93.855	47,055
Allergy, Immunology and Transplantation Research	Microbiotix, Inc	1R43A1082799-01	93.855	41,985
Allergy, Immunology and Transplantation Research	University of Pennsylvania	5P01A1071739	93.855	32,802
Allergy, Immunology and Transplantation Research	Medical College of Wisconsin	5R01A1078173-07	93.855	19,688
Allergy, Immunology and Transplantation Research	CHILDREN'S HOSPITAL BOSTON	1U01A1077816-03	93.855	19,604
Allergy, Immunology and Transplantation Research	GEORGE MASON UNIVERSITY	2R01A10043894-1A2	93.855	15,996
Allergy, Immunology and Transplantation Research	Johns Hopkins University	1U01A1069918-07	93.855	15,794
Allergy, Immunology and Transplantation Research	Virginia Commonwealth University	1R56A1081837-01A1	93.855	10,578
Allergy, Immunology and Transplantation Research	THE REGENTS OF THE UNIVERSITY OF CALIFORNIA	1R01A1097629	93.855	8,277
Allergy, Immunology and Transplantation Research	Microbiotix, Inc	2R44A1082799	93.855	8,236
Allergy, Immunology and Transplantation Research	Duke University	5U19A1067854-06	93.855	6,710
Allergy, Immunology and Transplantation Research	Duke University	2U19A1056363-07 C09-ALE02	93.855	4,139
Allergy, Immunology and Transplantation Research	Emory University	2R01A107002-06A1	93.855	3,528
Allergy, Immunology and Transplantation Research	Duke University	2U19A1056363-06	93.855	2,068
Allergy, Immunology and Transplantation Research	Natl Childhood Cancer Foundation	U54A1082973	93.855	590
Allergy, Immunology and Transplantation Research	Social & Scientific Systems Inc	1U01A1068636-01	93.855	(300)
Allergy, Immunology and Transplantation Research	Duke University	2U19A1056363-06 C09-ALE02	93.855	(605)
Allergy, Immunology and Transplantation Research	The Feinstein Institute for Medical Research	U19A1056362	93.855	(39,083)
				4,849,863
Biomedical Research and Research Training	University of Chicago	1R01GM096191-01	93.859	131,114
Biomedical Research and Research Training	Technion (Israel Institute of Technology) R&D Foundatio	1R01GM094792-02	93.859	71,962
Biomedical Research and Research Training	Technion (Israel Institute of Technology) R&D Foundatio	1R01GM094792-01A1	93.859	71,417
Biomedical Research and Research Training	University of Georgia	5P01GM0853404	93.859	58,498
Biomedical Research and Research Training	SOLUBLE THERAPEUTICS, LLC	2R42GM088958-02	93.859	43,461
Biomedical Research and Research Training	University of Pittsburgh	5P50GM076659-05	93.859	17,256
Biomedical Research and Research Training	University of Pennsylvania	1R01GM088566-01	93.859	11,314
Biomedical Research and Research Training	Children's Hospital Medical Center Cincinnati OH	5R01GM064619-03	93.859	289
				405,311
Population Research	YALE UNIV	5U10HD055925-04	93.864	101,816
Population Research	University of California in San Francisco	1R01HD05438-01A2	93.864	100,520
Population Research	MAGEE-WOMEN'S RESEARCH INSTITUTE & FOUND	K12HD043441	93.864	3,187
				205,523
Child Health and Human Development Extramural Research	Harvard School of Public Health	5U01HD052102-02	93.865	279,434
Child Health and Human Development Extramural Research	VIRGINIA POLYTECHNIC INSTITUTE AND STATE UNIV	7U01HD044253-08	93.865	131,879
Child Health and Human Development Extramural Research	Pennsylvania State University (The)	1R01HD066982-01	93.865	63,383
Child Health and Human Development Extramural Research	University of Maryland	1R01HD067126	93.865	60,513
Child Health and Human Development Extramural Research	University of Utah	5K12HD047349-08	93.865	53,403
Child Health and Human Development Extramural Research	Duke University	1R01HD057956-01	93.865	50,790
Child Health and Human Development Extramural Research	University of Utah	5K12HD047349-09	93.865	26,025
Child Health and Human Development Extramural Research	THE REGENTS OF THE UNIVERSITY OF CALIFORNIA	K12 HD000849	93.865	21,600
Child Health and Human Development Extramural Research	Children's Hospital Medical Center Cincinnati OH	5R01HD059140-02	93.865	10,094
Child Health and Human Development Extramural Research	University of Texas Southwestern Medical Center	5U01HD042652-05S2	93.865	9,340
Child Health and Human Development Extramural Research	University of Michigan	2U01HD041249-06	93.865	7,512
Child Health and Human Development Extramural Research	University of Maryland	1R01HD067126	93.865	3,762
Child Health and Human Development Extramural Research	RTI International	5U10HD034216-15	93.865	(9,055)
				708,880
Aging Research	University of Iowa	1R01AG033035-01A2	93.866	370,566
Aging Research	University of Florida	9R01AG033906-06	93.866	337,072
Aging Research	University of Pennsylvania	3U01AG030644-02S3	93.866	189,765
Aging Research	University of Southern California	1R01AG037561-01A1	93.866	162,448
Aging Research	University of Kentucky Research Foundation	1R01AG034605	93.866	143,589
Aging Research	Alzheimer's Disease Cooperative Study	2U01AG24904-06	93.866	106,467
Aging Research	University of California in San Francisco	R01AG033592	93.866	27,176
Aging Research	University of Pennsylvania	1R01AG037679-01A1	93.866	26,869
Aging Research	University of Louisville Research Foundation, Inc	5R01AG024040-03	93.866	7,740
Aging Research	REGENTS OF THE UNIVERSITY OF MINNESOTA	7R01AG031846-04	93.866	3,873
Aging Research	University of Rochester	5R01AG029804-02	93.866	1,309
Aging Research	Alzheimer's Disease Cooperative Study	U01AG10483	93.866	1,051
Aging Research	Alzheimer's Disease Cooperative Study	U01AG024904	93.866	(85,743)
				1,292,182
Vision Research	Emory University	5U10EY013272-07	93.867	274,476
Vision Research	University of California in San Diego	2U10EY14267-06	93.867	213,348
Vision Research	University of California in San Diego	1R01EY019869-01	93.867	123,814
Vision Research	Duke University	1R01EY018405-01	93.867	104,238
Vision Research	Wake Forest University School of Medicine	R01HL098445	93.867	89,210
Vision Research	SMART ENGINEERING	1R43EY021408-01	93.867	65,804
Vision Research	Duke University	1R01EY019126-01	93.867	50,505
Vision Research	Jaeb Center for Health Research Inc	U10EY11751	93.867	32,012
Vision Research	Wake Forest University School of Medicine	1R01HL098445-02	93.867	30,505
Vision Research	THE REGENTS OF THE UNIVERSITY OF CALIFORNIA	R21EY019566	93.867	22,846
Vision Research	St Luke's Roosevelt Hospital Center	1U10EY017281-01A1	93.867	12,181
				1,007,519

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, 2012

Federal Grantor	Pass-Through Grantor	Contract/Award or Pass-Through Num	CFDA Number	Total Expenditures
RESEARCH AND DEVELOPMENT CLUSTER, CONTINUED				
Department of Health and Human Services, continued				
HIV Care Formula Grants	United Way of Central Alabama Inc	2X07HA00049-16-00(13-KD8-07)	93.917	\$ 73,374
Cooperative Agreements for State-Based Comprehensive Breast and Cervical Cancer Earl	Alabama Dept of Public Health	3U58DP000825-04W1	93.919	23,987
HIV Prevention Activities_Health Department Based	Alabama Dept of Public Health	1U62PS003632-01 PS12-1201	93.940	341,399
HIV Prevention Activities_Health Department Based	Alabama Dept of Public Health	CDC-RFA-PS10-10138	93.940	306,315
				<u>647,714</u>
Block Grants for Prevention and Treatment of Substance Abuse	Jefferson Blount St Clair Mental Health/MR Authori	B1 AL SAFT	93.959	176,111
International Research and Research Training	UNIV OF ZAMBIA	1R24TW008873-01 REVISED	93.989	143,789
International Research and Research Training	Vanderbilt University	5R24 TW007988-04	93.989	60,123
International Research and Research Training	University of Washington	5U2TW007374-02	93.989	35,644
International Research and Research Training	Vanderbilt University	5 D43 TW001035-11	93.989	24,139
International Research and Research Training	Vanderbilt University	R24 TW007988	93.989	21,904
International Research and Research Training	Vanderbilt University	5D43TW001035-13	93.989	8,195
International Research and Research Training	THE FLORIDA INTL UNIVERSITY OF BOARD OF TRUSTEES	1D43TW009125-01	93.989	2,498
International Research and Research Training	Vanderbilt University	5 D43 TW001035-11S1	93.989	(395)
				<u>295,887</u>
Contract	Westat Corporation	N01-DH-3-3345	93.	406,767
Contract	Social & Scientific Systems Inc	BRS-ACURE-S-11-000054-001217	93.	223,039
Contract	University of California in San Francisco	N01-AI-40074	93.	147,748
Contract	University of Pennsylvania	HHSN266200800003C	93.	135,714
Contract	FISHER BIOSERVICE INCORPORATED	N02-CN-43312	93.	79,973
Contract	Duke University	HHSN272200900023C	93.	66,523
Contract	University of California in San Francisco	N01-AI-15416	93.	66,087
Contract	University of Rochester	HHSN27220120000SC	93.	50,318
Contract	RAND Corporation	HHSN-500-2005-000281	93.	32,726
Contract	EMMES Corporation	HHS-N-260-2005-00007-C	93.	25,219
Contract	Emory University	6-38416-G3	93.	20,770
Contract	University of Texas Southwestern Medical Center	N01-HB-07159	93.	20,133
Contract	Washington University in St Louis	HHSN261201000061C	93.	12,312
Contract	University of Michigan	NHBL-HV-10-14/HHSN268201100026C	93.	10,740
Contract	University of Wisconsin in Madison	N01-CN-35153	93.	9,159
Contract	ROCKLAND IMMUNOCHEMICALS, INC	HHSN261201100104C	93.	7,802
Contract	University of California in San Francisco	HHSN26620040074C	93.	6,736
Contract	New England Research Institute	N 01 HC45207	93.	2,542
Contract	University of Pittsburgh	N01-AR-4-2273	93.	1,324
Contract	Saint Louis University	N01-AI-45250	93.	788
Contract	Harvard Pilgrim Health Care, Inc.	HHSF223200910006I	93.	522
Contract	Broad Institute	HHSN268200625226C	93.	376
Contract	University of Pittsburgh	UNKNOWN	93.	(3,919)
Unknown	University of Texas Health Science Ctr at Houston	U01HL077863-06S2	93.	426,451
Unknown	RTI International	1U01HD069031	93.	233,384
Unknown	Georgetown University	U10HD036801	93.	196,902
Unknown	Family Health International	U01AID86619	93.	182,290
Unknown	University of California in San Diego	CTA-12-UAB-(NGF)M-001DC5	93.	131,724
Unknown	LEGACY RESEARCH	R01EY18926	93.	99,226
Unknown	NEW ENGLAND RESEARCH INSTITUTES INC	U01DK8234	93.	87,208
Unknown	Alabama Dept of Public Health	C20119146	93.	69,923
Unknown	American College of Radiology	U10CA21661	93.	57,915
Unknown	The Children's Mercy Hospital	04-0023	93.	46,191
Unknown	HEALTH SERVICE CENTER	H97HA15149	93.	40,498
Unknown	University of Maryland	1U01NS069208-01	93.	27,565
Unknown	Social & Scientific Systems Inc	BRS-IPHRM-S-08-00056	93.	27,337
Unknown	University of South Florida	U01 DK061055	93.	26,899
Unknown	HEALTH SERVICE CENTER	SP105064	93.	16,919
Unknown	HEALTH SERVICE CENTER	SP016400	93.	15,856
Unknown	Waikato Forest University School of Medicine	U01AG029824	93.	15,159
Unknown	HEALTH SERVICE CENTER	SP017302	93.	14,943
Unknown	Emory University	U54NS065701	93.	14,460
Unknown	CELLEX INC	1R44AI082728-02	93.	14,421
Unknown	RTI International	0212789	93.	10,417
Unknown	University of California Los Angeles	1R21AR057913-01	93.	8,872
Unknown	Joslin Diabetes Center, Inc	5U01DK074556-03	93.	8,637
Unknown	Boston University Medical Campus	2 R01 AG09029-11A2	93.	7,023
Unknown	American College of Radiology	CA80098	93.	6,243
Unknown	Jaeb Center for Health Research Inc	UNKNOWN	93.	6,015
Unknown	Columbia University in the City of New York	U01NS051483	93.	4,929
Unknown	LEGACY RESEARCH	R01EY19333	93.	4,191
Unknown	Southern Research Institute	1R01CA124531-04	93.	1,743
Unknown	Cornell University	5U01NS0324-03	93.	1,227
Unknown	Duke University	1 U01 HL63747-01A2	93.	(515)
Unknown	Georgetown University	U54NS057405-04	93.	(652)
Total Pass-Through				<u>27,783,098</u>
ARRA Direct				
ARRA - 3U01HD040533-09S1			93.701	2,643,762
ARRA - 5RC2AR058964-02			93.701	1,196,079
ARRA - 3FP0MD000502-08S1			93.701	864,540
ARRA - 1P30DE020744-01			93.701	769,965
ARRA - 5RC2AR058951-02			93.701	578,288
ARRA - 3FP0CA013148-38S9			93.701	535,586
ARRA - 1P01AI083027-02			93.701	500,840
ARRA - 1RC2MD004778-02			93.701	428,904
ARRA - 5RC2EB011412-02			93.701	414,826
ARRA - 1R01HD054960-01A2			93.701	398,818
ARRA - 3R01AI071906-03S1			93.701	387,912
ARRA - 3P30CA013148-38S5			93.701	376,881
ARRA - 3U01AI069452-04S1			93.701	353,881
ARRA - 3U01NS042685-04S1			93.701	321,662
ARRA - 7R01AR055307-03			93.701	319,705
ARRA - 3R24AI067039-04S1			93.701	295,203
ARRA - 5P30NS069324-02			93.701	258,243
ARRA - 7RC1DE020533-03			93.701	255,309

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, 2012

Federal Grantor	Pass-Through Grantor	Contract/Award or Pass-Through Num	CFDA Number	Total Expenditures
RESEARCH AND DEVELOPMENT CLUSTER, CONTINUED				
Department of Health and Human Services, continued				
ARRA - 5R0DK082548-02			93.701	\$ 244,056
ARRA - 3R01DE017954-03S1			93.701	246,838
ARRA - 5P30CA147858-02			93.701	200,968
ARRA - 1R01ES014948-01A2			93.701	188,045
ARRA - 1P30EB011319-02			93.701	161,555
ARRA - 3R01HL092173-02S2			93.701	134,423
ARRA - 5R01NS046653-07			93.701	116,859
ARRA - 5RC1TW008467-02			93.701	115,729
ARRA - 1R21CA137519-01			93.701	113,278
ARRA - 3U54CA18948-04S2			93.701	100,471
ARRA - 1R01CA137091-01A1			93.701	86,467
ARRA - 3R01GM082952-02S1			93.701	85,998
ARRA - 1R01A1068917-01A2			93.701	82,321
ARRA - 7R01A1080349-03			93.701	69,979
ARRA - 5RC1NS068910-02			93.701	69,400
ARRA - 1R01HL094518-01A1			93.701	65,332
ARRA - 3R56A1081775-01A1S1			93.701	62,876
ARRA - 3U54CA18948-04S1			93.701	61,779
ARRA - 3R01GM069681-05S1			93.701	58,668
ARRA - 3UL1R025777-02S1			93.701	57,951
ARRA - 3R01HL085561-03S1			93.701	50,408
ARRA - 3P30DK079337-02S1			93.701	50,229
ARRA - 1R21HD061767-01			93.701	46,140
ARRA - 3R01AG031722-32S1			93.701	43,104
ARRA - 3R21EY018369-01A2S1			93.701	40,865
ARRA - 1R21DE019232-01A2			93.701	39,790
ARRA - 1R21A1083873-01			93.701	34,974
ARRA - 7R01CA133053-02			93.701	34,389
ARRA - 3R01GM081488-02S1			93.701	32,644
ARRA - 5R01EY006400-19			93.701	32,374
ARRA - 1R03HL095451-01A1			93.701	28,617
ARRA - 3R01HD053055-04S1			93.701	28,225
ARRA - 3R01HL092216-01A1S1			93.701	26,966
ARRA - 1R03HD057388-01A2			93.701	26,886
ARRA - 5R01NS052634-06			93.701	25,654
ARRA - 1R01HL097047-01			93.701	23,748
ARRA - 3P60DK079626-02S1			93.701	22,153
ARRA - 3K08CA102154-05S1			93.701	22,136
ARRA - 1R21A1081065-01A1			93.701	20,501
ARRA - 3R01A1071110-02S1			93.701	20,291
ARRA - 3P30DK056336-08S1			93.701	20,101
ARRA - 5R01GM083029-02			93.701	19,436
ARRA - 3P30CA013148-38S3			93.701	18,737
ARRA - 1R21A1083539-01			93.701	17,858
ARRA - 3P50CA089019-08S1			93.701	16,692
ARRA - 5R21DK075868-02			93.701	11,782
ARRA - 3R21HL088625-01A2S1			93.701	8,979
ARRA - 1R01A1083449-01			93.701	8,159
ARRA - 3P30CA013148-38S4			93.701	8,050
ARRA - 3R01NS064025-01A1S2			93.701	7,508
ARRA - 3R01EY005922-23S1			93.701	7,278
ARRA - 3R01NS057563-02S1			93.701	5,345
ARRA - 3U01DK063788-07S1			93.701	5,271
ARRA - 3P30HD038985-07S1			93.701	3,987
ARRA - 3R01NS031234-16S2			93.701	3,724
ARRA - 3U01NS041588-08S1			93.701	3,433
ARRA - 3K23AR053351-03S1			93.701	3,372
ARRA - 5RC2MH090221-02			93.701	2,424
ARRA - 3K23A1074390-03S1			93.701	2,154
ARRA - 3R01NS064025-01A1S1			93.701	1,985
ARRA - 1R01HL087824-01A2			93.701	1,844
ARRA - 3K02A1076123-04S1			93.701	1,493
ARRA - 3R01AA012153-08S1			93.701	1,322
ARRA - 5RC1MH088752-02			93.701	1,026
ARRA - 3R01GM033143-22S1			93.701	898
ARRA - 3K23A1069505-04S1			93.701	650
ARRA - 5R21RR025788-02			93.701	434
ARRA - 3R21AT004661-02S1			93.701	344
ARRA - 3R01GM081489-02S1			93.701	323
ARRA - 3R01GM081799-01S1			93.701	290
ARRA - 3K23EY017327-04S1			93.701	265
ARRA - 1R03HL097006-01			93.701	117
ARRA - 3R01EY018966-02S1			93.701	90
ARRA - 3R01NS050665-05S1			93.701	74
ARRA - 3P50CA097247-05S5			93.701	31
ARRA - 1R21RR025788-01			93.701	11
ARRA - 2R01NS052634-05			93.701	11
ARRA - 3P30DK072482-03S3			93.701	(24)
ARRA - 1RC1MH088752-01			93.701	(26)
ARRA - 1R56A1082249-01A2			93.701	(27)
ARRA - 3R01CA112169-04S1			93.701	(54)
ARRA - 1P01A1083027-01			93.701	(110)
ARRA - 3R01CA098932-05S1			93.701	(758)
ARRA - 3U10EY011754-11S1			93.701	(1,322)
ARRA - 3R01AG030228-04S1			93.701	(19,697)
ARRA - 3P30NS057098-05S1			93.701	(98,705)
				<u>13,908,246</u>
ARRA - 1K12HS01946501			93.715	589,577
ARRA - 1R18HS01923901			93.715	462,137
ARRA - 1T32HS01946301			93.715	196,103
				<u>1,247,817</u>
ARRA - HHSN268200900047C			93.	2,114,350
Total ARRA Direct				<u>17,270,413</u>

See accompanying notes to schedule of expenditures of federal awards.

University of Alabama at Birmingham

Schedule of Expenditures of Federal Awards

Year Ended September 30, 2012

Federal Grantor	Pass-Through Grantor	Contract/Award or Pass-Through Num	CFDA Number	Total Expenditures
RESEARCH AND DEVELOPMENT CLUSTER, CONTINUED				
Department of Health and Human Services, continued				
ARRA Pass-Through				
ARRA - U of Minn N00124301	University of Minnesota	5RC2MD004797-02	93.701	\$ 765,194
ARRA - MT SINAI 0256-91314609	Mount Sinai School of Medicine	3U01A1063594-07S1	93.701	240,178
ARRA - Cleveland Clinic PO 4389381	Cleveland Clinic Foundation	5U01DK082236-02S1	93.701	226,536
ARRA - MAYO CLIN 3U01A1069544-05S1	Mayo Clinic Rochester	1U01A1069544-05S1	93.701	149,597
ARRA - BRS-IMPCT-Q-06-00115-T010-ARRA	Social & Scientific Systems Inc	3U01A1068632-05S2	93.701	108,295
ARRA - DUKE 203-0666	Duke University	1UC4NR012584	93.701	90,485
ARRA - M 12A 11304 (AS0201)	YALE UNIV	3U01HD05925-02S1REVISED	93.701	55,799
ARRA - UF09227	University of Florida	3R01A0303906-06S1	93.701	54,183
ARRA - Univ of Vermont 23615 Amend 2	University of Vermont College of Medicine	5RC1HL099460-02	93.701	40,896
ARRA - U TX33188/98113850PO33513-2000	University of Texas MD Anderson Center	5RC2 CA148263-02	93.701	32,062
ARRA - HARVARD COLLEGE 114050.0009	Harvard School of Public Health	3U01HD052102-05S1	93.701	23,296
ARRA - U of MD,Balt - SR00001493	University of Maryland	3U01DK060397-08S2	93.701	17,649
ARRA - PITT 9004641, PROJ: 116858-7	University of Pittsburgh	3P50GM076659-04S1	93.701	12,866
ARRA - JHU Sub# 2000784929	Johns Hopkins University	3U01A1069918-04S1	93.701	10,934
ARRA - U TEX 10-113 UOSPC-0000000533	University of Texas Medical Branch	5U01A1082202-02 REVISED	93.701	10,199
ARRA - DUKE SPS# 165191174373	Duke University	RC2AR058934	93.701	6,324
ARRA - SEPULVEDA H-UAB-2	SEPULVEDA RESEARCH CORPORATION	1RC2HL101851-01	93.701	5,466
ARRA - USF 6408-1031-00-A	University of South Florida	1R01TW008508-01	93.701	3,039
ARRA - UAB-506012-PO# 3100183496	The Feinstein Institute for Medical Research	5RC2AR090902-02	93.701	2,971
ARRA - CHILD ONC GROUP 19192	Natl Childhood Cancer Foundation	3U01CA097452-07S2	93.701	2,648
ARRA - CMH09-0017	The Children's Mercy Hospital	3U01DK066143-07S1	93.701	2,427
ARRA - UCSD CTA# 12-UAB ADNI-GO	THE REGENTS OF THE UNIVERSITY OF CALIFORNIA	1RC-2A036535-01	93.701	2,273
ARRA - 0007248-C	University of Texas Health Science Ctr at Houston	3P50NS044227-07S3	93.701	2,214
ARRA - JHU ABTC 0903	Johns Hopkins University	U01CA137433	93.701	766
ARRA - UCIN 006467--PO# L10-4500043974	University of Cincinnati	R01NS039512	93.701	635
ARRA - WU-11-244--PO# 2911833P	Washington University in St Louis	3U01A1077810-02S1	93.701	373
ARRA - U OF MIAMI PO-M 154677	UNIVERSITY OF MIAMI	1R01HD060325-01	93.701	366
ARRA - WU-10-288/PO 2912171A	Washington University in St Louis	3U01DK082315-02S1	93.701	342
ARRA - U of Wis in Madison 182K14	University of Wisconsin in Madison	3 P01NS042803-07S1	93.701	90
ARRA - KAISER 115-9450-01	Kaiser Foundation Research Institute	1RC1A1086107-01	93.701	68
ARRA - 19233	Natl Childhood Cancer Foundation	3U01CA097452-07S1	93.701	(127)
ARRA - MIRIAM HOSP 710-7742005	Miriam Hospital	5U34DK083009-02	93.701	(147)
ARRA - NCCF 5927-1015	Natl Childhood Cancer Foundation	U54A1082973	93.701	(398)
ARRA - UM ASS 61161616/RFS900256	University of Massachusetts Worcester	3R01CA12909103S1	93.701	(462)
ARRA - BRS-IMPCT-S-10-000013-000581	Social & Scientific Systems Inc	3U01A1068632-05S1	93.701	(773)
ARRA - FEINSTEIN INST UAB-506012	The Feinstein Institute for Medical Research	5RC2AR090902-02	93.701	(1,785)
ARRA - OHIO ST 60028020/PO RF01219201	Ohio State University Research Foundation	RC2AR058950	93.701	(29,945)
ARRA - UNIV OF MICH 3001371170	University of Michigan	1RC1HL100245-01	93.701	(40,078)
				1,794,456
ARRA - 217197	Massachusetts General Hospital	R01HS019371	93.715	132,744
ARRA - 4213/ACCT# 432843/ORG10535	Rutgers, The State University of New Jersey	1R01HS020097-01	93.715	8,1497
				214,241
ARRA - ADPHC00113269	Alabama Dept of Public Health	GC# 10-469/C00113269	93.724	95,000
ARRA - MUSC10-116	MEDICAL UNIVERSITY OF SOUTH CAROLINA	HHSN75200800014C	93.	634,822
ARRA - SRI S10-005	Southern Research Institute	N01-CO-12400	93.	194,470
Total ARRA Pass-Through				2,932,989
Total Department of Health and Human Services				259,530,564
Corporation for National and Community Services				
Direct				
Contract # HHSN272201000027			94.	394,630
Total Direct				394,630
Pass-Through				
Contract	American College of Radiology	UNKNOWN	94.	6,720
Total Pass-Through				6,720
Total Corporation for National and Community Services				401,350
Department of Homeland Security				
Pass-Through				
Unknown	Cazador LLC	DNDO	97.	131,790
Total Pass-Through				131,790
Total Department of Homeland Security				131,790
U. S. Agency for International Development				
Pass-Through				
USAID Development Partnerships for University Cooperation and Development	University of Georgia	ECGA00070000100	98.012	205,946
Unknown	Int'l Aids Vaccine Initiative	GPO-A-00-06-000006-00	98.	68,143
Unknown	FUTURES GROUP	AID-OAA-A-10-00067	98.	20,842
Total Pass-Through				294,931
Total U. S. Agency for International Development				294,931
TOTAL RESEARCH AND DEVELOPMENT CLUSTER				\$ 293,038,533
STUDENT FINANCIAL AID CLUSTER				
Department of Education				
Direct				
Federal Supplemental Education Opportunity Grant			84.007	533,806
Federal Work-Study Program			84.033	1,243,483
Federal Pell Grant			84.063	17,037,465
Direct Student Loans			84.268	130,038,922
Teacher Education Assistance for College and Higher Education Grants (TEACH)			84.379	150,750
Total Direct				149,004,426
Total Department of Education				149,004,426
Department of Health and Human Services				
Direct				
Scholarships for Health Professions Students from Disadvantaged Backgrounds			93.925	363,014
Total Direct				363,014
Total Department of Health and Human Services				363,014
TOTAL STUDENT FINANCIAL AID CLUSTER				\$ 149,367,440

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, 2012

Federal Grantor	Pass-Through Grantor	Contract/Award or Pass-Through Num	CFDA Number	Total Expenditures
ELIZABETH GLASER				
Department of Health and Human Services				
Pass-Through				
HIV Demonstration, Research, Public and Professional Education Projects	Elizabeth Glaser Pediatric AIDS Foundation	5U62PS123541-06	93.941	\$ 3,473,013
Total Pass-Through				3,473,013
Total Department of Health and Human Services				3,473,013
TOTAL ELIZABETH GLASER				
				\$ 3,473,013
HEAD START				
Department of Health and Human Services				
Direct				
Head Start			93.600	981,403
Total Direct				981,403
Total Department of Health and Human Services				981,403
TOTAL HEAD START				
				\$ 981,403
OTHER PROGRAMS				
Department of Agriculture				
Direct				
Scientific Cooperation and Research			10.961	2,748
Total Direct				2,748
Pass-Through				
1890 Institution Capacity Building Grants	Tuskegee University	2008-38820-04798	10.216	678
Child and Adult Care Food Program	Alabama Dept of Education	ADS-0000	10.558	14,866
Total Pass-Through				15,544
Total Department of Agriculture				18,292
Department of Commerce				
Direct				
Congressionally-Identified Projects			11.617	50,414
Total Direct				50,414
Pass-Through				
Economic Adjustment Assistance	ECONOMIC DEVELOPMENT PARTNERSHIP OF ALAB	04-69-06532	11.307	113,913
Total Pass-Through				113,913
Total Department of Commerce				164,327
Department of Defense				
Direct				
Contract - Post 9/11 GI Bill			12.	2,894,011
Contract # F33600-00-A-0067			12.	466,787
Contract - Health Profession Students			12.	281,294
Contract - Navy Unknown			12.	208,412
Contract - Go Army			12.	94,652
Contract # FA4417-11-P-R045			12.	85,952
Contract - Medical Department Center and School			12.	50,511
Contract - Army Corp of Engineers			12.	9,390
Contract - Alabama Army National Guard			12.	5,750
Contract - Air Force Unknown			12.	2,250
Total Direct				4,099,009
Total Department of Defense				4,099,009
Department of Housing and Urban Development				
Direct				
Supportive Housing Program			14.235	664,109
Total Direct				664,109
Total Department of Housing and Urban Development				664,109
Department of Justice				
Direct				
Congressionally Recommended Awards			16.753	251,769
Total Direct				251,769
Total Department of Justice				251,769
Department of State				
Direct				
Professional and Cultural Exchange Programs - Citizen Exchanges			19.415	294,219
Total Direct				294,219
Total Department of State				294,219
Department of Transportation				
Direct				
National Highway Traffic Safety Administration (NHTSA) Discretionary Safety Grants			20.614	369,512
Total Direct				369,512
Total Department of Transportation				369,512
Department of Veterans Affairs				
Direct				
Contract - Intergovernmental Personnel Agreements			64.	70,216
Total Direct				70,216
Total Department of Veterans Affairs				70,216
Department of Energy				
Direct				
Energy Efficiency and Renewable Energy Information Dissemination, Outreach, Training			81.117	157,681
Total Direct				157,681

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, 2012

Federal Grantor	Pass-Through Grantor	Contract/Award or Pass-Through Num	CFDA Number	Total Expenditures
OTHER PROGRAMS, continued				
Department of Energy, continued				
Pass-Through				
Contract	Sandia National Laboratories	1f72341	81	\$ 5,000
Contract	Sandia National Laboratories	559386	81	(43)
Total Pass-Through				<u>4,857</u>
Total Department of Energy				162,538
Department of Education-TRIO Cluster				
Direct				
TRIO_Student Support Services			84.042	408,869
TRIO_McNair Post-Baccalaureate Achievement			84.217	<u>217,023</u>
Total Direct				625,892
Total Department of Education-TRIO Cluster				625,892
Department of Education				
Direct				
Bilingual Education			84.195	420,343
Graduate Assistance in Areas of National Need			84.200	150,659
Special Education - Personnel Development to Improve Services and Results for Childr			84.325	623,853
Special Education_Technical Assistance and Dissemination to Improve Services and Res			84.326	193,961
Teacher Quality Partnership Grants			84.336	(162)
Transition to Teaching			84.350	207,684
English Language Acquisition State Grants			84.365	<u>125,001</u>
Total Direct				1,721,339
Pass-Through				
Special Education_Grants to States	Alabama Dept of Education	UNKNOWN	84.027	58,368
Special Education_Grants to States	Alabama Dept of Education	UNKNOWN	84.027	24,000
Special Education_Grants to States	Alabama Dept of Education	P.L. 108-446	84.027	<u>22,119</u>
				104,487
Special Education - Personnel Development to Improve Services and Results for Childr	Salus University	H325V090001	84.325	61,835
Arts in Education	Birmingham City Schools	STRAIGHT A'S	84.351	3,763
M athematics and Science Partnerships	Alabama Dept of Education	PL 107-110 NCLB	84.366	2,004,632
M athematics and Science Partnerships	The University of Mississippi	4276	84.366	45,810
M athematics and Science Partnerships	Alabama Dept of Education	AM STI PL 107-110	84.366	(452)
				<u>2,049,990</u>
Improving Teacher Quality State Grants	Alabama Dept of Education	PL 107-10	84.367	394,500
Improving Teacher Quality State Grants	Alabama Comm on Hgher Education	P.L. 107-110	84.367	132,579
Improving Teacher Quality State Grants	Alabama Comm on Hgher Education	PL 107-110	84.367	94,008
Improving Teacher Quality State Grants	Alabama Comm on Hgher Education	UNKNOWN	84.367	64,659
Improving Teacher Quality State Grants	Alabama Dept of Education	C1U0264	84.367	19,658
Improving Teacher Quality State Grants	NATIONAL WRITING PROJECT	04-AL08-SEED2012	84.367	140
Improving Teacher Quality State Grants	Alabama Comm on Hgher Education	PL107-110	84.367	(12)
				<u>705,532</u>
School Improvement Grants	Alabama Dept of Education	PL107-110	84.377	156,261
School Improvement Grants	Alabama Dept of Education	PL107-110 SCHL IMPROVE 1003(G) FUND	84.377	675
				<u>156,936</u>
National Writing Project Corp	Alabama Dept of Education	NATIONAL WRITING PROJECT	84.928	<u>19,192</u>
Total Pass-Through				3,101,735
ARRA Pass-Through				
Independent Living Services for Older Individuals Who are Blind, Recovery Act	Alabama Dept of Rehabilitation Services	AE1087M S30	84.399	(564)
Total ARRA Pass-Through				<u>(564)</u>
Total Department of Education				4,822,510
Department of Health and Human Services				
Direct				
Training in General, Pediatric, and Public Health Dentistry			93.059	54,639
Global AIDS			93.067	1,244,909
Public Health Emergency Preparedness			93.069	646,188
Maternal and Child Health Federal Consolidated Programs			93.110	1,795,789
Oral Diseases and Disorders Research			93.121	12,491
Nurse Anesthetist Traineeships			93.124	44,250
Human Genome Research			93.172	74,085
Nursing Workforce Diversity			93.178	313,24
Disabilities Prevention			93.184	66,363
Research on Healthcare Costs, Quality and Outcomes			93.226	599
M ental Health Research Grants			93.242	(7,758)
Substance Abuse and Mental Health Services_Projects of Regional and National Signifi			93.243	742,230
Advanced Nursing Education Grant Program			93.247	1,022,214
Public Health Training Centers Program			93.249	592,376
Nurse Faculty Loan Program (NFLP)			93.264	292,686
The Affordable Care Act: Centers for Disease Control and Prevention_Investigations			93.283	325,462
Minority Health and Health Disparities Research			93.307	31,748
Advanced Education Nursing Traineeships			93.358	122,367
Nurse Education, Practice Quality and Retention Grants			93.359	345,779
National Center for Research Resources			93.389	637,818
Cancer Research Manpower			93.398	1,192,908
Affordable Care Act (ACA) Public Health Training Centers Program, Resources Developm			93.516	32,865
University Centers for Excellence in Developmental Disabilities Education, Research,			93.632	555,532
Health Careers Opportunity Program			93.822	232,899
Allergy, Immunology and Transplantation Research			93.855	14,596
Biomedical Research and Research Training			93.859	49,1909
Aging Research			93.866	2,761
Grants for Primary Care Training and Enhancement			93.884	220,802

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, 2012

Federal Grantor	Pass-Through Grantor	Contract/Award or Pass-Through Num	CFDA Number	Total Expenditures
OTHER PROGRAMS, continued				
Department of Health and Human Services, continued				
Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease			93.918	\$ 568,774
Ryan White HIV/AIDS Dental Reimbursement and Community Based Dental Partnership G			93.924	30,010
HIV Demonstration, Research, Public and Professional Education Projects			93.941	493,939
Prevention and Public Health Fund (PPHF) Public Health Traineeships			93.964	53,840
PPHF-2012 Geriatric Education Centers			93.969	220,670
Preventive Health Services, Sexually Transmitted Diseases Control Grants			93.977	139,080
Contract # 200-2011-40834			93.	74,338
Total Direct				<u>12,400,482</u>
Pass-Through				
Global AIDS	CENTRE FOR INFECTIOUS DISEASE RESEARCH IN Z	1U2G GH000226-01	93.067	494,205
Global AIDS	UNIV OF ZAMBIA	1U2GGH000109-01	93.067	27,845
				<u>522,050</u>
Public Health Emergency Preparedness	Alabama Dept of Public Health	2U90TP416978-11	93.069	6,087
Public Health Emergency Preparedness	Alabama Dept of Public Health	3UPOTP41697810W1	93.069	3,401
				<u>9,488</u>
Lifespan Respite Care Program	Alabama Dept of Senior Services	HHS-2009-AOA-LR-0916	93.072	7,644
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	Alabama Dept of Public Health	U52/CCU400489	93.116	47,211
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	Alabama Dept of Public Health	5U52PS400489-29	93.116	20,893
				<u>68,104</u>
Emergency Medical Services for Children	Alabama Dept of Public Health	H3MCO67B	93.127	21,316
AIDS Education and Training Centers	Emory University	5H4A HA00067-05	93.145	150,000
AIDS Education and Training Centers	Emory University	2H4HA00067-09-00	93.145	17,089
AIDS Education and Training Centers	University of South Florida	H4HA00049	93.145	11,241
				<u>178,330</u>
Substance Abuse and Mental Health Services, Projects of Regional and National Signifi	Jefferson Blount St Clair Mental Health/MR Authori	NONE-STATE CODE 8061-0000-1100 AND	93.243	329,136
Substance Abuse and Mental Health Services, Projects of Regional and National Signifi	Aids Alabama	1H79T019749-01	93.243	44,465
Substance Abuse and Mental Health Services, Projects of Regional and National Signifi	HEALTHSERVICE CENTER	T1018452	93.243	1,897
Substance Abuse and Mental Health Services, Projects of Regional and National Signifi	HEALTHSERVICE CENTER	T1017881	93.243	1,517
				<u>377,015</u>
Public Health Training Centers Program	TULANE UNIV HLTHSCI CTR	5UB6HP20201-02-00	93.249	100,068
The Affordable Care Act: Centers for Disease Control and Prevention, Investigations	Alabama Dept of Public Health	1U58DP001954-02	93.283	41,304
The Affordable Care Act: Centers for Disease Control and Prevention, Investigations	Alabama Dept of Public Health	1U01DP003150-01	93.283	8,763
The Affordable Care Act: Centers for Disease Control and Prevention, Investigations	Alabama Dept of Public Health	1U58DP001954-01	93.283	(269)
				<u>49,808</u>
National Center for Research Resources	Leland Stanford Junior University	3R25RR026011-02S1	93.389	1,317
Cancer Treatment Research	The Gynecologic Oncology Group	CA27469-31	93.395	9,313
Cancer Treatment Research	The Gynecologic Oncology Group	CA27469	93.395	5,311
				<u>14,624</u>
Affordable Care Act (ACA) Maternal, Infant, and Early Childhood Home Visiting Progra	Alabama Dept of Children's Affairs	UNKNOWN	93.505	99,247
Developmental Disabilities Basic Support and Advocacy Grants	Alabama Dept of Mental Health & Mental Retardation	ALBS 01	93.630	26
Children's Health Insurance Program	Alabama Dept of Public Health	750055	93.767	247,550
Lung Diseases Research	Duke University	012	93.838	76,529
Diabetes, Digestive, and Kidney Diseases Extramural Research	University of Miami	R01DK074687-04	93.847	11,579
Allergy, Immunology and Transplantation Research	Johns Hopkins University	1R01A1070018-01A2	93.855	57,147
National Bioterrorism Hospital Preparedness Program	Alabama Dept of Public Health	5U3REP090254-03-00	93.889	179,562
National Bioterrorism Hospital Preparedness Program	Mississippi Dept of Health	1U3REP090275-01-00	93.889	75,974
National Bioterrorism Hospital Preparedness Program	Alabama Dept of Public Health	U3REP090254-03-00	93.889	24,959
National Bioterrorism Hospital Preparedness Program	Alabama Dept of Public Health	5U3REP090254-02-00	93.889	184
				<u>280,679</u>
HIV Care Formula Grants	United Way of Central Alabama Inc	HRSA-10-055	93.917	676,320
HIV Care Formula Grants	United Way of Central Alabama Inc	13 KD8-07	93.917	462,014
				<u>1,138,334</u>
HIV Prevention Activities, Health Department Based	Alabama Dept of Public Health	U62/PSU423485	93.940	43,227
HIV Prevention Activities, Health Department Based	Alabama Dept of Public Health	C10114177	93.940	16,177
				<u>59,404</u>
Preventive Health Services, Sexually Transmitted Diseases Control Grants	Alabama Dept of Public Health	5H25PS001277-03	93.977	96,464
International Research and Research Training	UNIV OF ZAMBIA	1R24TW00887-01	93.989	22,750
International Research and Research Training	Vanderbilt University	5R24TW007988-05	93.989	15,215
				<u>37,965</u>
Preventive Health and Health Services Block Grant	Alabama Dept of Public Health	3B01DP009002-11W1	93.991	50,001
Maternal and Child Health Services Block Grant to the States	Alabama Dept of Public Health	B04M C21418	93.994	39,501
Maternal and Child Health Services Block Grant to the States	Alabama Dept of Public Health	C101140001	93.994	1,356
Maternal and Child Health Services Block Grant to the States	Alabama Dept of Public Health	B04MC152	93.994	90
				<u>40,947</u>
Contract	United Way of Central Alabama Inc	13-KD7-06	93.	102,459
Contract	Altamir Institute	HHSN268200900114U/GS-10F-0261K	93.	11,809
Contract	ASSOCIATION OF MATERNAL & CHILD HEALTH PROX	2011-01-01257-06	93.	9,692
Contract	University of Maryland	HHS-N-276-2011-00004-C	93.	8,728
Contract	Duke University	HHSN-2752-010000031	93.	4,746
Contract	University of Maryland	UNKNOWN	93.	1,233
Unknown	Int Society of Travel Medicine	1U50CK000189-01	93.	241,710

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, 2012**

<u>Federal Grantor</u>	<u>Pass-Through Grantor</u>	<u>Contract/Award or Pass-Through Num</u>	<u>CFDA Number</u>	<u>Total Expenditures</u>
OTHER PROGRAMS, continued				
<u>Department of Health and Human Services, continued</u>				
Unknown	Alabama Dept of Public Health	HHS-2010-ACF-YF-PREP-0125	93.	\$ 99,024
Unknown	Florida Certification Board	1UD T13590-10	93.	81,431
Unknown	Alabama Dept of Public Health	5U58DP000825	93.	49,945
Unknown	Alabama Dept of Public Health	HHSF22320100036C	93.	32,575
Unknown	SPINA BIFIDA ASSOCIATION	UNKNOWN	93.	32,308
Unknown	Alabama Dept of Public Health	BO4M C21418	93.	10,279
Unknown	OLMSTED MEDICAL CENTER	R01HS019408-01	93.	8,780
Unknown	NATIONAL REACH COALITION	NONE	93.	5,022
Unknown	Florida Certification Board	1UD T13590-09	93.	2,577
Unknown	Council of Graduate Schools	UNKNOWN	93.	1,256
Total Pass-Through				<u>4,249,210</u>
ARRA Direct				
ARRA - 2A22HP00011-12-00			93.124	15,575
ARRA - D5BHP20434			93.403	23,1297
ARRA - A0AHP16428			93.405	32,291
ARRA - 1U24OC000023			93.721	622,860
Total ARRA Direct				<u>902,023</u>
ARRA Pass-Through				
ARRA - USA 10-100146-04	University of South Alabama	9ORC0055	93.701	1,906
ARRA - C10114236	Alabama Dept of Public Health	3U58DP001954-01S2	93.723	1,244
ARRA - C10114236	Alabama Dept of Public Health	3U58DP001954-01S3	93.723	1,092
				<u>2,336</u>
Total ARRA Pass-Through				<u>4,242</u>
Total Department of Health and Human Services				<u>17,555,957</u>
<u>Department of Homeland Security</u>				
Pass-Through				
Homeland Security Grant Program	Alabama Dept of Public Health	OMRS	97.067	<u>38,255</u>
Total Pass-Through				<u>38,255</u>
Total Department of Homeland Security				<u>38,255</u>
TOTAL OTHER PROGRAMS				\$ 29,136,605
SPECIAL FEDERAL APPROPRIATIONS				
<u>Miscellaneous</u>				
Direct				
John J. Sparkman Center			99.	563,262
Lister Hill Center for Health Policy			99.	456,867
Total Direct				<u>1,020,129</u>
Total Miscellaneous				<u>1,020,129</u>
TOTAL SPECIAL FEDERAL APPROPRIATIONS				\$ 1,020,129
TOTAL FEDERAL				<u>\$ 477,017,123</u>

See accompanying notes to schedule of expenditures of federal awards.

University of Alabama at Birmingham
Notes to Schedule of Expenditures of Federal Awards
Year Ended September 30, 2012

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, 2012. The amounts reported as federal expenditures were obtained from UAB's general ledger. Because the Schedule presents only a selected portion of the operations of UAB, it is not intended to and does not present the financial position, changes in net assets and revenues and expenses of UAB.

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

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

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

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

Subrecipients

Certain funds are passed through to subgrantee organizations by UAB. Expenditures incurred by the subgrantees and reimbursed by UAB are presented in the Schedule. For the year ended September 30, 2012, UAB passed through approximately \$44 million to subgrantee organizations.

CFDA #	AGENCY	TOTAL
Various	Research and Development	\$ 42,845,084
14.235	Department of Housing and Urban Development	363,077
19.415	Department of State	156,538
84.366	Department of Education	58,258
93.069	Department of Health and Human Services	208,327
93.110	Department of Health and Human Services	23,587
93.243	Department of Health and Human Services	296,521
93.249	Department of Health and Human Services	68,348
93.822	Department of Health and Human Services	22,337
93.855	Department of Health and Human Services	14,596
93.917	Department of Health and Human Services	(146)
93.941	Department of Health and Human Services	100,997
93.977	Department of Health and Human Services	2,483
93.991	Department of Health and Human Services	36,000
93.CON	Department of Health and Human Services	1,315
		<u>\$ 44,197,323</u>

University of Alabama at Birmingham
Notes to Schedule of Expenditures of Federal Awards
Year Ended September 30, 2012

2. Summary of Significant Accounting Policies

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

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

UAB operates under predetermined fixed F&A cost rates, which are effective from October 1, 2011 through September 30, 2015. The predetermined fixed rates were based on 2010 financial information. The base rate for on-campus research is 46.5% for the year ended September 30, 2012. Base rates for other F&A cost recoveries range from 26% to 46.5%, for the year ended September 30, 2012.

4. Federal Student Loan Programs

Direct Loan Programs

The Federal Perkins Loan ("Perkins"), Health Professions Student Loan ("HPSL") 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 CFDA# 84.038 has been closed by the Department of Education because there will be no further Federal Capital Contributions to the Perkins Loan Program. In 2011, a new CFDA# (CFDA# 84.037) was created by the Department of Education for Perkins Loan Cancellations. The Perkins Loan Program principal cancelled for the year ended September 30, 2012 is \$340,243.

The balances of loans outstanding at September 30, 2012 and funds advanced by UAB to eligible students during the year ended September 30, 2012 under the federal student loan programs is summarized as follows:

	Perkins (CFDA#84.038)	HPSL (CFDA#93.342)	LDS (CFDA#93.342)	Total
Funds advanced to students during fiscal 2012	\$ 2,102,548	\$ 52,833	\$ 22,750	\$ 2,178,131
Total loan balance outstanding, September 30, 2012	\$ 14,006,766	\$ 2,562,641	\$ 536,836	\$ 17,106,243

Administrative Cost Allowance

During the program year ended June 30, 2012 UAB charged approximately \$192,000 of administrative cost allowance to the Perkins, HPSL, LDS and Work-Study programs which is not included in the amounts above.

Federal Direct Loans

The Federal Direct Student Loan Program (CFDA Number 84.268) ("FDSL") 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.

University of Alabama at Birmingham
Notes to Schedule of Expenditures of Federal Awards
Year Ended September 30, 2012

During the year ended September 30, 2012, UAB processed the following amount of student loans under FDSLPL:

	CFDA #	Total
Direct Student Loans	84.268	\$ 130,038,922

Part II

Schedule of Findings and Questioned Costs

**University of Alabama at Birmingham
 Schedule of Findings and Questioned Costs
 Year Ended September 30, 2012**

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: Unqualified

Internal control over financial reporting:

Material weakness(es) identified?	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> no
Significant deficiency(ies) identified that are not considered to be material weaknesses?	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> none reported
Noncompliance material to financial statements noted?	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> no

Federal Awards

Internal control over major programs:

Material weakness(es) identified?	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> no
Significant deficiency(ies) identified that are not considered to be material weaknesses?	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> none reported

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

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

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
Various	Research and Development Cluster
Various	Student Financial Aid Cluster
93.941	HIV Demonstration, Research, Public and Professional Education Projects
93.600	Head Start

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

Auditee qualified as low-risk auditee? yes no

Section II - Financial Statement Findings

No matters were noted.

University of Alabama at Birmingham
Schedule of Findings and Questioned Costs
Year Ended September 30, 2012

Finding 2012-1: Administrative Compliance Requirements

Federal Agency: Department of Education

Program: Student Financial Aid Cluster

CFDA #: 84.038

Award #: N/A

Award year: 2011-2012

Criteria

34 CFR, Section 600.21

Condition

On September 30, 2012, UAB changed its Perkins Loan Program third-party servicer from Campus Partners Student Loan Company to ECSI Corporation. Notification regarding this change in third-party servicer was not timely submitted to the Department of Education. UAB management submitted the notification to the Department of Education of their change in third-party servicer in May 2013 when they became aware of the reporting requirement.

Questioned Costs

None

Cause

UAB's management was not aware of the reporting requirement for the change in third-party servicer.

Effect

No such notification was made by UAB to the Department of Education within the allotted timeframe. Therefore, UAB is not in compliance with the reporting requirement regarding a change in third-party servicer.

Recommendation

We recommend that UAB design and implement procedures and internal controls to help ensure timely reporting of changes in third-party servicers to the Department of Education.

**University of Alabama at Birmingham
Schedule of Findings and Questioned Costs
Year Ended September 30, 2012**

Finding 2012-2: Return of Title IV Funds

Federal Agency: Department of Education

Program: Student Financial Aid Cluster

CFDA #: 84.268, 84.063

Award #: N/A

Award year: 2011-2012

Criteria

34 CFR, Section 668.22

Condition

1. UAB performs manual calculations for returns of Title IV funds for students with Pell funds and rounds the resulting amounts to the nearest whole percent (two decimal places). As a result, for 1 out of a sample of 40 students, UAB inappropriately gave the 100% earned exemption to a student with a completion percentage equal to 60%. An example of the percentage earned guidance is referenced in Volume 5, Chapter 2, of the Federal Student Aid Handbook on page 5-56.
2. Additionally, 1 out of a sample of 40 students selected for testing contained less than 60% completion during the period for which no return of Title IV calculation was performed.

Questioned Costs

1. \$1,758
2. \$1,217

Cause

1. The University Student Accounting staff had an incorrect interpretation of the rounding rules associated with the Title IV Return calculation.
2. The University IT department, which provides the daily student withdrawal reports, had established incorrect time parameters for the query used to prepare the report. The query did not include students who had withdrawn online between the hours of 10:00 PM and 12:00 AM.

**University of Alabama at Birmingham
Schedule of Findings and Questioned Costs
Year Ended September 30, 2012**

Effect

1. As a result of incorrectly rounding the Title IV Return calculation, the student was given credit for completion of the 60% of the semester and no Return of Title IV funds was made. Therefore, the student was inappropriately over awarded.
2. As a result of the incorrect query parameters used to prepare the daily withdrawal reports, the student was not listed on the withdrawal report, therefore, no Return of Title IV funds was made.

Recommendation

We recommend UAB review and modify its processes and controls surrounding the calculation and application of the 60% Rule, referenced above, to ensure that Title IV refunds are accurately and timely calculated. Specifically we recommend UAB review query data used for key reports to ensure that all of the appropriate information and parameters are included within the report. In addition, UAB should refund to the program the amounts for which the students were over awarded.

**University of Alabama at Birmingham
 Schedule of Findings and Questioned Costs
 Year Ended September 30, 2012**

Finding 2012-3: Federal Funding Accountability and Transparency Act Reporting Program: Research and Development Cluster and Other

CFDA #	Award #	Award Year	# of Reports	Average # of Days Late
12.	W91CRB11C0023	2011-2012	1	212
43.001	NNJ12HA74G	2011-2015	1	28
47.076	HRD-1109095	2011-2012	1	149
84.133	H133A110002	2011-2016	2	139
93.121	U19DE022516	2012-2019	1	21
93.838	R01HL105487	2011-2016	1	91
93.846	R01AR060240	2011-2016	1	60
93.865	R21HD071569	2012-2013	1	21
93.822*	1D18HP23034	2011-2014	1	87

*Not in the Research and Development Cluster

Criteria

Part 3 of the OMB Circular A-133 Compliance Supplement notes the Federal Funding Accountability and Transparency Act (FFATA) is designed to help ensure recipients of federal awards disclose information about their sub-recipients and sub-contractors. Grant and cooperative agreement recipients and contractors must report information related to a sub-award by the end of the month following the month in which the sub-award or obligation of \$25,000 or greater was made and, for contracts, the month in which a modification was issued that changed previously reported information.

Condition

Of 9 sub-awards and sub-contracts selected for testing out of a total population of 74 sub-awards and sub-contracts over \$25,000 that could be subject to FFATA special reporting, UAB failed to report 2 sub-awards greater than \$25,000. In response to the exceptions noted, a review was performed of the remaining 65 sub-awards and sub-contracts greater than \$25,000. In conjunction with this review of the remaining sub-awards and sub-contracts, it was determined that 39 sub-award and sub-contract reports were filed timely and an additional 26 sub-awards and sub-contracts were filed late. In our 2011 finding, we reported 35 reports that were not filed timely, of which 18 related to the fiscal year ended September 30, 2012. As these 18 late reports were included in the prior year finding, we have not included them in the table above. In the current year testing there were an additional 10 reports found that related to the fiscal year ended September 30, 2012. No exceptions were identified after July 30, 2012.

Questioned Costs

None

Cause

The finding resulted from delays in a UAB system implementation, which diverted resources away from the FFATA reporting process. This resulted in management needing to monitor compliance with FFATA reporting through use of a manual process.

Effect

FFATA reporting was not timely, which is in conflict with the federal government's objective of improving accountability and transparency.

Recommendation

We recommend management review controls and procedures around FFATA grant and contract reporting to ensure appropriate timelines for reporting are met.

June 27, 2013

**Management Views and Corrective Action Plan
Year Ended September 30, 2012**

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

Finding 2012-1: Administrative Compliance Requirements

Management's View

The University had used the same third party loan servicer for the Perkins Loan Program for the past 30 years. Current management was not aware that a change of provider required notification to the Department of Education.

Corrective Action Plan

The University notified the Department of Education on May 21, 2013 regarding the change of loan servicers. Management will also ensure that future changes will be communicated to the Department of Education within the allotted timeframe.

Finding 2012-2: Return of Title IV Funds

Management's View

The University uses a manual calculation for the return of Title IV funds only when a student's withdrawal also affects other financial aid (Pell) adjustments that had to be included in the calculation. Under these circumstances the rounding was an error by the staff. In the second instance, University management was not aware that the scheduled run time of the daily student withdrawal report caused a lapse in time and did not include all student withdrawals.

Corrective Action Plan

The University will no longer round the calculation of Title IV refunds when it is necessary to use the manual calculation due to other financial aid (Pell) adjustments. Also the University IT department has changed the scheduled run time of the report to prevent the exclusion of any student withdrawals in the future. In addition, the University is in the process of refunding to the programs the over awarded amounts noted in both instances.

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

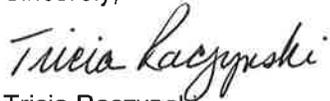
Management's View

The University implemented several system and procedural changes effective July 30, 2012 to improve the timely submission of FFATA reporting. All of the 28 reports that were not submitted timely were prior to these implemented changes.

Corrective Action Plan

The University places an emphasis on accurate and timely Federal reporting. Management will continue to monitor FFATA reporting and make system and procedural changes as needed to ensure timely reporting.

Sincerely,



Tricia Raczynski
Associate Vice President for Financial Affairs

Part III
Summary Schedule of Prior Audit Findings

University of Alabama at Birmingham
Summary Schedule of Prior Audit Findings
Year Ended September 30, 2011

Finding Number 2011-1: Equipment and Real Property Management:

According to 2 CFR section 215.34, “equipment records shall be maintained accurately and shall include the following information....(ii) Manufacturer’s serial number, model number, Federal stock number, national stock number, or other identification number....(vii) Location and condition of the equipment and the date the information was reported.” During the prior year audit, there were 3 inventory exceptions. The University failed to update the location of one piece of equipment and assign an asset number and tag to another piece of equipment. In addition, a grant account was charged twice for the same piece of equipment.

Status

The University updated the system in June 2012 to reflect the location change and asset number and also tagged the piece of equipment. In addition, Management continues to communicate and reemphasize to all departments on campus the procedures in place to ensure that asset records are maintained accurately. The University also posted the necessary adjustment on June 19, 2012 to the grant that was charged twice. In addition, Management continues to review system generated equipment reports to eliminate future duplicate charges of this nature.

Finding Number 2011-2: Student Budget Testing:

According to 34 CFR section 668.16, “in determining whether the institution’s system is adequate, the Secretary considers whether the institution obtains and reviews all student aid applications, need analysis documents, Statements of Educational Purpose, Statements of Registration Status, and eligibility notification documents presented by or on behalf of each applicant.” During the prior year audit, the University failed to review one student’s ISIR.

Status

The University now uses the automated packaging system to check all items required to properly package a student within federal guidelines. Also if it is necessary to manually package a student, a checklist is used to ensure all required items are verified. In addition, the University returned the Unsubsidized Stafford Loan over award to the U.S Department of Education on June 25, 2012.

Finding Number 2011-3: Federal Funding Accountability and Transparency Act Reporting:

According to 2 CFR part 170, reporting of grants and contracts under the Federal Funding Accountability and Transparency Act “is required by the end of the month following the month in which the subaward obligation was made.” During the prior year audit, the University failed to timely file 35 sub-award and sub-contract reports.

Status

The University’s implementation of system and procedural changes for FFATA reporting effective July 30, 2012, has significantly improved the timely submission of FFATA reporting. In addition, the University continues to monitor the effectiveness of the changes implemented to ensure timely reporting. No exceptions were identified after July 30, 2012.

Part IV
2012 Financial Report



2012 Financial Report

The University of Alabama at Birmingham



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

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



Contents

2 Introduction to UAB

Overview/Vision/Mission

Highlights

Student Profile

Student Financial Aid

Student Headcount

Faculty Profile

Staff Profile

State Appropriations

Sponsored Grants and Contracts

Hospital

12 Financial Statements

Management's Responsibility for

Financial Reporting

Report of Independent Auditors

Management's Discussion and Analysis

Statements of Net Assets

Statements of Revenues, Expenses,
and Changes in Net Assets

Statements of Cash Flows

Notes to Financial Statements

56 UAB Administration

57 The Board of Trustees of

The University of Alabama

Introduction to UAB

Vision

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

Mission

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

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

UAB is the state's largest single-site employer with more than 23,000 employees. The university has seen record enrollment for four consecutive years, with the total reaching a high of 17,999 students in fall 2012, and is recognized among the top 100 universities in the world for life sciences (Academic Ranking of World Universities 2012). The Princeton Review has ranked UAB among the 10 universities nationally for diversity for four consecutive years.

UAB attracted more than \$503 million in research funding in FY2011 and currently ranks 32nd nationally in federal research funding and 20th in funding from the National Institutes of Health. Researchers and physicians continue earning prestigious national honors in their fields, including inductions into the National Academy of Sciences and the National Institute of Medicine, and are serving in top national posts—UAB is currently home to the president of the American Heart Association, president of the National Society for Gynecologic Cancer, and immediate past president of the American Cancer Society.

Faculty research in the College of Arts and Sciences has been the subject of major prime-time documentaries on national and international media over the past year, including Discovery Channel, NPR, NBC, and BBC.

UAB Hospital is the largest hospital in Alabama, housing the state's only level 1 adult trauma center, and UAB Health System treats more than a million patients annually.

The information included in this introduction (pages 2-11) does not include data related to component units of UAB that are discussed in the notes to the financial statements.

2012 Overview

As a globally-respected academic medical center, UAB excels at translating research into leading-edge patient care. UAB Hospital is the only hospital in the state to be listed in every issue (23 straight years as of 2012) of U.S. News & World Report's "America's Best Hospitals," which recognizes only three percent of hospitals nationwide, and ranks first locally for patient satisfaction in HHS surveys.

UAB's Comprehensive Cancer Center, among the first eight such centers to be designated by the National Cancer Institute (NCI) in the early 1970s, remains the only one in Alabama and a six-state region. Through its new Cancer Care Network, UAB is bringing quality, patient-centered cancer care to 10 affiliate community hospitals across Alabama, Mississippi, Georgia, Tennessee and Florida. UAB is also leading efforts to make cancer care more affordable, by way of a \$15 million Health Care Innovation Challenge Grant that will create a national model for reducing the cost of cancer care.

Students are active participants in a robust research enterprise beginning in their freshman year. UAB was among only 11

universities nationally in 2012 to receive the coveted Beckman Award, given to universities that have demonstrated exceptional mentoring and training of undergraduate researchers.

Graduate programs also continue to garner national recognition. In the latest U.S. News & World Report “Best Graduate Schools” issue, UAB has 14 programs in the top 25 and four in the top 10, including its master’s in health administration that ranks fifth in the nation.

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

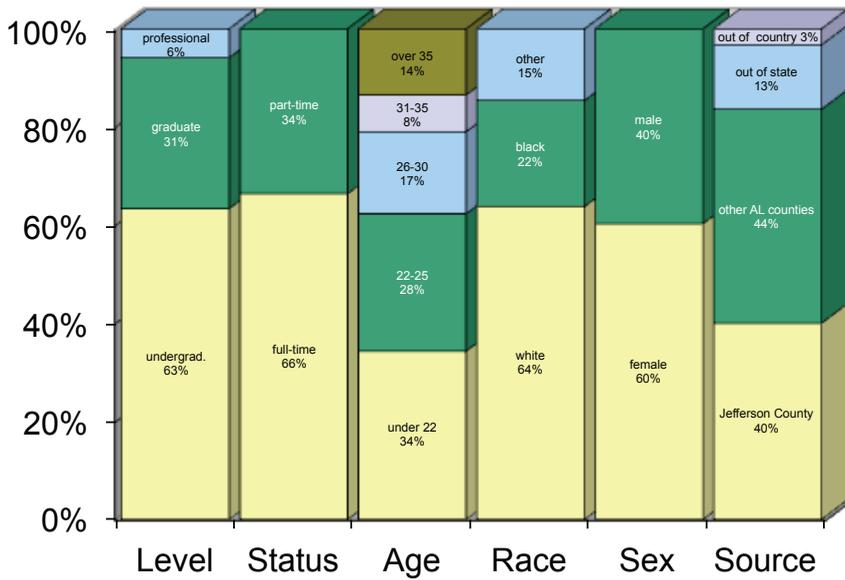
Students continue to earn prestigious national honors and scholarships: In 2012, UAB students won, among other awards, a Rhodes Scholarship; two Goldwater Scholarships (making 11 in the past three years); two U.S. State department Critical Languages Scholarships; two United Negro College Fund/Merck Research Scholarships (of only 15 awarded nationally); and a National Science Foundation Graduate Fellowship.

Civic engagement is key in UAB’s academic programs and its acclaimed Honors College. UAB is among 51 universities nationally ranked by the Carnegie Foundation for the Advancement of Teaching in both the highest tier for “research activity” and the “community engagement” classification.

UAB has an economic impact on Alabama that now exceeds \$5 billion annually (projected to reach \$6.6 billion within eight years) and supports more than 61,000 jobs state-wide—that’s one of every 33 jobs. For every dollar invested by the state, UAB returns \$20. The Innovation Depot, in which UAB is a founding partner, is the largest business incubator in the Southeast, with 92 start-up companies, 500 employees and a \$1.4 billion sales impact over the past five years.



Highlights



Excludes Advanced Professionals

Student Profile

Total 17,575
As of Fall 2011

Student Financial Aid

In fiscal year 2012, 68.6% of UAB's students received student financial aid from UAB. Financial aid disbursements of \$201.0 million were provided from the following sources:

Federal Government	
Student Loans	\$ 132,334,273
Grants	17,722,021
Work-Study	<u>1,420,089</u>
Subtotal Federal	\$ 151,476,383
State Government	\$ 272,573
University	
Loans	\$ 559,853
Scholarships	<u>48,651,829</u>
Subtotal University	\$ 49,211,682
Total	\$ <u>200,960,638</u>



Student Headcount

Enrollment for the fall semester of the 2011-2012 school year is outlined in the table at right.

FALL 2011				
	UNDERGRADUATE	GRADUATE	FIRST PROFESSIONAL / ADVANCED PROFESSIONAL*	TOTAL
SCHOOL OF ARTS AND SCIENCES	4,589	541	11	5,141
SCHOOL OF BUSINESS	1,675	361		2,036
SCHOOL OF EDUCATION	975	839		1,814
SCHOOL OF ENGINEERING	858	382	2	1,242
UNCLASSIFIED	1,493	271		1,764
SUBTOTAL	9,590	2,394	13	11,997
ADACEMIC HEALTH CENTER:				
SCHOOL OF MEDICINE			1,678	1,678
SCHOOL OF DENTISTRY	25	2	333	360
SCHOOL OF OPTOMETRY		23	189	212
SCHOOL OF NURSING	546	1,334	1	1,881
SCHOOL OF HEALTH PROFESSIONS	967	940	11	1,918
SCHOOL OF PUBLIC HEALTH		310	22	332
JOINT HEALTH SCIENCES		399		399
SUBTOTAL, ACADEMIC HEALTH CENTER	1,538	3,008	2,234	6,780
TOTAL ENROLLMENT	11,128	5,402	2,247	18,777

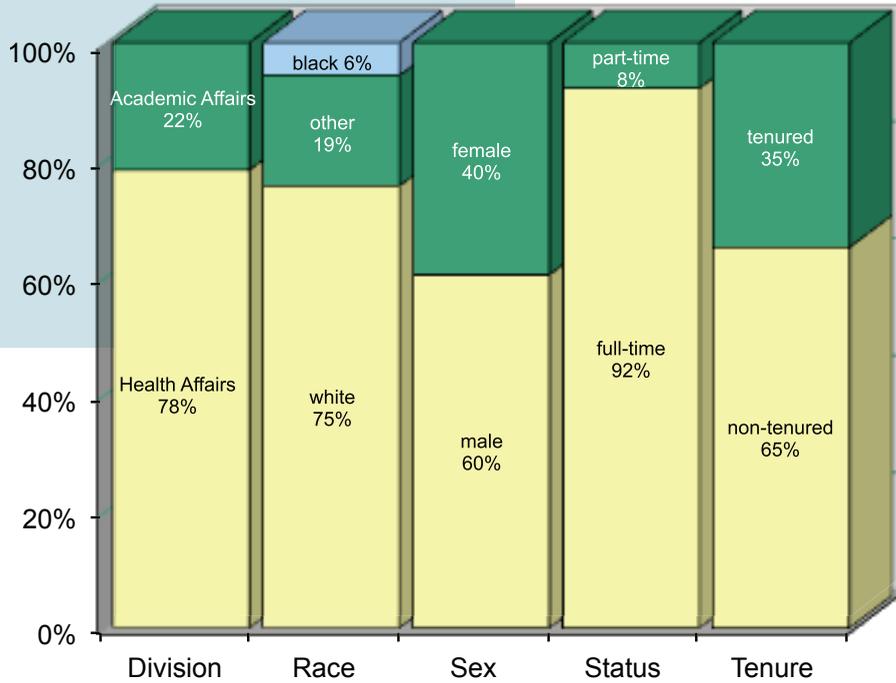
*Includes 1,045 first professionals and 1,202 advanced professionals.



Faculty Profile

Total 2,289

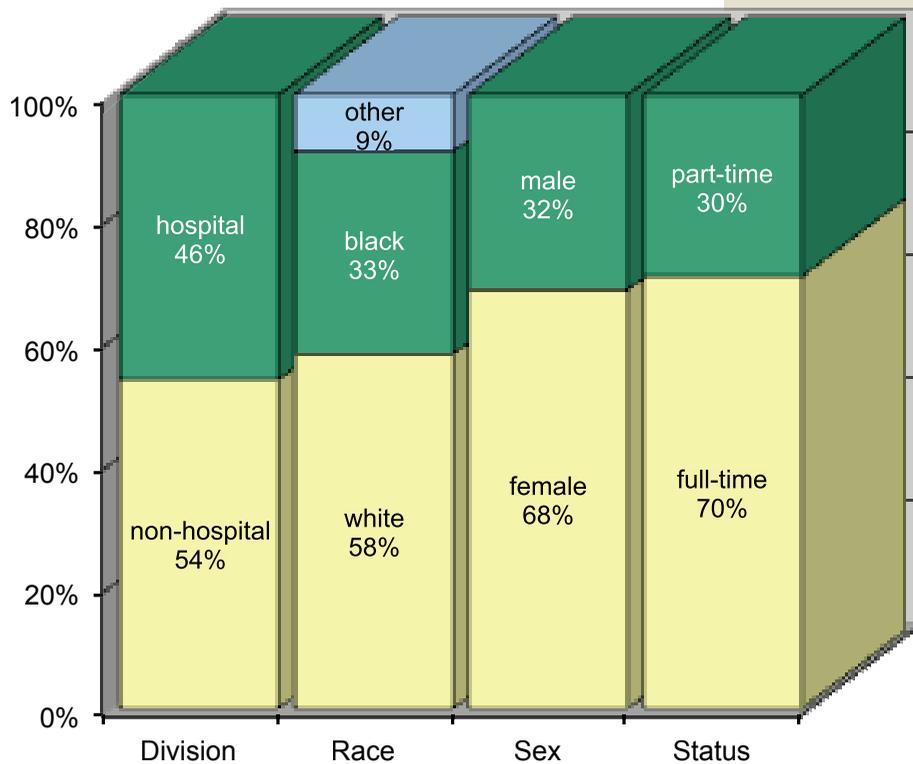
As of Fall 2011



Staff Profile

Total 16,695

As of Fall 2011



State Appropriations

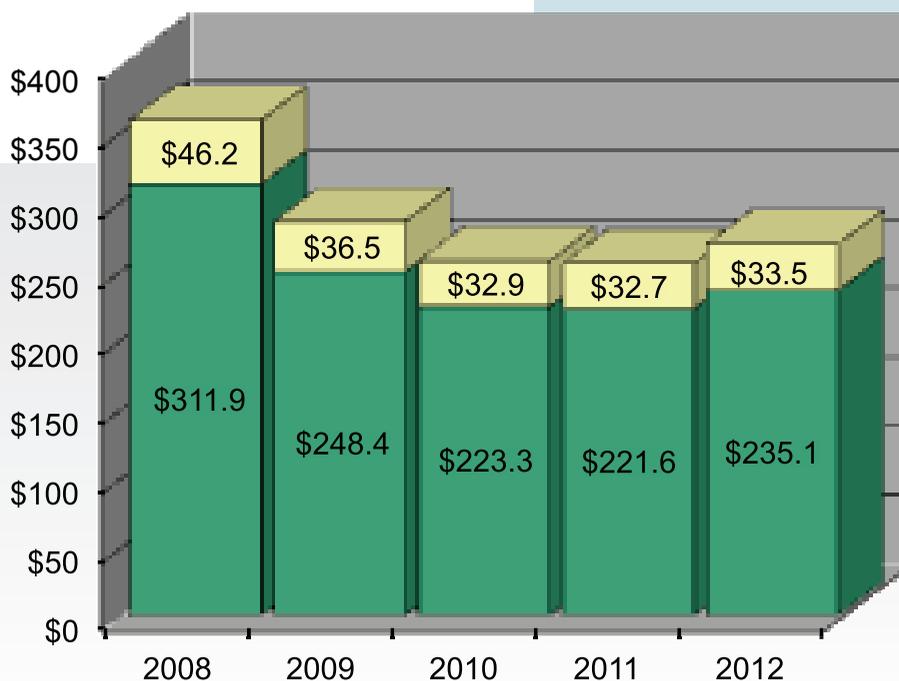
The State appropriations for UAB are made by the Alabama State Legislature based upon a process which involves requests from the Board of Trustees of The University of Alabama, and budget recommendations by the Alabama Commission on Higher Education and the Governor. State funds are appropriated annually from the Educational Trust Fund (ETF) to UAB. For the fiscal year ended September 30, 2012, UAB received direct funding from the ETF in the amount of \$268,640,355. In addition, for the fiscal year ended September 30, 2012, UAB received \$534,136 of State Fiscal Stabilization Funds.

Appropriations Received

Fiscal years ended September 30

(Dollars in millions)

■ University ■ Hospital



Sponsored Grants and Contracts

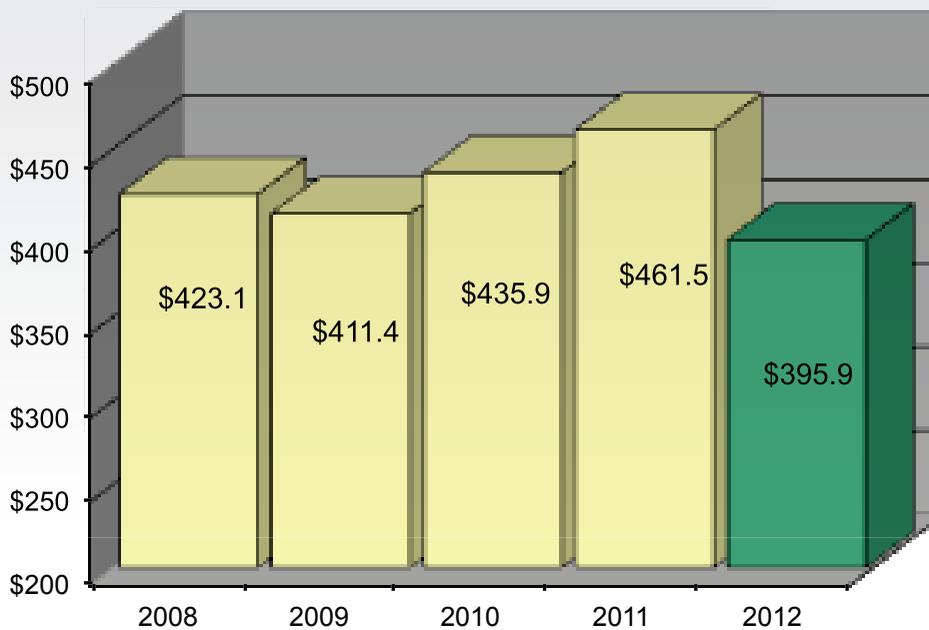
During fiscal year 2012, UAB received \$395.9 million in sponsored grants and contracts revenues (including \$80.9 million of indirect cost recovery). Various federal agencies provided the majority of support for these projects, with the National Institutes of Health (NIH) being the primary sponsor. 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) decreased from \$461.5 million during 2011 to \$395.9 million during 2012, a decrease of 14% for the period. Federal funding under the American Recovery and Reinvestment Act (ARRA) greatly decreased during 2012 and is the primary cause of this change for the period.

Grants and Contracts Revenues

Fiscal years ended September 30

(Dollars in millions)



Hospital

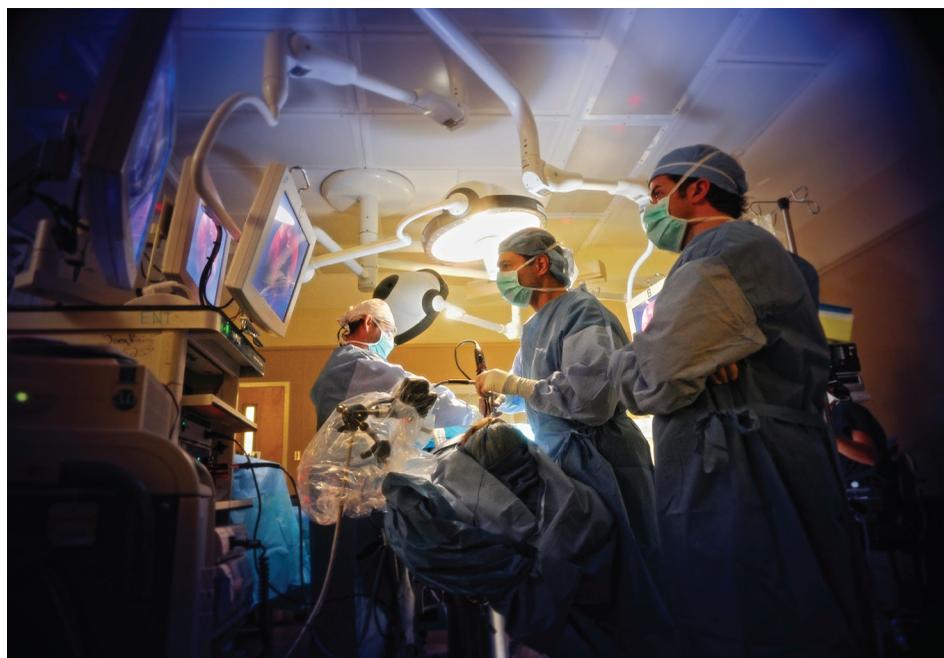
The University of Alabama Hospital (the “Hospital”) is a 1,157-bed quaternary and tertiary care medical facility and part of the UAB Health System. The Hospital includes North Pavilion, Women and Infant Center, Jefferson Tower, Hillman Building, Spain Wallace Building, Quarterback Tower, North Wing, 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).

Operations

The Hospital has continued to experience strong growth from operations in fiscal year 2012. Inpatient discharges increased 1.5% with an increase in adjusted patient discharges of 2.1%. Emergency room visits increased 6.7% during fiscal year 2012. 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 \$74 million or 7.5% in fiscal year 2012. The Hospital had an increase in net assets of \$57 million in fiscal year 2012.

Hospital Awards and Accolades

Four UAB Medicine specialties are among the nation’s top 50 in the 16 categories evaluated at 5,000 U.S. hospitals this year by U.S. News and World Report. The rankings appear in the 2012-13 annual “America’s Best Hospitals” special edition issue. In the 2012 annual peer review survey, 325 UAB Medicine physicians were listed as “Best Doctors” in America. UAB Hospital has been granted recognition as a Magnet hospital for the third time from the American Nurses Credentialing Center, signifying the hospital’s place in an elite group of fewer than 400 hospitals around the world acknowledged as centers for nursing excellence. UAB Hospital was the first hospital in Alabama to earn Magnet status and is the only hospital in the state currently holding the designation. In July 2012, the Hospital underwent its triennial survey by the Joint Commission. The Hospital was granted full accreditation for another three years.



Selected Hospital operating statistics are outlined below:

	2012	2011
Beds in service	1,157	1,157
Patient discharges	48,090	47,383
Adjusted patient discharges	68,205	66,781
Patient days	317,534	304,257
Adjusted patient days	450,422	428,918
Operating room cases	32,605	32,909
Emergency department visits	83,467	78,225
Patient origin:		
Jefferson County	46.5%	45.5%
Other Alabama counties	47.3%	47.9%
Out of state	6.2%	6.6%





Report of Independent Auditors

To the Board of Trustees of The University of Alabama:

In our opinion, based on our audits and the report of other auditors, the financial statements listed in the accompanying table of contents on page 1, which collectively comprise 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, present fairly, in all material respects, the respective financial position of UAB at September 30, 2012 and 2011, and the respective changes in financial position and cash flows of UAB for the years then ended in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of UAB's management. Our responsibility is to express an opinion on these financial statements based on our audits. For UAB's fiscal year 2012, we did not audit the financial statements of Southern Research Institute, which statements collectively represent 5%, 5%, and 3%, respectively, of the assets, net assets, and revenues of UAB at September 30, 2012 and for the year then ended. For UAB's fiscal year 2011, we did not audit the financial statements of Southern Research Institute, which statements collectively represent 5%, 6%, and 4%, respectively, of the assets, net assets, and revenues of UAB at September 30, 2011 and for the year 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 amounts included for Southern Research Institute for fiscal year 2012 and 2011, is based solely on the report of other auditors. We conducted our audits of these statements 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 of the United States. The financial statements of Triton Health Systems, L.L.C. and UAB Research Foundation were not audited in accordance with *Government Auditing Standards*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits and the report of other auditors provide a reasonable basis for our opinions.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 25, 2013 on our consideration of the UAB's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters, for the year ended September 30, 2012. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

As discussed in Note 1, the financial statements of UAB are intended to present the financial position, the changes in financial position and, where applicable, the cash flows of only that portion of the business-type activities of the financial reporting entity of The University of Alabama System that is attributable to the transactions of UAB. They do not purport to, and do not, present fairly the financial position of The University of Alabama System as of September 30, 2012 and 2011, its changes in financial position, or, where applicable, its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

The accompanying management's discussion and analysis for the years ended September 30, 2012 and 2011 on pages 13 through 19 is 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 audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audits were conducted for the purpose of forming opinions on UAB's financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards have 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. The introductory information on pages 2 through 11 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion nor provide any assurance on it.

PricewaterhouseCoopers LLP

January 25, 2013

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, 2012 and 2011. UAB's financial statements present the financial position, changes in financial position, and the cash flows of the University, the University of Alabama Hospital (the Hospital), and UAB's blended component units. Condensed financial information of UAB's reportable segments is presented at Note 22. GASB Statement No. 14, *The Financial Reporting Entity* (GASB Statement No. 14), 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. Component Units include UAB Hospital Management, L.L.C. (LLC), Triton Health Systems, L.L.C. (Triton), Southern Research Institute (SRI), and UAB Research Foundation (UABRF). The following discussion and analysis provides an overview of UAB's financial activities. This discussion should be read in conjunction with the financial statements and notes to the financial statements.

Financial Overview

UAB's financial position remained strong, as assets totaled \$3.72, \$3.51, and \$3.33 billion at September 30, 2012, 2011, and 2010. Increases of \$206 million or 5.9% from 2011 to 2012 were primarily due to increases in investment assets. In 2012, UAB continued to increase their investment assets in response to the uncertain economy and impending health care reform. Increases of \$185 million or 5.6% from 2010 to 2011 were primarily due to cash increases related to the bonds issued during the year, as well as increases in investment assets and the continued growth in accounts receivable.

Total liabilities decreased \$12 million or 1.0% from September 30, 2011 to September 30, 2012. The decrease results primarily from reductions in bonds payable related to annual principal payments offset by increases in accounts payable and accrued liabilities.

Total liabilities increased \$82.8 million or 7.6% from September 30, 2010 to September 30, 2011. The increase results primarily from the issuance of bonds during fiscal year 2011, offset by the refunding of a portion of debt outstanding from the prior year.

The change in net assets reflects the operating, non-operating and other activity of UAB, which results from revenues, expenses, and gains and losses, and is summarized for the years ended September 30, 2012, 2011, and 2010, as follows:

	2012	2011	2010
TOTAL OPERATING REVENUES	\$2,402,911,947	\$2,254,589,884	\$2,061,631,540
TOTAL OPERATING EXPENSES	\$2,625,670,734	\$2,480,060,070	\$2,306,995,732
NET OPERATING LOSS	\$(222,758,787)	\$(225,470,186)	\$(245,364,192)
TOTAL NONOPERATING INCOME, CAPITAL, ENDOWMENT AND OTHER ACTIVITIES	440,762,780	327,785,264	427,248,099
INCREASE (DECREASE) IN NET ASSETS	\$218,003,993	\$102,315,078	\$181,883,907

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 Assets

The statement of net assets presents the financial position of UAB at the end of the fiscal year, and includes all assets and liabilities recorded on the accrual basis of accounting. The changes in net assets are indicators of whether the overall financial condition of UAB has improved or worsened during the year. A summarized comparison of UAB's assets, liabilities, and net assets at September 30, 2012, 2011, and 2010, is as follows:

	2012	2011	2010
ASSETS			
Capital Assets, Net	\$1,494,224,059	\$1,478,968,981	\$1,503,730,507
Other Assets	2,222,613,218	2,031,992,194	1,822,150,380
TOTAL ASSETS	\$3,716,837,277	\$3,510,961,175	\$3,325,880,887
LIABILITIES AND NET ASSETS			
Current Liabilities	\$358,846,062	\$345,753,167	\$352,336,577
Noncurrent Liabilities	800,694,958	825,915,744	736,567,124
TOTAL LIABILITIES	\$1,159,541,020	\$1,171,668,911	\$1,088,903,701
Net Assets	\$2,557,296,257	\$2,339,292,264	\$2,236,977,186
TOTAL LIABILITIES AND NET ASSETS	\$3,716,837,277	\$3,510,961,175	\$3,325,880,887

At September 30, 2012, the major categories of current assets consist primarily of cash and cash equivalents, short term investments, and accounts receivable, which totaled \$955.8 million of the \$1 billion and increased \$126.4 million or 15.2% from 2011. The increase is a result primarily of growth in short term investments in response to the uncertain economy and impending health care reform.

At September 30, 2011, the major categories of current assets consist primarily of cash and cash equivalents, short term investments, and accounts receivable, which totaled \$829.4 million of the \$873.3 million and increased \$105.1 million or 14.5% from 2010. The increase is a result primarily of growth in short term investments in response to the continued uncertainty regarding the economy and impending health care reform.

At September 30, 2012, total current liabilities of \$358.8 million consist primarily of accounts payable, accrued payroll and related benefits, and deferred revenue, which totaled \$325.1 million, compared to \$316.2 million at September 30, 2011, an increase of \$9.0 million or 2.8% from 2011.

At September 30, 2011, total current liabilities of \$345.8 million consist primarily of accounts payable, accrued payroll and related benefits, and deferred revenue, which totaled \$316.2 million, compared to \$326.7 million at September 30, 2010, a decrease of \$10.6 million or 3.2% from 2010.

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

UAB's endowment and life income investments decreased \$7.0 million to \$328.1 million from September 30, 2010 to September 30, 2011. This decrease resulted from net investment losses partially offset by the establishment of new endowment funds through gifts and the creation of Board-designated quasi-endowments. UAB's endowment funds consist of both permanent and quasi-endowments.

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

scholarships, fellowships, professorships, research efforts, and other programs and activities of UAB.

At September 30, 2012, 2011, and 2010 respectively, UAB's investment in the Professional Liability Trust Fund (PLTF) and other long-term investments totaled approximately \$38.9, \$29.1, and \$38.3 million. The \$9.8 million increase from September 30, 2011 to September 30, 2012 is a result of growth in investment values at September 30, 2012. The \$9.2 million decrease is a result of a drop in investment values at September 30, 2011.

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 \$121.6 million and \$93.2 million from September 30, 2011 to September 30, 2012 and from September 30, 2010 to September 30, 2011, respectively. This increase consists primarily of capital expenditures and capital additions totaling \$147.0 million (offset primarily by \$25.4 million in disposals) and \$103.4 million (offset primarily by \$9.9 million in disposals) in 2012 and 2011, respectively. Capital additions are comprised primarily of renovation and new construction of research and health care facilities, as well as additions to improve information technology systems. Annual additions were funded with capital funds, grants, gifts of \$14.7 million and \$17.2 million, debt proceeds of \$41.3 million and \$24.1 million, and the remainder by UAB funds designated for capital purchases in 2012 and 2011, respectively.

Capital projects in process at September 30, 2012 include renovation of Wallace Tumor Institute, renovation of the Health Professions Building and construction of the Steam Plant. Capital projects in process at September 30, 2011 include renovation of Bartow Arena, renovation of the Health Professions Building and construction of the Steam Plant.

UAB's long-term debt related to capital assets, consisting of bonds and capital leases, totaled \$795.3, \$818.5, and \$729.7 million at September 30, 2012, 2011, and 2010, respectively. The decrease in debt during 2012 consisted primarily of the principal payments made in accordance with the debt instruments. The increase in debt during 2011 consisted primarily of the bonds issued during the year, partially offset by the refunding of debt outstanding.

Net Assets

Net assets represent the residual interest in UAB's assets after liabilities are deducted. UAB's net assets at September 30, 2012, 2011, and 2010, are summarized as follows:

	2012	2011	2010
INVESTED IN CAPITAL ASSETS, NET OF RELATED DEBT	\$741,376,219	\$754,025,143	\$793,998,349
RESTRICTED			
Nonexpendable	252,844,971	228,120,369	233,211,681
Expendable	221,215,840	208,990,274	203,485,691
UNRESTRICTED	1,341,859,227	1,148,156,478	1,006,281,465
TOTAL NET ASSETS	\$2,557,296,257	\$2,339,292,264	\$2,236,977,186

Net assets invested in capital assets, net of related debt, represent UAB's capital assets, net of accumulated depreciation and outstanding principal of debt in excess of related bond proceeds attributable to the acquisition, construction, or improvement of those assets. The \$12.6 million decrease in 2012 reflects the continued capital asset development in accordance with UAB's long-range capital plan and decrease in debt due to principal payments made offset of use of bond proceeds attributable to the acquisition, construction of capital assets. The \$40.0 million decrease in 2011 reflects the increase in debt related to the bonds issued during the year.

Restricted nonexpendable net assets include UAB's permanent endowment funds and annuity and life income assets that will ultimately become pure endowment funds. The \$24.7 million increase in 2012 results primarily from the increase in fair values of investments and contributions. The \$5.1 million decrease in 2011 results primarily from the decrease in fair values of investments and contributions.

Restricted expendable net assets are subject to externally imposed restrictions governing their use. Restricted expendable net assets include UAB's assets whose use is restricted by an external restriction. The \$12.2 million increase in 2012 results primarily from gifts. The \$5.5 million increase in 2011 results primarily from gifts.

Unrestricted net assets include UAB's assets whose use is not restricted by an external entity. Unrestricted net assets increased \$193.7 million and \$141.9 million or 16.9% and 14.1% in 2012 and 2011, respectively.

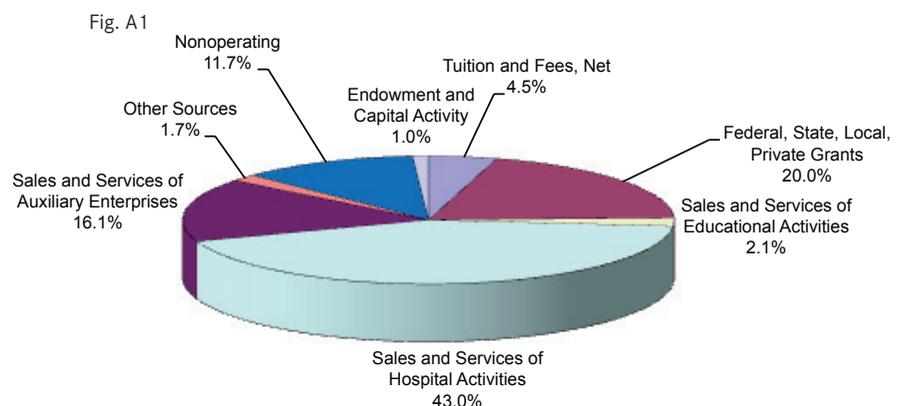
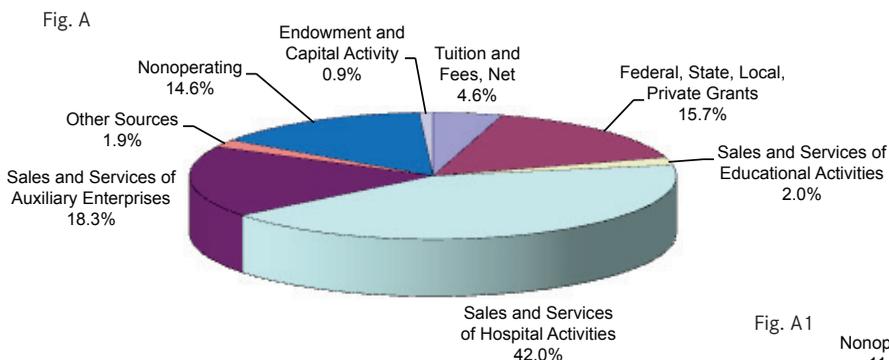
Although unrestricted net assets are not subject to externally imposed restrictions, UAB has designated available unrestricted net assets to be used for academic and research programs as well as capital projects.

Statements of Revenues, Expenses, and Changes in Net Assets

The statement of revenues, expenses, and changes in net assets 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 assets for the years ended September 30, 2012, 2011, and 2010 is presented on the following page:

	2012	2011	2010
OPERATING REVENUES			
Student tuition and fees, net	\$130,569,653	\$115,886,758	\$99,073,136
Grants and contracts	446,956,098	516,898,869	487,674,404
Sales and services	1,771,143,308	1,577,376,014	1,411,445,850
Other revenues	54,242,888	44,428,243	63,438,150
REVENUES SUPPORTING CORE ACTIVITIES	\$2,402,911,947	\$2,254,589,884	\$2,061,631,540
OPERATING EXPENSES			
Operating expenses	\$2,625,670,734	\$2,480,060,070	\$2,306,995,732
OPERATING LOSS	\$(222,758,787)	\$(225,470,186)	\$(245,364,192)
NONOPERATING REVENUES (EXPENSES)			
State educational appropriations	\$268,640,355	\$254,288,538	\$256,190,587
Grants and contracts	25,399,912	20,248,827	19,208,346
State fiscal stabilization funds	534,136	26,819,385	22,469,522
Gifts	33,091,837	28,975,297	32,879,702
Investment income (loss)	128,209,982	(5,406,868)	74,943,746
Interest expense	(27,942,694)	(29,551,054)	(31,670,287)
Loss on asset disposition, net	(786,935)	(434,835)	(2,639,740)
Capital state appropriations	11,076,675	9,863,264	26,709,760
Capital gifts and grants	3,602,784	7,301,347	10,831,502
Endowment gifts	11,009,612	9,561,889	6,680,465
Net other nonoperating (expense) revenue	(11,311,594)	1,299,229	(894,286)
Other changes	(761,290)	4,820,245	12,538,782
NET NONOPERATING REVENUES AND OTHER CHANGES	\$440,762,780	\$327,785,264	\$427,248,099
INCREASE IN NET ASSETS	\$218,003,993	\$102,315,078	\$181,883,907
Net assets, beginning of year	\$2,339,292,264	\$2,236,977,186	\$2,055,093,279
NET ASSETS, END OF YEAR	\$2,557,296,257	\$2,339,292,264	\$2,236,977,186

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, 2012 and 2011, respectively.



Gross tuition and fees revenue increased by \$13.5 million and \$22.3 million in 2012 and 2011, respectively. Tuition rates increased 8% in 2012 and 13% in 2011. Total student headcount of 18,777 and 18,703 increased by 74 and 656 or 0.4% and 3.6% in 2012 and 2011, respectively.

UAB recognized \$44.6, \$39.1, and \$52.9 million in gift revenue (composed partially of \$0.5, \$0.5, and \$3.9 million and \$11.0, \$9.6, and \$6.7 million in capital and endowment gifts, respectively) for the years ended September 30, 2012, 2011, and 2010, 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 \$279.7, \$264.2, and \$282.9 million, of which \$268.6, \$254.3, and \$256.2 million was from the ETF, which is included as nonoperating revenue in 2012, 2011, and 2010, respectively. The remaining \$11.1, \$9.9, and \$26.7 million represents Public School and College Authority funds and other state capital funds

in 2012, 2011 and 2010, respectively. In addition, UAB received \$0.5, \$26.8 million and \$22.5 million in State Fiscal Stabilization Funds in 2012, 2011 and 2010, respectively.

Net hospital sales and service revenue totaled \$1.2 billion, \$1.1 billion, and \$1.0 billion, an increase of 7.7% and 10.0% from 2011 to 2012 and 2010 to 2011, 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 \$3.2, \$6.8, and \$6.9 million in 2012, 2011, and 2010, 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 2012 and 2011, respectively.

Fig. B Grants and Contract Revenue

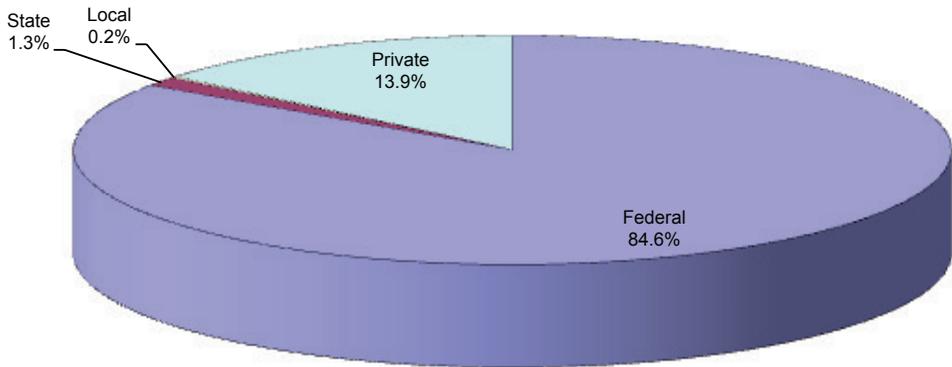
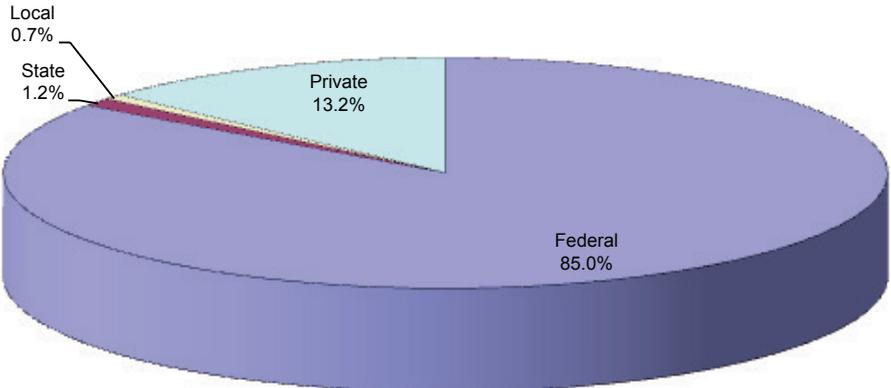


Fig. B1 Grants and Contract Revenue



Net investment income increased \$133.6 million from 2011 to 2012. The increase is primarily a result of growth in the fair value of investments. Net investment income decreased \$80.4 million from 2010 to 2011 to result in a net investment loss of \$5.4 million for the year ended September 30, 2011. The decrease is primarily a result of decreases in the fair value of investments. Net investment income increased \$66.8 million from 2009 to 2010. The increase is primarily a result of growth in the fair value of invest-

ments. Net investment income for the years ended September 30, 2012, 2011, and 2010, consisted of the following components:

	2012	2011	2010
Interest and Dividends	\$46,094,500	\$57,169,183	\$52,063,127
Net Increase (decrease) In the Fair Value Of Investments	74,828,997	(53,902,311)	18,489,298
Return on Equity Investments	7,286,485	(8,673,740)	4,391,321
	\$128,209,982	\$(5,406,868)	\$74,943,746

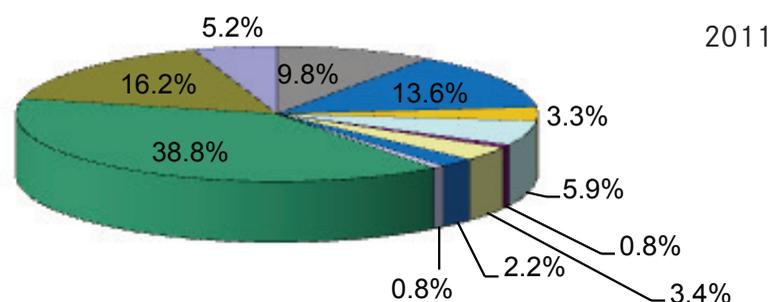
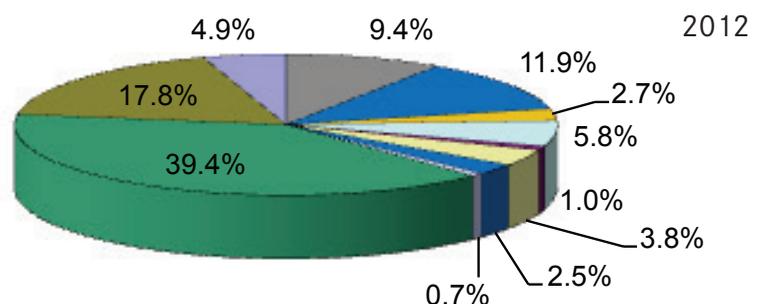
A comparative summary of UAB's operating expenses for the years ended September 30, 2012, 2011, and 2010, is as follows:

	2012	2011	2010
Salaries, Wages, and Benefits	\$1,286,871,937	\$1,226,729,759	\$1,185,398,724
Supplies and Services	1,190,679,387	1,106,569,166	978,817,716
Depreciation and Amortization	128,960,636	127,748,781	121,398,525
Scholarships and Fellowships	19,158,774	19,012,364	21,380,767
	\$2,625,670,734	\$2,480,060,070	\$2,306,995,732

Salaries, wages, and benefits increase \$60.1 and \$41.3 million or 4.9% or 3.5% during 2012 and 2011 respectively. This increase in 2012 and 2011 is due primarily to UAB's growth in salary base and benefit costs. In addition, supplies and services expenses increased \$84.1 million and \$127.8 million or 7.6% and 13.1% during 2012 and 2011, 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, 2012 and 2011, respectively, are presented as follows:

- Instruction
- Research
- Public service
- Academic support
- Student services
- Institutional support
- Operations and maintenance of plant
- Scholarships and fellowships
- Hospital
- Auxiliary
- Depreciation



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.

	2012	2011	2010
Net Cash Used In Operating Activities	\$(97,101,610)	\$(119,904,828)	\$(96,612,053)
Net Cash Used In Capital and Related Financing Activities	(181,985,715)	(22,546,554)	(158,003,248)
Net Cash Provided By Noncapital Financing Activities	348,775,996	346,847,844	334,784,300
Net Cash (Used In) Provided By Investing Activities	(128,826,360)	(160,924,738)	30,516,776
Net (Decrease) Increase In Cash And Cash Equivalents	\$(59,137,689)	\$43,471,724	\$110,685,775
Cash and Cash Equivalents, Beginning Of Year	\$347,453,996	\$303,982,272	\$193,296,497
Cash and Cash Equivalents, End Of Year	\$288,316,307	\$347,453,996	\$303,982,272

UAB used \$97.1, \$119.9, and \$96.6 million of cash for operating activities, offset by \$348.8, \$346.8, and \$334.8 million of cash provided by non-capital financing activities in 2012, 2011, and 2010, 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 \$182.0, \$22.5, and \$158.0 million in 2012, 2011, and 2010, 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 \$128.9 and \$160.9 million in 2012 and 2011, respectively. Cash provided by investing activities totaled \$30.5 million in 2010.

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. Throughout the years ending September 2011 and 2010, the State implemented proration. UAB is currently implementing cost-saving measures in order to balance its own budget.

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

Private gifts are an important part of the fundamental support of UAB. Economic pressures affecting donors may also affect the future level of support UAB receives from corporate and individual giving.

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, 1530 3RD AVE S, BIRMINGHAM AL 35294-0110.

The University of Alabama at Birmingham Statements of Net Assets

September 30, 2012 and 2011

	2012	2011
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 246,769,635	\$ 195,228,772
Short term investments	471,406,049	388,310,390
Accounts receivable, net	237,586,475	245,825,883
Loans receivable, current portion	2,403,659	2,323,656
Pledges receivable, current portion	7,429,210	7,000,416
Inventories	18,699,307	15,618,350
Other current assets	19,881,093	18,972,782
Total current assets	\$ 1,004,175,428	\$ 873,280,249
Noncurrent Assets:		
Cash and cash equivalents designated for capital activities	\$ 41,369,015	\$ 152,063,494
Restricted cash and cash equivalents	177,657	161,730
Investments for capital activities	722,605,340	599,810,323
Endowment and life income investments	367,682,509	328,050,714
Investment in Professional Liability Trust Fund	38,912,815	29,149,334
Other long-term investments	14,823,313	15,283,303
Loans receivable, net	16,293,742	17,003,158
Pledges receivable	12,121,941	14,236,330
Capital assets, net	1,494,224,059	1,478,968,981
Other noncurrent assets	4,451,458	2,953,559
Total noncurrent assets	\$ 2,712,661,849	\$ 2,637,680,926
Total Assets	\$ 3,716,837,277	\$ 3,510,961,175
LIABILITIES		
Current Liabilities:		
Accounts payable and accrued liabilities	\$ 220,113,383	\$ 215,916,720
Deposits	8,002,251	6,056,980
Deferred revenue-grants	21,634,481	27,144,638
Deferred revenue-other	83,381,341	73,089,124
Long-term debt, current portion	25,714,606	23,545,705
Total current liabilities	\$ 358,846,062	\$ 345,753,167
Noncurrent Liabilities		
Federal advances-loan funds	\$ 14,925,390	\$ 15,425,453
Long-term debt, noncurrent portion	769,548,023	794,950,360
Other noncurrent liabilities	16,221,545	15,539,931
Total noncurrent liabilities	\$ 800,694,958	\$ 825,915,744
Total Liabilities	\$ 1,159,541,020	\$ 1,171,668,911
NET ASSETS		
Invested in capital assets, net of related debt	\$ 741,376,219	\$ 754,025,143
Restricted		
Nonexpendable	252,844,971	228,120,369
Expendable	221,215,840	208,990,274
Unrestricted	1,341,859,227	1,148,156,478
Total Net Assets	\$ 2,557,296,257	\$ 2,339,292,264

See accompanying notes to financial statements.

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

Years Ended September 30, 2012 and 2011

	2012	2011
Operating Revenues		
Tuition and fees	\$ 175,184,111	\$ 161,719,588
Less: scholarship allowance	(44,449,656)	(45,695,165)
Less: bad debt expense	(164,802)	(137,665)
Tuition and fees, net	130,569,653	115,886,758
Grants and contracts:		
Federal	374,459,479	436,279,233
State	6,155,771	6,160,229
Local	314,715	2,923,958
Private	66,026,133	71,535,449
Sales and services:		
Educational activities	55,906,284	53,034,123
Hospital, net of bad debt expense of \$236,995,097 and \$196,167,535	1,194,615,262	1,109,661,547
Other auxiliary enterprises, net of scholarship allowance of \$2,979,415 and \$3,422,902	520,621,762	414,680,344
Other operating revenues	54,242,888	44,428,243
Total operating revenues	\$ 2,402,911,947	\$ 2,254,589,884
Operating Expenses		
Salaries, wages and benefits	\$ 1,286,871,937	\$ 1,226,729,759
Supplies and services	1,190,679,387	1,106,569,166
Depreciation and amortization	128,960,636	127,748,781
Scholarships and fellowships	19,158,774	19,012,364
Total operating expenses	\$ 2,625,670,734	\$ 2,480,060,070
Operating loss	\$ (222,758,787)	\$ (225,470,186)
Nonoperating Revenues (Expenses)		
Gains and losses		
State educational appropriations	\$ 268,640,355	\$ 254,288,538
Federal grants and contracts	25,128,105	20,043,440
State grants and contracts	106,859	105,179
Private grants and contracts	164,948	100,208
State fiscal stabilization funds	534,136	26,819,385
Gifts	33,091,837	28,975,297
Investment income (loss)	128,209,982	(5,406,868)
Interest expense	(27,942,694)	(29,551,054)
Loss on asset dispositions, net	(786,935)	(434,835)
(Loss) Gain on sale of discontinued operations (Note 1)	(761,290)	4,820,245
Net other nonoperating (expense) revenue	(11,311,594)	1,299,229
Net nonoperating revenues	\$ 415,073,709	\$ 301,058,764
Income before other revenues, expenses, gains, and losses	\$ 192,314,922	\$ 75,588,578
Other Changes in Net Assets		
Capital and endowment activities		
State capital funds	\$ 11,076,675	\$ 9,863,264
Capital grants and contracts	3,150,413	6,767,122
Capital gifts	452,371	534,225
Endowment gifts	11,009,612	9,561,889
Net other changes in net assets	\$ 25,689,071	\$ 26,726,500
Increase in net assets	\$ 218,003,993	\$ 102,315,078
Net Assets, beginning of year	\$ 2,339,292,264	\$ 2,236,977,186
Net Assets, end of year	\$ 2,557,296,257	\$ 2,339,292,264

See accompanying notes to financial statements.

The University of Alabama at Birmingham

Statements of Cash Flows

Years Ended September 30, 2012 and 2011

	2012	2011
Cash flows from operating activities		
Student tuition and fees	\$ 134,063,440	\$ 120,905,667
Grants and contracts	439,787,217	518,749,597
Receipts from sales and services of:		
Educational activities	59,621,571	52,979,290
Patient services	1,204,402,577	1,099,740,755
Auxiliary enterprises, net	25,226,907	24,000,613
Premium and administrative fees collected	463,931,552	411,981,105
Payment to employees and related benefits	(1,283,557,719)	(1,259,969,352)
Payment to suppliers	(1,177,541,984)	(1,114,485,761)
Payment for scholarships and fellowships	(19,158,339)	(19,012,364)
Other receipts	56,123,168	45,205,622
Net cash used in operating activities	\$ (97,101,610)	\$ (119,904,828)
Cash flows from capital and related financing activities		
Proceeds from issuance of capital debt	\$ 150,364,622	\$ 166,263,752
State capital funds	11,076,675	9,863,264
Federal grants and contracts	2,758,943	5,936,501
Local grants and contracts	-	6,536
Private gifts	478,664	2,072,220
Proceeds from sale of capital assets	215,655	265,821
Purchases of capital assets	(141,694,540)	(99,369,800)
Principal payments on capital debt	(173,481,204)	(75,788,908)
Interest payments on capital debt	(31,704,530)	(31,795,940)
Net cash used in capital and related financing activities	\$ (181,985,715)	\$ (22,546,554)
Cash flows from noncapital financing activities		
State educational appropriations	\$ 268,640,355	\$ 254,288,539
Private gifts	45,950,752	38,977,028
Student direct lending receipts	129,785,462	128,064,966
Student direct lending disbursements	(130,038,922)	(126,454,411)
Other deposits	32,993,140	49,439,015
Deposits from affiliates	1,445,209	2,532,707
Net cash provided by noncapital financing activities	\$ 348,775,996	\$ 346,847,844
Cash flows from investing activities		
Interest and dividends from investments, net	\$ 46,591,410	\$ 50,975,026
Collections on note receivable	133,356	133,357
Proceeds from sales and maturities of investments	62,947,345	4,836,439
Investments in system pooled investment funds	(145,637,600)	(178,393,231)
Purchases of investments	(96,392,005)	(39,004,150)
Proceeds from sale of discontinued operations	3,531,134	527,821
Net cash used in investing activities	\$ (128,826,360)	\$ (160,924,738)
Net (decrease) increase in cash and cash equivalents	\$ (59,137,689)	\$ 43,471,724
Cash and cash equivalents, beginning of year	\$ 347,453,996	\$ 303,982,272
Cash and cash equivalents, end of year	\$ 288,316,307	\$ 347,453,996
Reconciliation of operating (loss) to net cash used in operating activities		
Operating (loss)	\$ (222,758,787)	\$ (225,470,186)
Adjustments to reconcile operating loss to net cash used in operating activities		
Depreciation and amortization expense	\$ 128,960,636	\$ 127,748,781
Changes in assets and liabilities:		
Accounts receivable, net	\$ 6,863,641	\$ (14,111,974)
Prepaid expenses and other assets	(729,349)	(311,600)
Accounts payable and accrued liabilities	(14,038,721)	(18,862,153)
Deferred revenue	\$ 4,600,970	\$ 11,102,304
Net cash used in operating activities	\$ (97,101,610)	\$ (119,904,828)

See accompanying notes to financial statements.

The University of Alabama at Birmingham

Statements of Cash Flows (continued)

Years Ended September 30, 2012 and 2011

	2012	2011
Supplemental noncash activities information		
Capital assets acquired included in accounts payable	\$ 8,813,669	\$ 11,034,687
Capital assets acquired through capital lease	\$	\$ 124,850
Interest capitalized	\$ 3,048,851	\$ 2,685,653
Capital assets acquired through property exchange	\$ 8,445,450	\$

See accompanying notes to financial statements.

The University of Alabama at Birmingham Notes to Financial Statements

September 30, 2012

(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), including all applicable effective statements of the GASB and all statements of the Financial Accounting Standards Board (FASB) through November 30, 1989 that do not conflict with GASB pronouncements. With the exception of blended component units, UAB has elected to not apply the provisions of any pronouncements of the FASB issued after November 30, 1989. All blended component units have elected to apply FASB pronouncements issued after November 30, 1989 which do not conflict with GASB pronouncements.

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 asset categories:

- **Invested in Capital Assets, Net of Related Debt:**

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

Expendable: Net assets 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:**

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

- **Reclassifications:**

Certain amounts in the financial statements for the prior period have been reclassified to conform to the current year presentation. UAB reclassified \$394,500,000 in 2011 of component unit revenue from other operating revenue to sales and services other auxiliary enterprises revenue in order to be consistent with accounting treatment utilized by other academic health centers.

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 assets 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 posi-

tion, 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), 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 charters of the Southern Research Institute (SRI) and UAB Research Foundation (UABRF) allow UAB to appoint a majority of the respective boards of directors and allow UAB to impose its will on the entities. These entities operate for the exclusive benefit of UAB. Additionally, Triton Health Systems, L.L.C. (Triton) and UAB Hospital Management, L.L.C. (LLC) have governing bodies that are substantively the same as the governing body of UAB. Therefore, management has determined that SRI, UABRF, Triton, and LLC (the Component Units) constitute blended component units of UAB under GASB Statement No. 14. The 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). 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. UABRF was organized exclusively for charitable, scientific, and educational purposes in order to benefit UAB. The activities of SRI and Triton are maintained using a calendar year-end. UABRF maintains a September 30 year-end. The activities of SRI and Triton are maintained using a fiscal calendar year-end that predates UAB's fiscal year-end of September 30. However, interfund cash transactions during the period from January 1 through September 30 have been eliminated. Separate financial statements are available for SRI, Triton, and UABRF by contacting 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.

Discontinued Operations

Effective July 31, 2007, SRI sold all of the capital stock of its wholly owned subsidiary, Brookwood Pharmaceuticals, Inc. (Brookwood), to Surmodics, Inc. (Surmodics) pursuant to the terms of a stock purchase agreement between SRI and Surmodics (the Purchase Agreement). SRI determined that the sale of stock of Brookwood met the criteria for discontin-

ued operations. Accordingly, the income or loss on the sale of Brookwood is included in nonoperating revenue. See Note 20 for further discussion of a related contingency.

Other significant accounting policies are as follows:

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

Investments: UAB accounts for its investments, other than land and other real estate held as investments by endowments, in accordance with the provisions of GASB Statement No. 31, *Accounting and Reporting for Certain Investments and For External Investment Pools* (GASB 31) (see Note 4). Investments in equity securities with readily determinable fair values and all investments in debt securities are recorded at their fair value. UAB invests certain amounts in a commingled investment pool sponsored by the System. The value of the investments in the pools is determined by the System and is based on UAB's proportionate share of the net asset value of the investment pools. Fair value for the investment pools is provided by the System, based on the fair value of the underlying investment securities held by each investment pool. Fair value of the underlying securities held in each investment pool is based on quoted market prices or dealer quotes, where available, or determined using net asset values provided by underlying investment partnerships or companies, which primarily invest in readily marketable securities. Certain real estate and non-readily marketable securities held in the System-sponsored Endowment Fund and Prime Fund are carried at cost (Note 4). Investments carried at cost are subject to review for impairment.

UAB accounts for its land and other real estate held as investments by endowments in accordance with GASB Statement No. 52, *Land and Other Real Estate Held as Investments by Endowments*. Investments are reported in four categories in the statement of net assets. Investments recorded as endowment and life income investments are those invested funds considered by management to be of long duration. Other long-term investments include amounts resulting from UAB's equity investment in other entities, as discussed in Note 4 and Note 19. Investments for capital projects are included in noncurrent assets. All other investments are included as short-term investments.

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

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

Capital assets: All capital assets are carried at cost on date of acquisition (or in the case of gifts, at fair value on the date of donation), less accumulated depreciation (or in the case of assets leased under capital leases, net of accumulated amortization). UAB computes depreciation for buildings and building improvements (15-50 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 Alabama Uniform Prudent Management of Institutional Funds Act (UPMIFA) was enacted by the State Legislature and signed into law effective January 1, 2009. UPMIFA prescribes new guidelines for the expenditure of donor-restricted endowment funds in the absence of overriding, explicit donor stipulations. Its predecessor, UMIFA, focused on the prudent spending of the net appreciation of the fund. UPMIFA instead focuses on the entirety of a donor-restricted endowment fund, that is, both the original gift amount(s) and net 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.

UPMIFA permits the Board of Trustees of the University of Alabama (the "Board") to appropriate an amount of realized and unrealized endowment appreciation as the Board determines to be prudent. UAB's policy is to retain the endowment realized and unrealized appreciation within an endowment after the spending rate distributions in a manner consistent with the standards of prudence prescribed by UPMIFA. The Board approved a spending rate for the fiscal years September 30, 2012 and 2011 of 5% of a moving three-year average of the market (unit) value.

Deferred revenue: Deferred 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 assets.

Federal refundable loans: Certain loans to students are administered by UAB with funding primarily supported by the federal government. UAB's statement of net assets 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.

Other auxiliary enterprise revenue: Auxiliary enterprise revenues primarily represent revenues gener-

ated by intercollegiate athletics and parking as well as subscriber premiums.

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

Equity investments: Investments in affiliated companies where UAB can exercise significant influence and for which UAB's ownership interest is 50% or less are accounted for using the equity method. The investment in the Professional Liability Trust Fund (PLTF) also is accounted for using the equity method. See Notes 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, loss on asset dispositions and gain on sale of discontinued operations.

(2) Related Parties

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

The purpose of UABEF is to operate exclusively for the benefit of UAB. UABEF provides funds and certain facilities to UAB for its educational and scientific functions and provides support for UAB athletic programs. UABEF has 13 board members, including seven outside members not affiliated with UAB. UABEF leases certain facilities to UAB, with annual rental expense of approximately \$1,919,000 and \$1,949,000 for 2012 and 2011, respectively. UABEF made contributions to UAB which totaled approximately \$6,460,000 and \$4,985,000 in 2012 and 2011, respectively. UABEF's total assets were approximately \$56,704,000 and \$51,727,000 at September 30, 2012 and 2011, respectively. UABEF's total liabilities were approximately \$18,563,000 and \$19,105,000 at September 30, 2012 and 2011, respectively.

HSF's primary purpose is to provide a group medical practice for physicians who are members of the regular faculty of the School of Medicine at UAB and serve on the University of Alabama Hospital's medical staff. It is governed by a 19-member board of directors, 16 of whom are not affiliated with UAB.

An affiliation agreement (the Agreement) documents the relationship between HSF and UAB. The University's other operating revenues include approximately \$29,238,000 and \$24,382,000 from HSF in 2012 and 2011, 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 \$886,000 and \$1,657,000 in 2012 and 2011, respectively, and the Hospital purchases various services from HSF, aggregating approximately \$30,155,000 and \$27,599,000 for the years ended September 30, 2012 and 2011, respectively. As a result of these transactions, the Hospital had a net receivable from HSF of approximately \$711,000. The Hospital had a net payable to HSF of approximately \$77,000 at September 30, 2011.

During 2009, the Hospital entered into an operating agreement with HSF whereby HSF began leasing two floors of the UAB Women and Infants' Facility when construction was completed in February 2010. HSF reimbursed the Hospital for construction costs of this space as they were incurred on a square-footage basis. Total reimbursements are being amortized as rent revenue on a straight-line basis over a period equal to the 90 year total lease term, commencing on February 20, 2010 when the building was placed into service. The Hospital had received reimbursements from HSF totaling approximately \$14,071,000 and \$14,658,000, which is included in the accompanying statement of net assets as deferred revenue-other for the years ended September 30, 2012 and 2011, respectively. Approximately \$163,000 and \$175,000 was recognized as rent revenue during the years ended September 30, 2012 and 2011, respectively.

The Board and the HSF's board have entered into an agreement under which UAB and HSF have established a common management group, the UAB Health System to provide management for their existing and future health care delivery operations. The UAB Health System Board of Directors is composed of 18 members, of whom nine are appointed by the Board. For the fiscal years ended September 30, 2012 and 2011, respectively, UAB contributed approximately \$8,301,000 and \$6,762,000 to the UAB Health System Board to support Health System administrative functions. In addition, at September 30, 2012 and 2011, respectively, the Hospital had a net payable from the Health System of approximately \$825,000 and \$420,000.

VF's primary purpose is to provide a group medical practice for physicians who are faculty members in the UAB School of Medicine Huntsville program. It is governed by a 17-member board of directors, consisting of three nonvoting members and 14 voting members, of whom seven are affiliated with UAB.

VF's total assets were approximately \$8,815,000 (unaudited) and \$7,873,000 (unaudited) and total liabilities were approximately \$1,275,000 (unaudited) and \$1,012,000 (unaudited) at September 30, 2012 and 2011, respectively.

The Hospital received premium revenue (capitation fees) of approximately \$64,068,000 and \$57,684,000 from Triton during the years ended September 30, 2012 and 2011.

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

(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.

The System sponsors a short-term investment pool for the System entities to invest operating cash reserves. The Short-Term Fund is invested in a treasury obligation money market fund. As of September 30, 2012, the University, within the Short-Term Fund, had approximately \$ 90,100,000, all of which was invested in the money market fund. As of September 30, 2011, the University had approximately \$53,400,000 in the Short-Term Fund, all of which was invested in the money market fund. The assets held in the money market fund are presented in cash and cash equivalents and restricted cash and cash equivalents. As of September 30, 2012 and 2011, respectively, UAB had cash and cash equivalents totaling \$288,316,307 and \$347,453,996.

(4) Investments

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

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

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

Endowment Fund

The purpose of the Endowment Fund is to pool endowment and similar funds to support the System campuses, the Hospital and related entities in carrying out their respective missions over a perpetual time frame. Accordingly, the primary investment objectives of the Endowment Fund are to preserve the purchasing power of the principal and provide a stable source of perpetual financial support to the endowment beneficiaries. To satisfy the long-term rate of return objective, the Endowment Fund relies on a total return strategy in which investment returns are achieved through both capital appreciation and natural income. Asset allocation targets are established to meet return objectives while providing adequate diversification in order to minimize investment volatility. As discussed in Note 1, certain investments within the Endowment Fund are valued at cost, unless impaired. UAB's portion of investments in the Endowment Fund which are measured at cost totaled approximately \$40,100,000 and \$35,800,000 at September 30, 2012 and 2011, respectively.

Prime Fund

The Prime Fund is a longer-term fund used as an investment vehicle to manage operating reserves with

a time horizon of seven to ten years. This fund has an investment objective of growth and income and is invested in a diversified asset mix of liquid and semi-liquid securities. This fund is not currently invested in long-term lockup funds with illiquid assets. As discussed in Note 1, certain investments in the Prime Fund are valued at cost, unless impaired. UAB's portion of investments which are measured at cost totaled approximately \$6,600,000 at September 30, 2012 and \$7,600,000 at September 30, 2011.

Intermediate Fund

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

Short-Term Fund

The Short-Term Fund contains the short-term operating reserves of the various System entities. Because of the different income and disbursement requirements of each entity, consolidation of these funds reduces daily cash fluctuations and minimizes the amount of short-term cash reserves needed. Assets held in the Short-Term Fund are invested with the primary objective of stability of principal and liquidity. Such investments are restricted to high quality, liquid, money market funds and other fixed income obligations with a maturity of one year or less. Refer to Note 3 for additional information related to the Short-Term Fund.

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



The composition of investments, by investment type, for the System Pools at September 30, 2012 and 2011 is as follows:

September 30, 2012		ENDOWMENT FUND		PRIME FUND		INTERMEDIATE FUND		SHORT TERM FUND	
Receivables:									
Accrued Income Receivables	\$	1,007,252	\$	610,059	\$	4,047,259	\$		
TOTAL RECEIVABLES	\$	1,007,252	\$	610,059	\$	4,047,259	\$		
Cash Equivalents:									
Certificates Of Deposit	\$		\$		\$	6,095,374	\$		
Money Market Funds		37,622,530		25,012,340		117,007,185			165,309,391
TOTAL CASH EQUIVALENTS	\$	37,622,530	\$	25,012,340	\$	123,102,559	\$		165,309,391
Equities:									
U.S. Common Stock	\$	71,093,168	\$	49,927,229	\$		\$		
U.S. Preferred Stock		1,031,250		937,500					
Non-U.S. Stock		9,012,235		7,038,544					
TOTAL EQUITIES	\$	81,136,653	\$	57,903,273	\$		\$		
Fixed Income Securities:									
U.S. Government Obligations	\$	28,152,015	\$	12,728,703	\$	363,188,133	\$		
Municipal Government Obligations						6,423,894			
Mortgage Backed Securities						50,978,064			
Collateralized Mortgage Obligations		428,837		176,195		57,695,598			
Corporate Bonds		48,420,651		25,691,441		324,568,847			
Non-U.S. Bonds						8,953,326			
TOTAL FIXED INCOME SECURITIES	\$	77,001,503	\$	38,596,339	\$	811,807,862	\$		
Commingled Funds:									
U.S. Equity Funds	\$	102,545,643	\$	99,826,894	\$		\$		
Non-U.S. Equity Funds		250,230,913		220,690,653					
U.S. Bond Funds		29,518,564				118,258,903			
Non-U.S. Bond Funds		57,589,079		54,429,629					
Hedge Funds		148,184,664		115,874,279					
Private Equity Funds		61,912,960							
Timberland Funds		5,624,452							
Real Estate Funds		128,235,796		102,617,303					
TOTAL COMMINGLED FUNDS	\$	783,842,071	\$	649,029,616	\$	118,258,903	\$		
TOTAL FUND INVESTMENTS	\$	979,602,757	\$	770,541,568	\$	1,053,169,324	\$		165,309,391
TOTAL FUND ASSETS	\$	980,610,009	\$	771,151,627	\$	1,057,216,583	\$		165,309,391
TOTAL FUND LIABILITIES	\$	(126,133)	\$	(88,592)	\$	(481,793)	\$		
AFFILIATED ENTITY INVESTMENT IN FUNDS	\$	(124,786,897)	\$	(51,504,726)	\$	(77,940,650)	\$		
TOTAL NET ASSET VALUE	\$	855,696,979	\$	719,558,309	\$	978,794,140	\$		165,309,391

September 30, 2011		ENDOWMENT FUND		PRIME FUND		INTERMEDIATE FUND		SHORT TERM FUND	
Receivables:									
Accrued Income Receivables	\$	1,107,419	\$	650,770	\$	4,991,584	\$		
TOTAL RECEIVABLES	\$	1,107,419	\$	650,770	\$	4,991,584	\$		
Cash Equivalents:									
Certificates Of Deposit	\$		\$		\$	9,083,787	\$		
Commercial Paper						16,200,000			
Money Market Funds		32,523,163		27,318,415		67,192,267			119,243,909
TOTAL CASH EQUIVALENTS	\$	32,523,163	\$	27,318,415	\$	92,476,054	\$		119,243,909
Equities:									
U.S. Common Stock	\$	61,441,298	\$	47,156,571	\$		\$		
Non-U.S. Stock		3,693,290		2,813,145					
TOTAL EQUITIES	\$	65,134,588	\$	49,969,716	\$		\$		
Fixed Income Securities:									
U.S. Government Obligations	\$	32,642,178	\$	11,255,896	\$	237,375,819	\$		
Municipal Government Obligations						5,348,375			
Mortgage Backed Securities						47,674,103			
Collateralized Mortgage Obligations		824,701		1,616,040		80,738,496			
Corporate Bonds		45,242,909		20,786,125		349,240,996			
Non-U.S. Bonds						20,105,488			
TOTAL FIXED INCOME SECURITIES	\$	78,709,788	\$	33,658,061	\$	740,483,277	\$		
Commingled Funds:									
U.S. Equity Funds	\$	97,341,436	\$	95,624,301	\$		\$		
Non-U.S. Equity Funds		204,708,799		190,506,910					
U.S. Bond Funds		19,459,731		48,810,114		106,131,493			
Non-U.S. Bond Funds		56,083,738		48,033,757					
Hedge Funds		141,883,144		109,604,285					
Private Equity Funds		53,444,269							
Timberland Funds		5,624,452							
Real Estate Funds		111,363,986		87,120,952					
TOTAL COMMINGLED FUNDS	\$	689,909,555	\$	579,700,319	\$	106,131,493	\$		
TOTAL FUND INVESTMENTS	\$	866,277,094	\$	690,646,511	\$	939,090,824	\$		119,243,909
TOTAL FUND ASSETS	\$	867,384,513	\$	691,297,281	\$	944,082,408	\$		119,243,909
TOTAL FUND LIABILITIES	\$	(141,349)	\$	(96,905)	\$	(431,667)	\$		
AFFILIATED ENTITY INVESTMENT IN FUNDS	\$	(108,310,387)	\$	(46,104,160)	\$	(63,559,098)	\$		
TOTAL NET ASSET VALUE	\$	758,932,777	\$	645,096,216	\$	880,091,643	\$		119,243,909

The composition of investments, by investment type, of UAB's separately held investments, and UAB's interest in the System Pools, at September 30, 2012 and 2011 is as follows:

	2012	2011
Cash and equivalents:		
Commerical paper	\$ 100,000	\$ 100,000
Money market funds	1,409,448	1,164,026
TOTAL CASH AND EQUIVALENTS	\$ 1,509,448	\$ 1,264,026
Equities:		
Common stock	\$ 287,733	\$ 476,013
Equity investment in partnerships	38,912,815	29,149,334
TOTAL EQUITIES	\$ 39,200,548	\$ 29,625,347
Fixed Income Securities:		
U.S. government obligations	\$ 50,000,000	\$ 24,993,850
Corporate bonds	14,311,980	10,506,510
Non-U.S. bonds		355,449
TOTAL FIXED INCOME SECURITIES	\$ 64,311,980	\$ 35,855,809
Commingled Funds:		
U.S. equity funds	\$ 35,979,014	\$ 32,229,668
Non-U.S. equity funds	6,955,750	6,539,787
U.S. bond funds	37,761,610	35,978,470
Non-U.S. bond funds	1,382,863	1,314,313
Hedge funds	5,130,076	4,474,668
Private equity funds	2,777,615	2,396,752
Real estate funds	3,804,033	4,101,665
TOTAL COMMINGLED FUNDS	\$ 93,790,961	\$ 87,035,323
REAL ESTATE	\$ 259,600	\$ 4,852,000
Portion of System Pooled Investments:		
Endowment Fund	\$ 334,118,822	\$ 296,706,240
Prime Fund	507,361,293	452,494,134
Intermediate Fund	574,877,374	452,771,185
Short-Term Fund	90,063,756	53,379,956
Total Portion of System Pooled Investments	\$ 1,506,421,245	\$ 1,255,351,515
Total Cash and Investments	\$ 1,705,493,782	\$ 1,413,984,020
Less Short-Term Fund	\$ 90,063,756	\$ 53,379,956
TOTAL INVESTMENTS	\$ 1,615,430,026	\$ 1,360,604,064

Investment Risk Factors

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

Credit Risk

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

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

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

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

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

The investment policy recognizes that credit risk is appropriate in balanced investment pools such as the Endowment and Prime Funds, which are tracked against the Barclays Government Credit Index for U.S. investments and the Citigroup WGBI Index for international investment benchmarks for the fixed income portion of these pools. Fixed income investments within the Endowment and Prime Funds include corporate, mortgage backed, asset backed and U.S. treasury and/or agency bonds with a minimum BBB- rating and an average duration of four years. In addition, approximately \$20,000 and \$1,600,000 in the Endowment and Prime Funds, at September 30, 2012 and 2011, is invested in unrated fixed income securities, excluding fixed income commingled funds. Fixed income commingled funds were approximately \$259,800,000 and \$232,200,000 in the Endowment and Prime Funds at September 30, 2012 and 2011, respectively.

The Intermediate Fund is benchmarked against the 1-3 Year Barclays Government Credit Index with funds invested with four separate fund managers. Fixed income investments include corporate, mortgage backed, asset backed, collateralized mortgage and U.S. treasury and/or agency bonds with an average minimum rating of BB or higher. For September 30, 2012 and 2011, approximately \$63,200,000 and \$59,200,000, respectively, was invested by the Intermediate Fund in unrated fixed income securities, excluding commingled bond funds, money market funds and commercial paper. Fixed income commingled funds and commercial paper totaled approximately \$235,200,000 and \$189,500,000 at September 30, 2012 and 2011, respectively. For September 30, 2012 and 2011, \$6,100,000 and \$9,100,000, respectively, was invested by the Intermediate Fund in certificates of deposit.

The Short-Term Fund is committed to immediate liquidity to meet the operating needs of the System campuses and the Hospital. The Short-Term Fund is invested in a money market fund, which in turn invests mostly in U.S. Treasury Securities and repurchase agreements that are collateralized by U.S. Treasury Securities. These funds are all commingled with funds of other investors. Refer to Note 3 for additional information related to the Short-Term Fund.

The credit risk for fixed and variable income securities, for the System Pools, at September 30, 2012 and 2011 is as follows:

September 30, 2012 and 2011

	ENDOWMENT FUND		PRIME FUND		INTERMEDIATE FUND		SHORT TERM FUND	
	2012	2011	2012	2011	2012	2011	2012	2011
Fixed or Variable Income Securities								
U.S. Government Obligations	\$ 28,152,015	\$ 32,642,178	\$ 12,728,703	\$ 11,255,896	\$ 363,188,133	\$ 237,375,819	\$	\$
Municipal Government Obligations					6,423,894	5,348,375		
Other U.S. and Non-U.S. Denominated:								
AAA	1,586,686	601,838	749,786	259,069	30,554,363	82,551,910		
AA	8,698,140	9,442,755	4,205,006	4,280,773	77,971,612	82,527,357		
A	23,416,600	20,810,897	12,943,728	10,696,427	195,302,384	155,173,567		
BBB	15,128,540	14,989,257	7,969,116	5,808,925	61,721,408	93,358,572		
BB					9,130,213	19,361,524		
B					1,351,313	1,357,676		
C and < C					2,939,022	4,257,867		
Unrated	19,522	222,863		1,356,971	63,225,520	59,170,610		
Commingled Funds:								
U.S. Bond Funds: Unrated	29,518,564	19,459,731	55,590,858	48,810,114	118,258,903	106,131,493		
Non-U.S. Bond Funds: Unrated	57,589,079	56,083,738	54,429,629	48,033,757				
Money Market Funds: Unrated	37,622,530	32,523,163	25,012,340	27,318,415	117,007,185	67,192,267	165,309,391	119,243,909
Commercial Paper: Unrated						16,200,000		
Certificate of Deposits					6,095,374	9,083,787		
TOTAL	\$ 201,731,676	\$ 186,776,420	\$ 173,629,166	\$ 157,820,347	\$ 1,053,169,324	\$ 939,090,824	\$ 165,309,391	\$ 119,243,909

The credit risk for fixed and variable income securities for UAB's separately held investments at September 30, 2012 and 2011 is as follows:

September 30, 2012 and 2011		
	2012	2011
Fixed or Variable Income Securities		
U.S. Government Obligations	\$ 50,000,000	\$ 24,993,850
Other U.S. and Non U.S. Denominated:		
AAA	14,311,980	10,506,510
AA		
A		
BBB		
BB		
B		
CCC		
CC		
Unrated		355,449
Commingled Funds:		
U.S. Bond Funds: Unrated	37,761,610	35,978,470
Non-U.S. Bond Funds: Unrated	1,382,863	1,314,313
Money Market Funds: Unrated	1,409,448	1,164,026
Commercial Paper: Unrated	100,000	100,000
TOTAL	\$ 104,965,901	\$ 74,412,618

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, 2012 and 2011, there was no investment in a single issuer that represents 5% or more of total investments held by any single investment manager of the System Pools or UAB's separately held investment portfolio except for investments issued by the U.S. government and money market investments held by the Short Term Fund.

Interest Rate Risk

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

The information presented does not take into account the relative weighting of the portfolio components to the total portfolio. The effective durations for fixed or variable income securities, for the System Pools at September 30, 2012 and 2011 are as follows:

September 30, 2012 and 2011						
	ENDOWMENT FUND		PRIME FUND		INTERMEDIATE FUND	
	2012	2011	2012	2011	2012	2011
U.S. Government Obligations	5.0	4.1	5.5	4.9	1.9	2.6
Corporate Bonds	5.4	5.8	5.2	5.8	1.7	2.3
Commingled Bond Funds	0.6	4.2	1.5	3.8	2.3	2.2
Municipal Government Obligations					1.8	4.8
Non-U.S. Bonds					1.7	1.8

There are no fixed or variable income securities in the Short-Term Fund at September 30, 2012 and 2011.

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, 2012 and 2011 are as follows:

September 30, 2012 and 2011		
	2012	2011
Commingled bond funds	2.2	4.1

Investments may also include mortgage pass through securities and collateralized mortgage obligations that may be considered to be highly sensitive to changes in interest rates due to the existence of prepayment or conversion features. At September 30, 2012 and 2011, the fair market values of these investments in the System Pools are as follows:

September 30, 2012 and 2011

	ENDOWMENT FUND		PRIME FUND		INTERMEDIATE FUND	
	2012	2011	2012	2011	2012	2011
Mortgage Backed Securities	\$	\$	\$	\$	\$	\$
Collateralized Mortgage Obligations	428,837	824,701	176,195	1,616,040	50,978,064	47,674,103
TOTAL	\$ 428,837	\$ 824,701	\$ 176,195	\$ 1,616,040	\$ 108,673,662	\$ 128,412,599

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

Collateralized Mortgage Obligations. Collateralized mortgage obligations (CMOs) generate a return based upon either the payment of interest or principal on mortgages in an underlying pool. The relation-

ship 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, 2012 and 2011, the effective durations for these securities held in the System Pools are as follows:

September 30, 2012 and 2011

	ENDOWMENT FUND		PRIME FUND		INTERMEDIATE FUND	
	2012	2011	2012	2011	2012	2011
Mortgage backed securities					1.7	2.7
Collateralized mortgage obligations	2.6	2.4	2.7	1.2	1.1	0.9

There are no mortgage backed securities or CMOs in the Short Term Fund at September 30, 2012 and 2011.

There are no mortgage backed securities or CMOs in UAB's separately held investments at September 30, 2012 and 2011.

Foreign Currency Risk

The strategic asset allocation policy for the Endowment Fund, the Prime Fund, and UAB's separately held investments includes an allocation to non-United States equity and fixed income securities. Each international equity manager must hold a minimum of 30 individual stocks with equity holdings in a single company remaining below 8% of the investment manager's portfolio, measured at market value. Currency hedging of foreign bonds and stocks is allowed under System policy. As of September 30, 2012 and 2011, 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 \$8.9 million and \$20.1 million of foreign bonds denominated in U.S. dollars and held by the Intermediate Fund at September 30, 2012 and 2011, 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, 2012 and 2011, 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 \$38,913,000 and \$29,149,000 at September 30, 2012 and 2011, respectively. See Note 19 for further discussion of the PLTF.

(5) Accounts Receivable

The composition of accounts receivable at September 30, 2012 and 2011 is summarized as follows:

	2012	2011
Patient care	\$ 275,701,352	\$ 277,487,859
Receivables from sponsoring agencies	57,633,120	57,654,933
Student accounts	12,621,641	10,617,786
Other	44,755,309	45,833,928
	\$ 390,711,422	\$ 391,594,506
Less: Provision for doubtful accounts from patient care	149,925,173	142,155,867
Less: Provision for doubtful accounts from student accounts	1,537,193	1,677,118
Less: Provision for doubtful accounts other	1,662,581	1,935,638
Total accounts receivable	\$ 237,586,475	\$ 245,825,883

(6) Loans and Pledges Receivable

The composition of loans and pledges receivable at September 30, 2012 and 2011, is summarized in the table.

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

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.

	2012	2011
LOANS RECEIVABLE:		
Federal loan program	\$ 17,802,292	\$ 18,183,964
University loan funds	1,941,183	1,815,804
Other	1,254,042	1,134,543
Total loans receivable	\$ 20,997,517	\$ 21,134,311
Less allowance for doubtful accounts	2,300,116	1,807,497
Total loans receivable, net	\$ 18,697,401	\$ 19,326,814
Less: current portion	2,403,659	2,323,656
Total loans receivable outstanding, noncurrent	\$ 16,293,742	\$ 17,003,158
GIFT PLEDGES OUTSTANDING:		
Operations	\$ 12,120,132	\$ 13,779,435
Capital	7,431,019	7,457,311
Total gift pledges	\$ 19,551,151	\$ 21,236,746
Less: current portion	7,429,210	7,000,416
Total gift pledges, noncurrent	\$ 12,121,941	\$ 14,236,330

(7) Capital Assets

Capital assets activity for the years ended September 30, 2012 and 2011 is summarized below:

Net interest costs capitalized for the University and Component Units in 2012 and 2011, respectively, were approximately \$3,049,000 and \$2,686,000 (net of \$912,000 and \$856,000 investment earnings in 2012 and 2011, respectively). There were no net interest costs capitalized in 2012 or 2011 for the Hospital.

September 30, 2012

	BEGINNING BALANCE		ADDITIONS		SALES/RETIREMENTS/ TRANSFERS		ENDING BALANCE
UNIVERSITY AND COMPONENT UNITS							
Capital assets not being depreciated							
Land	\$	54,098,266	\$	10,440,756	\$	660,000	\$ 63,879,022
Construction in progress		40,289,441		73,073,697		14,095,821	99,267,317
	\$	94,387,707	\$	83,514,453	\$	14,755,821	\$ 163,146,339
Capital assets being depreciated							
Land Improvements	\$	\$23,139,908	\$	2,114,798	\$		\$ 25,254,706
Buildings		1,165,173,041		19,645,749		3,854,457	1,180,964,333
Fixed Equipment Systems		86,960,197		1,974,773			88,934,970
Equipment		380,047,193		17,851,987		18,469,977	379,429,203
Library Materials		90,131,630		3,310,884			93,442,514
	\$	1,745,451,969	\$	44,898,191	\$	22,324,434	\$ 1,768,025,726
Total Capital Assets	\$	1,839,839,676	\$	128,412,644	\$	37,080,255	\$ 1,931,172,065
Less: Accumulated Depreciation		1,015,086,276		73,013,723		20,052,609	1,068,047,390
Total Net Capital Assets	\$	824,753,400	\$	55,398,921	\$	17,027,646	\$ 863,124,675
HOSPITAL							
Capital assets not being depreciated							
Land	\$	19,470,486	\$		\$	425,532	\$ 19,044,954
Construction in progress		9,152,554		5,378,341		7,084,644	7,446,251
	\$	28,623,040	\$	5,378,341	\$	7,510,176	\$ 26,491,205
Capital assets being depreciated							
Land Improvements	\$	340,061	\$	197,465	\$		\$ 537,526
Buildings		823,167,504		12,041,049			835,208,553
Fixed Equipment Systems		10,002,839					10,002,839
Equipment		334,595,514		22,138,603		1,988,873	354,745,244
	\$	1,168,105,918	\$	34,377,117	\$	1,988,873	\$ 1,202,483,038
Total Capital Assets	\$	1,196,728,958	\$	39,755,458	\$	9,499,049	\$ 1,226,985,367
Less: Accumulated Depreciation		542,513,377		55,542,120		2,169,514	595,885,983
Total Net Capital Assets	\$	654,215,581	\$	(15,786,662)	\$	7,329,535	\$ 631,099,384
TOTAL UAB							
Capital assets not being depreciated							
Land	\$	73,568,752	\$	10,440,756	\$	1,085,532	\$ 82,923,976
Construction in progress		49,441,995		78,452,038		21,180,465	106,713,568
	\$	123,010,747	\$	88,892,794	\$	22,265,997	\$ 189,637,544
Capital assets being depreciated							
Land Improvements	\$	23,479,969	\$	2,312,263	\$		\$ 25,792,232
Buildings		1,988,340,545		31,686,798		3,854,457	2,016,172,886
Fixed Equipment Systems		96,963,036		1,974,773			98,937,809
Equipment		714,642,707		39,990,590		20,458,850	734,174,447
Library Materials		90,131,630		3,310,884			93,442,514
	\$	2,913,557,887	\$	79,275,308	\$	24,313,307	\$ 2,968,519,888
Total Capital Assets	\$	3,036,568,634	\$	168,168,102	\$	46,579,304	\$ 3,158,157,432
Less: Accumulated Depreciation		1,557,599,653		128,555,843		22,222,123	1,663,933,373
Total Net Capital Assets	\$	1,478,968,981	\$	39,612,259	\$	24,357,181	\$ 1,494,224,059

September 30, 2011

	BEGINNING BALANCE		ADDITIONS		SALES/RETIREMENTS/ TRANSFERS		ENDING BALANCE
UNIVERSITY AND COMPONENT UNITS							
Capital assets not being depreciated							
Land	\$	52,096,366	\$	2,001,900	\$		\$ 54,098,266
Construction in progress		40,911,020		15,270,887		15,892,466	40,289,441
	\$	93,007,386	\$	17,272,787	\$	15,892,466	\$ 94,387,707
Capital assets being depreciated							
Land Improvements	\$	22,924,108	\$	215,800	\$		\$ 23,139,908
Buildings		1,126,769,352		38,403,689			1,165,173,041
Fixed Equipment Systems		84,604,680		2,355,517			86,960,197
Equipment		359,265,763		25,658,556		4,877,126	380,047,193
Library Materials		87,084,650		3,046,980			90,131,630
	\$	1,680,648,553	\$	69,680,542	\$	4,877,126	\$ 1,745,451,969
Total Capital Assets	\$	1,773,655,939	\$	86,953,329	\$	20,769,592	\$ 1,839,839,676
Less: Accumulated Depreciation		945,211,256		74,471,578		4,596,558	1,015,086,276
Total Net Capital Assets	\$	828,444,683	\$	12,481,751	\$	16,173,034	\$ 824,753,400
HOSPITAL							
Capital assets not being depreciated							
Land	\$	19,470,486	\$		\$		\$ 19,470,486
Construction in progress		7,588,258		4,082,987		2,518,691	9,152,554
	\$	27,058,744	\$	4,082,987	\$	2,518,691	\$ 28,623,040
Capital assets being depreciated							
Land Improvements	\$	221,059	\$	119,002	\$		\$ 340,061
Buildings		816,651,384		6,050,106		(466,014)	823,167,504
Fixed Equipment Systems		10,468,853				466,014	10,002,839
Equipment		315,306,931		24,309,137		5,020,554	334,595,514
	\$	1,142,648,227	\$	30,478,245	\$	5,020,554	\$ 1,168,105,918
Total Capital Assets	\$	1,169,706,971	\$	34,561,232	\$	7,539,245	\$ 1,196,728,958
Less: Accumulated Depreciation		494,421,147		53,012,613		4,920,383	542,513,377
Total Net Capital Assets	\$	675,285,824	\$	(18,451,381)	\$	2,618,862	\$ 654,215,581
TOTAL UAB							
Capital assets not being depreciated							
Land	\$	71,566,852	\$	2,001,900	\$		\$ 73,568,752
Construction in progress		48,499,278		19,353,874		18,411,157	49,441,995
	\$	120,066,130	\$	21,355,774	\$	18,411,157	\$ 123,010,747
Capital assets being depreciated							
Land Improvements	\$	23,145,167	\$	334,802	\$		\$ 23,479,969
Buildings		1,943,420,736		44,453,795		(466,014)	1,988,340,545
Fixed Equipment Systems		95,073,533		2,355,517		466,014	96,963,036
Equipment		674,572,694		49,967,693		9,897,680	714,642,707
Library Materials		87,084,650		3,046,980			90,131,630
	\$	2,823,296,780	\$	100,158,787	\$	9,897,680	\$ 2,913,557,887
Total Capital Assets	\$	2,943,362,910	\$	121,514,561	\$	28,308,837	\$ 3,036,568,634
Less: Accumulated Depreciation		1,439,632,403		127,484,191		9,516,941	1,557,599,653
Total Net Capital Assets	\$	1,503,730,507	\$	(5,969,630)	\$	18,791,896	\$ 1,478,968,981

(8) Long-Term Debt

Long-term debt activity for the years ended September 30, 2012 and 2011 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. See Note 10 for information regarding the pledged revenues, which collateralize certain outstanding debt.

September 30, 2012

	BEGINNING BALANCE	NEW DEBT	PRINCIPAL REPAYMENT	ENDING BALANCE
UNIVERSITY				
Leases Payable for purchase of equipment, 4.55% to 5.04%, due various dates through 2013	\$ 142,462	\$ -	\$ 100,657	\$ 41,805
Birmingham General Revenue Bonds Series 1993B, variable rate interest(0.33% at September 30, 2012), due annually through 2014	3,200,000	-	1,000,000	2,200,000
Birmingham General Revenue Bonds Series 2002, 3.0% to 3.8%, due annually through 2014	3,490,000	-	1,120,000	2,370,000
Birmingham General Revenue Bonds Series 2003A, 3.4% to 4.5% due annually through 2030	55,185,000	-	2,585,000	52,600,000
Birmingham General Revenue Bonds Series 2005A, 4.0% to 5.0% due annually through 2021	40,065,000	-	4,510,000	35,555,000
Birmingham General Revenue Bonds Series 2005B, 4.0% to 4.5% due annually through 2028	46,670,000	-	2,165,000	44,505,000
Birmingham General Revenue Bonds Series 2010A, 2.0% to 4.5% due annually through 2041	54,650,000	-	720,000	53,930,000
Birmingham General Revenue Bonds Series 2010B, 1.0% to 5.8% due annually through 2041	52,975,000	-	190,000	52,785,000
Birmingham General Revenue Bonds Series 2010C, 2.0% to 4.0% due annually through 2028	32,902,942	-	2,834,733	30,068,209
	\$ 289,280,404	\$ -	\$ 15,225,390	\$ 274,055,014
Less (Plus): unamortized bond discount (premium)				(1,026,934)
TOTAL UNIVERSITY DEBT				\$ 275,081,948
Less: current portion				15,516,849
TOTAL UNIVERSITY DEBT, NONCURRENT				\$ 259,565,099
HOSPITAL				
Lease Payable, 3.75% due monthly through 2020	\$ 4,334,690	\$ -	\$ 580,547	\$ 3,754,143
Birmingham Hospital Revenue Bonds Series 2004A, 5.0% due annually through 2014	14,875,000	-	4,720,000	10,155,000
Birmingham Hospital Revenue Bonds Series 2006A, 4% due annually through 2041	242,975,000	-	930,000	242,045,000
Highlands Bonds Series 2007A, variable rate interest due annually through 2013	40,000,000	-	40,000,000	-
Birmingham Hospital Revenue Bonds Series 2008A, 4% to 5.75% due annually through 2025	102,830,000	-	1,750,000	101,080,000
Birmingham Hospital Revenue Bonds Series 2008B, variable interest rate, due annually through 2031	109,930,000	-	109,930,000	-
Birmingham General Revenue Bonds Series 2010C, 2.0% to 4.0% due annually through 2028	1,647,058	-	225,267	1,421,791
Birmingham Hospital Revenue Bonds Series 2012A, 2.57% due annually through 2027	-	20,580,000	-	20,580,000
Birmingham Hospital Revenue Bonds Series 2012B, variable interest rate (0.17% at September 30, 2012), due annually through 2042	-	65,000,000	-	65,000,000
Birmingham Hospital Revenue Bonds Series 2012C, variable interest rate (0.17% at September 30, 2012), due annually through 2042	-	65,000,000	-	65,000,000
	\$ 516,591,748	\$ 150,580,000	\$ 158,135,814	\$ 509,035,934
Less (Plus): unamortized bond discount (premium)				8,735,253
TOTAL HOSPITAL DEBT				500,300,681
Less: current portion				9,717,757
TOTAL HOSPITAL DEBT, NONCURRENT				\$ 490,582,924
COMPONENT UNITS				
Recovery Zone Facility Bonds held by BBVA Compass, variable interest rate tied to LIBOR for initial 7-year term starting August 30, 2010	\$ 20,000,000	\$ -	\$ 120,000	\$ 19,880,000
	\$ 20,000,000	\$ -	\$ 120,000	\$ 19,880,000
Less (Plus): unamortized bond discount (premium)				
TOTAL COMPONENT UNITS DEBT				19,880,000
Less: current portion				480,000
TOTAL COMPONENT UNITS DEBT, NONCURRENT				19,400,000
TOTAL UAB	\$ 825,872,152	\$ 150,580,000	\$ 173,481,204	\$ 802,970,948
Less (Plus): unamortized bond discount (premium)				7,708,319
TOTAL UAB DEBT				795,262,629
Less: current portion				25,714,606
TOTAL UAB DEBT, NONCURRENT				\$ 769,548,023

September 30, 2011

	BEGINNING BALANCE	NEW DEBT	PRINCIPAL REPAYMENT	ENDING BALANCE
UNIVERSITY				
Leases Payable for purchase of equipment, 4.55% to 5.04%, due various dates through 2013	\$ 95,503	\$ 124,850	\$ 77,891	\$ 142,462
Lease Payable Medical Advancement Foundation, variable rate interest, (3.25% at September 30, 2010) due annually through 2011	19,225,000		19,225,000	
Birmingham General Revenue Bonds Series 1993B, variable rate interest(0.31% at September 30, 2011), due annually through 2014	4,200,000		1,000,000	3,200,000
Birmingham General Revenue Bonds Series 2001, 5.0% due annually through 2011	35,849,762		35,849,762	
Birmingham General Revenue Bonds Series 2002, 3.0% to 3.8%, due annually through 2014	4,575,000		1,085,000	3,490,000
Birmingham General Revenue Bonds Series 2003A, 3.4% to 4.5% due annually through 2030	57,700,000		2,515,000	55,185,000
Birmingham General Revenue Bonds Series 2005A, 4.0% to 5.0% due annually through 2021	44,405,000		4,340,000	40,065,000
Birmingham General Revenue Bonds Series 2005B, 4.0% to 4.5% due annually through 2028	48,765,000		2,095,000	46,670,000
Birmingham General Revenue Bonds Series 2010A, 2.0% to 4.5% due annually through 2041		54,650,000		54,650,000
Birmingham General Revenue Bonds Series 2010B, 1.0% to 5.8% due annually through 2041		52,975,000		52,975,000
Birmingham General Revenue Bonds Series 2010C, 2.0% to 4.0% due annually through 2028		32,902,942		32,902,942
	\$ 214,815,265	\$ 140,652,792	\$ 66,187,653	\$ 289,280,404
Less (Plus): unamortized bond discount (premium)				(1,263,203)
TOTAL UNIVERSITY DEBT				\$ 290,543,607
Less: current portion				15,219,892
TOTAL UNIVERSITY DEBT, NONCURRENT				\$ 275,323,715

HOSPITAL				
Lease Payable, 3.75% due monthly through 2020	\$ 4,971,206	\$	\$ 636,516	\$ 4,334,690
Birmingham General Revenue Bonds Series 2001, 5.0% due annually through 2011	1,850,238		1,850,238	
Birmingham Hospital Revenue Bonds Series 2004A, 5.0% due annually through 2014	19,375,000		4,500,000	14,875,000
Birmingham Hospital Revenue Bonds Series 2006A, 4.% due annually through 2041	243,840,000		865,000	242,975,000
Highlands Bonds Series 2007A, variable rate interest (0.91% at September 30, 2011) due annually through 2013	40,000,000			40,000,000
Birmingham Hospital Revenue Bonds Series 2008A, 4% to 5.75% due annually through 2025	104,530,000		1,700,000	102,830,000
Birmingham Hospital Revenue Bonds Series 2008B, variable interest rate (0.22% at September 30, 2011), due annually through 2031	109,930,000			109,930,000
Birmingham General Revenue Bonds Series 2010C, 2.0% to 4.0% due annually through 2028		1,647,058		1,647,058
	\$ 524,496,444	\$ 1,647,058	\$ 9,551,754	\$ 516,591,748
Less (Plus): unamortized bond discount (premium)				8,639,290
TOTAL HOSPITAL DEBT				\$ 507,952,458
Less: current portion				8,205,813
TOTAL HOSPITAL DEBT, NONCURRENT				\$ 499,746,645

COMPONENT UNITS				
Leases Payable for purchase of equipment, 3.68% to 5.45%, due various dates through 2010	\$ 49,502	\$	\$ 49,502	\$
Recovery Zone Facility Bonds held by BBVA Compass, variable interest rate tied to LIBOR for initial 7-year term starting August 30, 2010		20,000,000		20,000,000
	\$ 49,502	\$ 20,000,000	\$ 49,502	\$ 20,000,000
Less (Plus): unamortized bond discount (premium)				
TOTAL COMPONENT UNITS DEBT				\$ 20,000,000
Less: current portion				\$ 120,000
TOTAL COMPONENT UNITS DEBT, NONCURRENT				\$ 19,880,000
TOTAL UAB	\$ 739,361,211	\$ 162,299,850	\$ 75,788,909	\$ 825,872,152
Less (Plus): unamortized bond discount (premium)				7,376,087
TOTAL UAB DEBT				\$ 818,496,065
Less: current portion				23,545,705
TOTAL UAB DEBT, NONCURRENT				\$ 794,950,360

Maturities and interest on notes, leases, and bonds payable for the next five years and in the subsequent five-year incremental periods are presented in the table below. Future interest payments for variable rate debt are computed by applying the rate in effect at September 30, 2012.

UNIVERSITY				
YEAR	PRINCIPAL	INTEREST	TOTAL	
2013	\$ 15,516,849	\$ 11,423,677	\$ 26,940,526	
2014	16,010,935	10,888,464	26,899,399	
2015	16,191,218	10,323,651	26,514,869	
2016	16,817,454	9,631,552	26,449,006	
2017	14,665,661	8,947,592	23,613,253	
2018-2022	70,542,897	35,189,857	105,732,754	
2023-2027	55,390,000	22,223,858	77,613,858	
2028-2032	31,840,000	12,417,369	44,257,369	
2033-2037	18,520,000	7,306,700	25,826,700	
2038-2041	18,560,000	2,001,513	20,561,513	
TOTAL UNIVERSITY	\$ 274,055,014	\$ 130,354,233	\$ 404,409,247	
HOSPITAL				
YEAR	PRINCIPAL	INTEREST	TOTAL	
2013	\$ 9,717,757	\$ 18,701,252	\$ 28,419,009	
2014	10,147,512	18,475,367	28,622,879	
2015	10,590,281	18,034,343	28,624,624	
2016	11,065,520	17,556,076	28,621,596	
2017	11,538,244	17,061,473	28,599,717	
2018-2022	63,822,620	76,456,412	140,279,034	
2023-2027	76,294,000	60,150,165	136,444,165	
2028-2032	83,820,000	55,820,878	139,640,878	
2033-2037	102,010,000	41,430,745	143,440,745	
2038-2041	130,030,000	13,197,846	143,227,846	
TOTAL HOSPITAL	\$ 509,035,934	\$ 336,884,557	\$ 845,920,493	
COMPONENT UNITS				
YEAR	PRINCIPAL	INTEREST	TOTAL	
2013	\$ 480,000	\$ 259,512	\$ 739,512	
2014	480,000	253,176	733,176	
2015	480,000	246,840	726,840	
2016	550,000	240,273	790,273	
2017	17,890,000	401,709	18,291,709	
TOTAL COMPONENT UNITS	\$ 19,880,000	\$ 1,401,510	\$ 21,281,510	
TOTAL UAB				
YEAR	PRINCIPAL	INTEREST	TOTAL	
2013	\$ 25,714,606	\$ 30,384,441	\$ 56,099,047	
2014	26,638,447	29,617,007	56,255,454	
2015	27,261,499	28,604,834	55,866,333	
2016	28,432,974	27,427,901	55,860,875	
2017	44,093,905	26,410,774	70,504,679	
2018-2022	134,365,517	111,646,269	246,011,788	
2023-2027	131,684,000	82,374,023	214,058,023	
2028-2032	115,660,000	68,238,247	183,898,247	
2033-2037	120,530,000	48,737,445	169,267,445	
2038-2041	148,590,000	15,199,359	163,789,359	
TOTAL UAB	\$ 802,970,948	\$ 468,640,300	\$ 1,271,611,250	

The University defeased certain indebtedness by depositing funds in escrow trust accounts sufficient to provide for the subsequent payment of principal and interest on the defeased indebtedness. Under the trust agreements, all funds deposited in the trust accounts are invested in obligations of the U.S. government. Neither the assets of the trust accounts nor the defeased indebtedness are included in the accompanying statement of net assets as of September 30, 2012 and 2011. The principal outstanding on the defeased indebtedness at September 30, 2012 and 2011, respectively, was approximately \$0 and \$35,055,000 (\$0 and \$33,382,876 related to University and \$0 and \$1,672,124 related to Hospital, respectively).

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

The 2012B and 2012C bonds include a demand obligation feature that allows the bondholder to tender the bonds back to the Hospital at any date. The Hospital has obtained a letter of credit ("LOC") in the aggregate amount of the bonds to repay any tendered amounts in the event the remarketing agent is unable to resell the bonds in the allotted time (7 days from the notice of intent to tender). No bonds were tendered and no amounts were outstanding under the LOC as of September 30, 2012.

Similarly, the 2008B bonds, which were repaid during 2012 with proceeds from the 2012 offering, included a demand obligation feature that allowed the bondholder to tender the bonds back to the Hospital at any date. The Hospital obtained a letter of credit ("LOC") in the aggregate amount of the bonds to repay any tendered amounts in the event the remarketing agent is unable to resell the bonds in the allotted time (7 days from the notice of intent to tender). No bonds were tendered and no amounts were outstanding under the LOC as of September 30, 2011.

In November 2010, the University issued \$54,650,000 in Series 2010A General Revenue Bonds. The bonds pay interest at varying rates 2% to 4.25% with principal due annually through October 1, 2034. The proceeds of this offering are being used for the purposes of constructing facilities, additions, and improvements at UAB; funding capitalized interest on a portion of the Series 2010A Bonds through April 1, 2013; and paying costs and expenses associated with this issue. In November 2010, the University issued \$52,975,000 in Series 2010B General Revenue Bonds. The bonds pay interest at varying rates 1% to 5.2% with principal due annually through October 1, 2030. The proceeds of this offering are

being used for the purposes of constructing facilities, additions, and improvements at UAB; funding capitalized interest on a portion of the Series 2010B Bonds through April 1, 2013; and paying costs and expenses associated with this issue. In November 2010, the University issued \$34,550,000 in Series 2010C General Revenue Bonds. The bonds pay interest at varying rates 2% to 4% with principal due annually through October 1, 2027. The proceeds of this offering are being used for the purposes of advance refunding Series 2001 General Revenue Bonds; and paying costs and expenses associated with this issue.

In August 2010, SRI issued \$20,000,000 in Recovery Zone Facility

Bonds. The bonds are held by BBVA Compass for an initial term of seven years and bear interest at a variable rate, tied to LIBOR. The bonds can be extended with maturities up to September 1, 2036 and, if renewed, would amortize over this period. The bond proceeds will be used primarily for upgrades to SRI's laboratory facilities and equipment.

UAB's general revenue bonds and the Hospital Series 2004A, 2006A, 2008A, 2012A, 2012B, and 2012C Revenue Trust Indentures contain certain restrictive financial covenants. UAB's management believes that it was in compliance with respect to these covenants at September 30, 2012 and 2011.

(9) Other Noncurrent Liabilities

The activity with respect to other noncurrent liabilities for the year ended September 30, 2012 and 2011, is as follows for UAB:

September 30, 2012

	BEGINNING BALANCE	ADDITIONS	DEDUCTIONS	ENDING BALANCE
Advances federal loans	\$ 15,425,453	\$ 240,406	\$ (740,469)	\$ 14,925,390
Deferred revenue	14,577,781	147,726	(376,148)	14,349,359
Other noncurrent liabilities	962,150	1,208,047	(298,011)	1,872,186
Total advances federal loans and other noncurrent liabilities	\$ 30,965,384	\$ 1,596,179	\$ (1,414,628)	\$ 31,146,935

September 30, 2011

	BEGINNING BALANCE	ADDITIONS	DEDUCTIONS	ENDING BALANCE
Advances federal loans	\$ 15,912,319	\$ 307,550	\$ (794,416)	\$ 15,425,453
Deferred revenue	12,934,483	1,850,134	(206,836)	14,577,781
Other noncurrent liabilities	592,390	386,160	(16,400)	962,150
Total advances federal loans and other noncurrent liabilities	\$ 29,439,192	\$ 2,543,844	\$ (1,017,652)	\$ 30,965,384

(10) Pledged Revenues

Pledged revenues for 2012 and 2011, as defined by the Series 2000A, 2000B, 2000C, 2000D, 2004A, 2008A, 2012A, 2012B and 2012C Hospital Revenue Trust Indentures, are as follows:

HOSPITAL BONDS	2012	2011
Total pledged revenues	\$ 1,211,793,337	\$ 1,126,629,898

Pledged revenues for 2012 and 2011, as defined by the Series 1993B, 2002, 2003A, 2005A, 2005B, 2010A, 2010B and 2010C General Revenue Trust Indentures, are as follows:

UNIVERSITY BONDS	2012	2011
Tuition fees	\$ 175,184,111	\$ 161,719,588
Indirect cost recovery	80,901,702	91,802,288
Sales and service of educational activities	55,906,284	53,034,123
Auxiliary sales and services	21,281,904	20,211,806
Endowment and investment income	27,096,839	34,144,703
Other sources	39,442,801	30,826,011
TOTAL PLEDGED REVENUES	\$ 399,813,641	\$ 391,738,519

(11) Employee Benefits

Retirement and Pension Plans

Most employees of UAB 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 programs are defined contribution plans. The TRS was established as of September 15, 1939, under the provisions of Act 419 of the Legislature of 1939 for the purpose of providing retirement allowances and other specified benefits for qualified persons employed by State-supported educational institutions. The responsibility for the general administration and operation of the TRS is vested in its Board of Control.

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

Covered employees are required by statute to contribute to TRS. UAB, as the employer, contributes to TRS. The contribution requirements for fiscal years 2012, 2011, and 2010, respectively, were approximately \$137,065,000, \$134,826,000, and \$127,433,000, which consisted of \$79,458,000, \$96,297,000, and \$91,017,000 from UAB and \$57,607,000, \$38,529,000, and \$36,416,000 from employees. UAB's contribution was 10%, 12.51%, and 12.51% of salaries and wages for covered employees in 2012, 2011, and 2010, respectively. Covered employees (except for law enforcement employees) are required by statute to contribute 7.25% in 2012 and 5% in 2011 of earned compensation to TRS. The contribution by law enforcement employees is 8.25% in 2012 and 6% in 2011 of earned compensation. All regular employees of UAB are members of TRS,

with the exception of temporary employees who, by definition, are those employees hired for a predetermined period of employment of less than one year and employees working less than one half of a regular schedule.

The 10-year historical trend information shows TRS's progress in accumulating sufficient assets to pay benefits when due and the significant actuarial assumptions used to compute the pension benefit obligation, including the discount rate, projected salary increases, and postretirement benefit increases presented in the September 30, 2012, annual financial report of the TRS. That report is publicly available and may be obtained by contacting TRS.

As previously noted, some employees participate in the optional 403(b) Plan programs, which are defined contribution plans. 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 2012 and 2011, respectively, excluding employee amounts not eligible for matching, were approximately \$31,357,000 and \$30,444,000 which included approximately \$15,678,000 and \$15,222,000 each from UAB and its employees.

UAB's total salaries and wages for fiscal year 2012 and 2011, respectively, were approximately \$921,253,000 and \$887,356,000. Total salaries and wages during fiscal years 2012 and 2011 for covered employees participating in TRS were approximately \$794,579,000 and \$769,758,000, respectively. Total salaries and wages during fiscal years 2012 and 2011 for covered employees participating in the 403(b) Plan were approximately \$327,589,000 and \$316,527,000, respectively.

SRI sponsors a defined contribution retirement plan available to all employees after they have attained certain age and service requirements. Information regarding this benefit is presented in SRI's annual report.

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.

During the year ended September 30, 2010, Highlands sponsored the UAB Highlands 457(b) Retirement Plan (“the 457(b) Plan”) and the UAB Highlands Retirement Matching Plan (“the 401(a) Plan”).

The 457(b) Plan and 401(a) Plan were terminated effective September 30, 2010. As a result of the plan terminations, benefits under the 457(b) Plan and/or the 401(a) Plan may be paid directly to individuals or paid in a direct rollover into another qualified plan. Due to the elimination of the plans, all “matching funds” were 100% vested for all participants, regardless of length of service.

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 \$44,705,000 and \$40,092,000 as of September 30, 2012 and 2011, respectively, for accrued vacation pay and salary-related payments associated with vacation pay. There is no such accrual recognized for sick leave benefits because there is no terminal cash benefit available to employees for accumulated sick leave.

(12) Other Postemployment Benefits

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

PEEHIP with TRS, in which case the retirees pay a portion of the PEEHIP premium, with UAB paying an allocation towards the cost of retiree coverage.

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

PEEHIP is a cost-sharing multiple-employer defined benefit OPEB plan administered by the Public Education Employees Health Insurance Board. PEEHIP offers a basic hospital/medical plan that provides basic medical coverage for up to 365 days of care during each hospital confinement. The basic hospital/medical plan also provides for physicians’ benefits, outpatient care, prescription drugs, and mental health benefits. Major medical benefits under the basic hospital/medical plan are subject to a lifetime contract maximum of \$1,000,000 for each covered individual. The financial report for PEEHIP can be obtained on the PEEHIP website at www.rsa-al.gov/PEEHIP/peehip.html under the Trust Fund Financials tab. 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, 2012 and 2011, respectively:

Retired Member Rates

- Individual Coverage/Non-Medicare Eligible - \$151 and \$146
- Family Coverage/Non-Medicare Eligible Retired Member and Non-Medicare Eligible Dependent(s) - \$391 and \$381
- Family Coverage/Non-Medicare Eligible Retired Member and Dependent Medicare Eligible - \$250 and \$245
- Individual Coverage/Medicare Eligible Retired Member - \$10 and \$10
- Family Coverage/Medicare Eligible Retired Member and Non-Medicare Eligible Dependent(s) - \$250 and \$245
- Family Coverage/Medicare Eligible Retired Member and Dependent Medicare Eligible - \$109 and \$109

The required contribution rates of the employer were \$370 and \$420 per employee per month in the years ended September 30, 2012 and 2011, respectively. 100% of 2012 and 2011 contributions were paid in 2012 and 2011, respectively. UAB con-

tributed \$16,732,900 and \$18,039,089 to PEEHIP in 2012 and 2011, 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 \$7,142,350 and \$1,816,610 in retiree healthcare and benefit expense during the years ended September 30, 2012 and 2011, 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, 2012 and 2011 is as follows:

	2012	2011	2010
Annual required contribution	\$ 10,342,567	\$ 6,539,591	\$ 5,887,768
Interest on obligations for retiree benefits	728,677	560,001	372,327
Adjustment to annual required contribution	(555,218)	(367,986)	(261,789)
Annual retiree benefit costs	10,516,026	6,731,606	5,998,306
UAB Contributions	(3,373,676)	(4,914,996)	(4,166,681)
Increase in obligations for retiree benefits	7,142,350	1,816,610	1,831,625
Obligations for retiree benefits, beginning of year	8,967,199	7,150,589	5,318,964
Total obligations for retiree benefits, end of year	\$ 16,109,549	\$ 8,967,199	\$ 7,150,589

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

efits for UAB for year ended September 30, 2012 and 2011 are as follows:

	2012	2011	2010
Annual retiree benefit cost	\$ 10,516,026	\$ 6,731,606	\$ 5,998,306
Percentage of annual cost contributed	32.08%	73.01%	69.5%
Net obligation to the retiree benefit plan	\$ 16,109,549	\$ 8,967,199	\$ 7,150,589

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, 2010 and 2011 was as follows:

	2012	2011	2010
Actuarial accrued liability	\$ 44,358,077	\$ 52,061,639	\$ 51,649,871
Actuarial value of plan assets			
Unfunded actuarial accrued liability	\$ 44,358,077	\$ 52,061,639	\$ 51,649,871
Funded ratio	Zero	Zero	Zero
Covered payroll	\$ 921,253,387	\$ 887,356,263	\$ 838,331,004
Unfunded actuarial accrued liability as a percentage of covered payroll	4.81%	5.87%	6.16%

Actuarial Methods and Assumptions

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

Significant actuarial methods and assumptions used in the valuation were:

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

SRI provides postretirement life insurance and medical benefit coverage to certain eligible employees. The details of this postretirement benefit are presented in SRI's annual report.

(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, 2012 and 2011, respectively, UAB disbursed approximately \$130,039,000 and \$126,454,000 under the FDSLP.

(14) Grants and Contracts

At September 30, 2012 and 2011, UAB had been awarded approximately \$366,519,000 (unaudited) and \$356,004,000 (unaudited) in grants and contracts which had not been expended. These awards, which represent commitments of sponsors to provide funds for specific research, training, and service projects, have not been reflected in the financial statements.

In addition, during fiscal year 2009, the University began receiving and expending federal funding under the American Recovery and Reinvestment Act (ARRA), primarily in the form of sponsored research grants and State Fiscal Stabilization Funds. At September 30, 2012 and 2011, UAB had been awarded approximately \$12,459,000 (unaudited) and \$30,346,000 (unaudited) in ARRA funding which had not been expended. These awards 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 2006. Revenue from the Medicare program accounted for approximately 26% and 27% of the Hospital's net patient service revenue for the years ended September 30, 2012 and 2011, respectively.

Blue Cross—Inpatient services rendered to Blue Cross subscribers are paid at a prospectively determined per diem rate. Outpatient services are reimbursed at a prospectively determined rate or under a cost reimbursement methodology. The method of reimbursement is determined by the procedures that are performed. For outpatient services reimbursed under a cost reimbursement methodology, the Hospital is reimbursed at a tentative rate with a final settlement determined after submission of annual cost reports by the Hospital and audits thereof by Blue Cross. The Hospital's Blue Cross cost reports have been audited and settled for all fiscal years through 2009. Revenue from the Blue Cross program accounted for approximately 31% and 33% of the Hospital's net patient service revenue for each of the years ended September 30, 2012 and 2011, respectively.

Medicaid—Inpatient services rendered to Medicaid program beneficiaries are reimbursed at all-inclusive prospectively determined per diem rates. Outpatient services are reimbursed based on an established fee schedule. The Hospital participates in the Alabama

Medicaid Plan and therefore, also receives supplemental payments based on formulas established by the Alabama Medicaid Agency. The net benefit associated with the Hospital's essential provider designation, totaling approximately \$58,907,000 and \$46,390,000 in 2012 and 2011, respectively, is included in net patient service revenue in the accompanying statements of revenues, expenses, and changes in net assets. 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 15% of the Hospital's net patient service revenue for each of the years ended September 30, 2012 and 2011.

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:

	2012	2011
Gross Patient Service Revenue	\$ 4,143,237,574	\$ 3,752,515,964
Less provision for contractual and other adjustments	(2,851,491,622)	(2,575,163,689)
Less provision Bad Debts	(236,995,097)	(196,167,535)
Net Patient Service Revenue	\$ 1,054,750,855	\$ 981,184,740
Capitation Revenue	64,068,261	57,684,083
Other Operating Revenue	83,855,212	77,002,487
TOTAL HOSPITAL SALES REVENUE	\$ 1,202,674,328	\$ 1,115,871,310

(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, 2012 and 2011:

	2012	2011
Approximate charges forgone, based on established rates	\$ 216,552,000	\$ 178,531,000
Percentage of charity charges to total charges	5.2%	4.8%

(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, 2012 and 2011 follows:

	2012	2011
Other	43%	41%
Medicare	20	21
Blue Cross	28	28
Medicaid	9	10
	100%	100%

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 2012 and 2011 was 2%. The associated risks of claims are subject to aggregate limits, with excess liability coverage provided by independent insurers to protect participants against losses should a claim arise that exceeds PLTF coverage limits. Although UAB is the sponsor of PLTF, it is not the predominant participant in the fund.

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

The PLTF agreement requires 10% of all PLTF assets to be held in liquid assets. At September 30, 2012 and 2011, the liquid assets of the PLTF, as defined by the agreement, were in compliance with the agreement.

General liability is subject to various claims and aggregate limits, with excess liability coverage provided by an independent insurer. General liability and employee health care claims and expenses are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Those losses include an estimate of claims that have been incurred but not reported and the future costs of handling claims. The general liability 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 2012 and 2011.

In addition, SRI is self-insured for active employees' health care and dental coverage.

Changes in the total self-insured liabilities for the years ended September 30, 2012 and 2011 are presented as follows for UAB:

(18) Construction Commitments and Financing

UAB has contracted for the construction and renovation of several facilities. At September 30, 2012 and 2011, the estimated remaining cost to complete the construction and renovation of these facilities was approximately \$109,756,000 (unaudited) and \$117,151,000 (unaudited), respectively, which is expected to be financed from private gifts, grants, bond proceeds, and UAB reserves.

(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.

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

SELF INSURED LIABILITIES	2012	2011
Balance, beginning of year	\$ 9,655,872	\$ 9,308,638
Claims incurred and changes in estimates	78,020,385	66,937,421
Claim payments	(72,720,172)	(66,590,187)
BALANCE, END OF YEAR	\$ 14,956,085	\$ 9,655,872

(20) Commitments and Contingencies

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

UAB is engaged in various legal actions in the ordinary course of business. Management does not believe the ultimate outcome of these actions will have a material adverse effect on the financial statements. However, the settlement of legal actions is subject to inherent uncertainties and it is possible that such outcomes could differ materially from management's current expectations.

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

SRI is involved in an environmental remediation site where SRI voluntarily elected to clean up the site in accordance with applicable federal and state laws. Additionally, SRI has voluntarily elected to decommission a laboratory facility formerly used for projects involving toxic agents. Uncertainties about the status of laws and regulations, technology, the magnitude of possible contamination and the extent of the correction actions make it difficult to develop estimates of probable future remediation and decommission-

ing costs. While the actual costs of remediation and decommissioning may vary from management's estimates because of these uncertainties, SRI has accrued \$137,000 and \$144,000 at September 30, 2012 and September 30, 2011, respectively, included in accounts payable and accrued liabilities in the accompanying statement of net assets, based on management's best estimate of the exposures.

Effective July 31, 2007, SRI sold all of the capital stock of its wholly owned subsidiary, Brookwood Pharmaceuticals, Inc. (Brookwood), to Surmodics, Inc. (Surmodics) pursuant to the terms of a stock purchase agreement between SRI and Surmodics (the Purchase Agreement). Surmodics paid to SRI \$40 million in cash at the closing of the transaction and agreed to pay SRI up to \$22 million of additional consideration (the Contingent Consideration), based on the achievement of certain revenue and project milestones by certain dates in the future. The last of these milestones must be achieved on or before December 31, 2012. Approximately 12.7% of any Contingent Consideration received by SRI will be owed to individuals who were employed by Brookwood as of the date of the Purchase Agreement.

The University and UABRF entered into a services agreement in November 2009. The agreement requires UABRF to undertake and manage the University's interest in a joint venture for the purposes of implementing a drug development program (DDP) through investigation and evaluation of promising proteins and chemical compounds. The University will provide payment of up to \$10 million over a period of ten years to participate in the DDP. In exchange for UABRF's services, UABRF will retain 15% of any revenue received from the joint venture.

In addition, in November 2009, UABRF (on behalf of UAB), SRI and Jubilant Organosys, Ltd. (Jubilant) entered into a joint venture to implement a drug development program to discover new pharmaceutical compounds for human and veterinary use (drug development program). The capital requirement for this DDP is expected to not exceed \$40 million, of which UABRF, through its service agreement with UAB, and SRI will contribute \$10 million each and Jubilant will contribute \$20 million.

(21) Operating Expenses by Function

Total operating expenses by functional classification for the years ended September 30, 2012 and 2011 are as follows for UAB:

September 30, 2012	SALARIES, WAGES, AND BENEFITS	SUPPLIES AND SERVICES	DEPRECIATION AND AMORTIZATION	SCHOLARSHIPS AND FELLOWSHIPS	TOTAL
Instruction	\$ 224,190,242	\$ 23,227,468			\$ 247,417,710
Research	196,868,074	116,617,296			313,485,370
Public service	54,228,038	17,896,872			72,124,910
Academic support	123,460,490	29,962,225			153,422,715
Student services	17,241,447	8,489,860			25,731,307
Institutional support	69,519,494	29,907,695			99,427,189
Operations and maintenance of plant	27,608,790	37,667,318			65,276,108
Scholarships and fellowships				\$ 19,158,774	19,158,774
Hospital	536,212,418	498,350,263			1,034,562,681
Auxiliary	37,542,944	428,560,390			466,103,334
Depreciation and amortization			\$ 128,960,636		128,960,636
TOTAL OPERATING EXPENSES	\$ 1,286,871,937	\$ 1,190,679,387	\$ 128,960,636	\$ 19,158,774	\$ 2,625,670,734

September 30, 2011	SALARIES, WAGES, AND BENEFITS	SUPPLIES AND SERVICES	DEPRECIATION AND AMORTIZATION	SCHOLARSHIPS AND FELLOWSHIPS	TOTAL
Instruction	\$ 215,817,141	\$ 26,904,589			\$ 242,721,730
Research	211,942,373	125,798,574			337,740,947
Public service	46,136,525	34,997,551			81,134,076
Academic support	110,175,567	36,134,459			146,310,026
Student services	13,414,199	6,840,424			20,254,623
Institutional support	53,867,608	30,374,459			84,242,067
Operations and maintenance of plant	26,919,540	28,221,105			55,140,645
Scholarships and fellowships				\$ 19,012,364	19,012,364
Hospital	515,488,038	447,793,062			963,281,100
Auxiliary	32,968,768	369,504,943			402,473,711
Depreciation and amortization			\$ 127,748,781		127,748,781
TOTAL OPERATING EXPENSES	\$ 1,226,729,759	\$ 1,106,569,166	\$ 127,748,781	\$ 19,012,364	\$ 2,480,060,070

(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, 2012 and 2011 is as follows:

UNIVERSITY	2012	2011
CONDENSED STATEMENT OF NET ASSETS		
Current assets	\$ 412,426,979	\$ 386,904,874
Capital assets, net	801,214,461	765,965,497
Other assets	643,045,923	645,604,331
TOTAL ASSETS	\$ 1,856,687,363	\$ 1,798,474,702
Current liabilities	\$ 192,666,516	\$ 189,183,060
Long-term debt	259,565,099	275,323,715
Other noncurrent liabilities	14,925,391	15,425,453
TOTAL LIABILITIES	\$ 467,157,006	\$ 479,932,228
Invested in capital net of related debt	\$ 555,391,612	\$ 549,858,206
Restricted nonexpendable	252,616,872	227,892,270
Restricted expendable	183,897,791	174,373,059
Unrestricted	397,624,082	366,418,939
TOTAL NET ASSETS	\$ 1,389,530,357	\$ 1,318,542,474
CONDENSED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS		
Tuition and fees, net	\$ 130,569,653	\$ 115,886,758
Grant and contract revenue	367,310,018	434,244,970
Sales and services, auxiliary	21,281,904	20,211,806
Other operating revenues	95,349,085	83,860,134
Salaries, wages, and benefits	(677,685,032)	(648,503,741)
Supplies and services	(253,634,899)	(268,142,906)
Depreciation expense	(66,839,816)	(67,964,828)
Scholarships and fellowships	(19,158,339)	(19,012,364)
OPERATING LOSS	\$ (402,807,426)	\$ (349,420,171)
State appropriations	\$ 235,090,129	\$ 221,566,438
Investment income	71,929,201	332,402
Interest expense	(6,838,327)	(8,369,601)
Gifts	32,332,717	28,570,266
Other nonoperating revenues	31,653,883	46,705,699
(LOSS) BEFORE OTHER CHANGES IN NET ASSETS	\$ (38,639,823)	\$ (60,614,967)
Capital gifts	\$ 418,160	\$ 7,215
Endowment gifts	11,009,611	9,561,889
Other	14,205,901	16,824,832
Intergovernmental transfers	83,994,034	59,150,023
INCREASE IN NET ASSETS	\$ 70,987,883	\$ 24,928,992
Net assets, beginning of year	\$ 1,318,542,474	\$ 1,293,613,482
NET ASSETS, END OF YEAR	\$ 1,389,530,357	\$ 1,318,542,474
CONDENSED STATEMENT OF CASH FLOWS		
Net cash provided by (used in):		
Operating activities	\$ (327,562,787)	\$ (292,091,526)
Noncapital financing activities	398,036,422	369,568,997
Capital and related financing activities	(110,079,784)	24,315,590
Investing activities	(9,968,914)	(46,793,258)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	\$ (49,575,063)	\$ 54,999,803
Cash and cash equivalents, beginning of year	\$ 160,675,532	\$ 105,675,729
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 111,100,469	\$ 160,675,532

HOSPITAL	2012	2011
CONDENSED STATEMENT OF NET ASSETS		
Current assets	\$ 311,195,825	\$ 249,235,776
Capital assets, net	631,099,384	654,215,581
Other assets	542,758,190	480,271,156
TOTAL ASSETS	\$ 1,485,053,399	\$ 1,383,722,513
Current liabilities	\$ 77,437,604	\$ 70,338,159
Long-term debt	490,582,924	499,746,645
Other noncurrent liabilities	14,349,359	14,577,780
TOTAL LIABILITIES	\$ 582,369,887	\$ 584,662,584
Invested in capital net of related debt	\$ 130,798,704	\$ 146,263,124
Restricted nonexpendable	128,099	128,099
Restricted expendable	27,975,954	25,207,841
Unrestricted	743,780,755	627,460,865
TOTAL NET ASSETS	\$ 902,683,512	\$ 799,059,929
CONDENSED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS		
Operating revenues	\$ 1,194,902,008	1,109,666,682
Operating expenses	(1,034,562,682)	(963,281,100)
Depreciation expense	(55,542,120)	(53,012,613)
OPERATING INCOME	\$ 104,797,206	\$ 93,372,969
State appropriations	33,550,226	32,722,101
Investment income (loss)	55,634,553	(11,701,057)
Interest expense	(20,693,887)	(21,186,386)
Gifts	348,648	328,209
Other nonoperating revenues	281,797	3,207,397
INCOME BEFORE OTHER CHANGES IN NET ASSETS	\$ 173,918,543	\$ 96,743,233
Capital gifts	\$ 34,212	527,011
Other	21,187	(194,446)
Intergovernmental transfers	(70,350,359)	(50,801,766)
INCREASE IN NET ASSETS	\$ 103,623,583	\$ 46,274,032
Net assets, beginning of year	\$ 799,059,929	752,785,897
NET ASSETS, END OF YEAR	\$ 902,683,512	\$ 799,059,929
CONDENSED STATEMENT OF CASH FLOWS		
Net cash provided by (used in):		
Operating activities	\$ 173,320,736	\$ 117,016,207
Noncapital financing activities	(36,217,223)	(14,449,718)
Capital and related financing activities	(61,129,999)	(79,371,658)
Investing activities	(90,229,119)	(59,228,024)
NET INCREASE IN CASH AND CASH EQUIVALENTS	\$ (14,255,605)	\$ (36,033,193)
Cash and cash equivalents, beginning of year	52,405,402	88,438,595
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 38,149,797	\$ 52,405,402

(23) Recently Issued Pronouncements

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

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

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

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

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

The GASB issued Statement No. 65, *Items Previously Reported as Assets and Liabilities* (GASB 65), in March 2012. This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2012. The University is currently evaluating the impact, if any, that GASB 65 will have on its financial statements.

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

The GASB issued Statement No. 67, *Financial Reporting for Pension Plans – an amendment of GASB Statement No. 25* (GASB 67), in June 2012. The objective of this Statement is to improve financial reporting by state and local governmental pension plans. This Statement is effective for financial statements for fiscal years beginning after June 15, 2013. The University is currently evaluating the impact, if any, that GASB 67 will have on its financial statements.

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

The University of Alabama at Birmingham
Required Supplementary Information
September 30, 2012 and 2011

Required Supplementary Information

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

Actuarial Methods and Assumptions

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

Significant actuarial methods and assumptions used in the valuation were :

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

Schedule of Funding Progress

RETIREE HEALTH AND LIFE INSURANCE PLAN							
Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	(Deficit)	Funded Ratio	Annual Covered Payroll	(Deficit)/Covered Payroll	
October 1, 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%	

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As of September 30, 2012



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