

**University of Alabama at  
Birmingham**

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

**For the Year Ended September 30, 2017**

**EIN: 63-6005396**

**University of Alabama at Birmingham**  
**Report on Federal Awards in Accordance with the Uniform Guidance**  
**For the Year Ended September 30, 2017**

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

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

To the Board of Trustees of The University of Alabama:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and the discretely presented component unit 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, which comprise the statements of net position as of September 30, 2017, and the related statements of revenues, expenses, and changes in net position and of cash flows (where applicable) for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated January 22, 2018. Our report includes an emphasis of a matter regarding the presentation of the financial statements as discussed in Note 1 to the financial statements. Our report includes a reference to other auditors who 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., UAB Athletics Foundation and UAB Research Foundation were not audited in accordance with *Government Auditing Standards* and accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with these component units.

**Internal Control Over Financial Reporting**

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

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

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



### **Compliance and Other Matters**

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

### **Purpose of this Report**

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

*PricewaterhouseCoopers LLP*

January 22, 2018



**Report of Independent Auditors on Compliance with Requirements  
That Could Have a Direct and Material Effect on Each Major Program and on  
Internal Control Over Compliance in Accordance with the Uniform Guidance**

To the Board of Trustees of The University of Alabama:

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

We have audited the University of Alabama at Birmingham's ("UAB"), a campus of The University of Alabama System, which is a component unit of the State of Alabama, compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of UAB's major federal programs for the year ended September 30, 2017. UAB's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

UAB's basic financial statements include the operations of Southern Research Institute ("SRI"), UAB's discretely presented component unit, which received \$44,615,933 in federal awards during its year ended December 30, 2016 which is not included in UAB's schedule of expenditures of federal awards for the year ended September 30, 2017. Our audit, described below, did not include the operations of SRI because SRI engaged other auditors to perform an audit in accordance with the Uniform Guidance.

UAB's basic financial statements include the operations of Triton Health Systems, L.L.C., UAB Research Foundation, Alabama Care Plan, UAB Hospital Management L.L.C and UAB Athletics Foundation, which did not receive federal awards during the year ended September 30, 2017. Accordingly, our audit, described below, did not include the operations of these component units.

***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations and the terms and conditions of its federal awards applicable to its federal programs.

***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for each of UAB's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about UAB's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.



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

### ***Opinion on Each Major Federal Program***

In our opinion, based on our audit, The University of Alabama at Birmingham complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2017.

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

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

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

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

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

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

We have audited the financial statements of the business-type activities and the discretely presented component unit of UAB as of and for the year ended September 30, 2017, and the related notes to the



financial statements, which collectively comprise UAB's basic financial statements. We issued our report thereon dated January 22, 2018, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

*PricewaterhouseCoopers LLP*

June 25, 2018, except for our report on the Schedule of Expenditures of Federal Awards, as to which the date is January 22, 2018



# University of Alabama at Birmingham

## Schedule of Expenditures of Federal Awards

### Year Ended September 30, 2017

Federal Program	CFDA Number	Direct	Pass-through	Pass-Through Grantor	Contract/Award or Pass-Through Num	Total Expenditures	Passed to Subrecipients
<b>RESEARCH AND DEVELOPMENT</b>							
<b>Department of Defense</b>							
Basic and Applied Scientific Research	12.300	\$ -	\$ 317,133	WRIGHT STATE UNIVERSITY	N00014-16-1-3159	\$ 317,133	
Military Medical Research and Development	12.420	7,660,432	-			7,660,432	\$ 2,606,981
Military Medical Research and Development	12.420	-	47,942	GREENVILLE HOSP SYS	W81XWH-12-1-0530	47,942	
Military Medical Research and Development	12.420	-	43,573	GREENVILLE HOSP SYS	W81XWH-08-1-0473	43,573	
Military Medical Research and Development	12.420	-	8,504	JOHNS HOPKINS UNIVERSITY	W81XWH-14-2-0189	8,504	
Military Medical Research and Development	12.420	-	5,962	JOHNS HOPKINS UNIVERSITY	W81XWH-10-2-0090	5,962	
Military Medical Research and Development	12.420	-	28	TUSKEGEE UNIVERSITY	W81XWH-13-1-0499	28	
Basic Scientific Research	12.431	-	88,281	THE UNIVERSITY OF MONTANA	W911NF-15-2-0020	88,281	
Basic Scientific Research	12.431	-	30,521	UNIVERSITY OF TENNESSEE( KNOXVILL	W911NF-15-1-0614	30,521	
Basic, Applied, and Advanced Research in Science and Engineering	12.630	-	200,000	IOWA ST UNIV	DMDI1-14-01-07	200,000	
Basic, Applied, and Advanced Research in Science and Engineering	12.630	36,680	-			36,680	
Uniformed Services University Medical Research Projects	12.750	87,243	-			87,243	
Uniformed Services University Medical Research Projects	12.750	-	25,088	THE GENEVA FOUNDATION	HT9404-13-1-TS08/N13-P13	25,088	
Air Force Defense Research Sciences Program	12.800	283,164	-			283,164	
Research and Technology Development	12.910	-	515,620	UNIVERSITY OF CENTRAL FLORIDA	W31P4Q-15-1-0008	515,620	
Contract #W911QY-15-C-0134	12.RD	1,414,497	-			1,414,497	286,032
Contract #FA9101-13-C-0032	12.RD	867,015	-			867,015	
Contract	12.RD	-	256,880	ENGLITY CORPORATION	GS04T-09-DBC-0017	256,880	
Contract #DOD W81EWF41637598	12.RD	246,737	-			246,737	
Contract	12.RD	-	230,176	EMORY UNIVERSITY	HDTRA1-15-C-0075	230,176	
Contract	12.RD	-	141,838	ADVANCED TECHNOLOGY INTERNATIONAL	SP4701-15-C7003	141,838	
Contract #FA4417-16-P-R026	12.RD	115,015	-			115,015	
Contract	12.RD	-	92,662	ADVANCED TECHNOLOGY INTERNATIONAL	2016-517	92,662	
Contract	12.RD	-	39,999	STEEL FOUNDER'S SOCIETY OF AMERICA	CAST-008	39,999	
Contract	12.RD	-	33,040	ALION SCIENCE AND TECHNOLOGY CORPORATION	FA8075-14-D-0014	33,040	
Contract	12.RD	-	29,265	TDA	W81XWH-16-C-0076	29,265	
Contract	12.RD	-	22,400	TDA	N00014-16-P-3036	22,400	
Contract	12.RD	-	19,240	SCIENCE APPLICATION INTERNATIONAL CORP	PO10210824/W15QKN-14-9-002-RPP2	19,240	5,913
Total Department of Defense		10,710,783	2,148,152			12,858,935	2,898,926
<b>Department of Interior</b>							
Marine Turtle Conservation Fund	15.645	14,743	-			14,743	
Total Department of Interior		14,743	-			14,743	
<b>Department of Justice</b>							
National Institute of Justice Research, Evaluation, and Development Project Grants	16.560	326,926	-			326,926	11,308
Criminal Justice Research and Development_Graduate Research Fellowships	16.562	48,470	-			48,470	
Project Safe Neighborhoods	16.609	-	37,822	CITY OF BIRMINGHAM	2015-GP-BX-0009	37,822	
Total Department of Justice		375,396	37,822			413,218	11,308
<b>Department of Transportation</b>							
Highway Training and Education	20.215	26,225	-			26,225	
University Transportation Centers Program	20.701	-	112,383	GEORGIA INSTITUTE OF TECHNOLOGY	DTRT12-G-UTC12	112,383	
University Transportation Centers Program	20.701	-	40,086	UNIVERSITY OF TENNESSEE( KNOXVILL	DTRT13-G-UTC34	40,086	
University Transportation Centers Program	20.701	-	33,175	UNIVERSITY OF FLORIDA	UF-EIES-1200009 TASK 17	33,175	
University Transportation Centers Program	20.701	-	31,826	UNIVERSITY OF FLORIDA	UF-EIES-1200009 TASK 12	31,826	
University Transportation Centers Program	20.701	-	22,864	UNIVERSITY OF FLORIDA	UF-EIES-1200009 TASK 1	22,864	
University Transportation Centers Program	20.701	-	21,254	UNIVERSITY OF FLORIDA	UF-EIES-1200009 TASK 16	21,254	
University Transportation Centers Program	20.701	-	9,535	UNIVERSITY OF FLORIDA	UF-EIES-1200009 TASK 15	9,535	
Contract	20.RD	-	234,641	VIRGINIA TECH	DTMC7514D0001HL-7006	234,641	
Contract #DIFT60-04-Z-7001	20.RD	19,515	-			19,515	19,515
Contract #DTNH2217D00066	20.RD	3,105	-			3,105	
Total Department of Transportation		48,845	505,764			554,609	19,515

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, 2017

Federal Program	CFDA Number	Direct	Pass-through	Pass-Through Grantor	Contract/Award or Pass-Through Num	Total Expenditures	Passed to Subrecipients
<b>RESEARCH AND DEVELOPMENT</b>							
<b>National Aeronautics and Space Administration</b>							
Science	43.001	110,775	-			110,775	56,515
Exploration	43.003	338,466	-			338,466	14,479
Exploration	43.003	-	8,406	GEORGIA INSTITUTE OF TECHNOLOGY	NNX16AT06G	8,406	
Space Operations	43.007	141,801	-			141,801	
Space Operations	43.007	-	11,433	CENTER FOR THE ADVANCEMENT OF SCIENCE IN SPACE	NNH11CD70A	11,433	
Education	43.008	-	9,729	LAWSON STATE COMMUNITY COLLEGE	4200595413	9,729	
Contract #NNJ15HA80B	43.RD	6,218,614	-			6,218,614	
Total National Aeronautics and Space Administration		6,809,656	29,568			6,839,224	70,994
<b>National Science Foundation</b>							
Engineering Grants	47.041	511,047	-			511,047	
Engineering Grants	47.041	-	137,549	GEORGIA INSTITUTE OF TECHNOLOGY	1643289	137,549	
Engineering Grants	47.041	-	66,251	CETOTECH INC	1534697	66,251	
Mathematical and Physical Sciences	47.049	682,101	-			682,101	
Mathematical and Physical Sciences	47.049	-	44,645	UNIVERSITY OF SOUTH FLORIDA	DMR-1409473	44,645	
Geosciences	47.050	341,817	-			341,817	
Computer and Information Science and Engineering	47.070	324,289	-			324,289	
Computer and Information Science and Engineering	47.070	-	39,781	ROWAN UNIVERSITY	CCF-1527822	39,781	
Biological Sciences	47.074	1,179,214	-			1,179,214	
Education and Human Resources	47.076	786,993	-			786,993	3,353
Education and Human Resources	47.076	-	140,404	UNIVERSITY OF ALABAMA IN TUSCALOOSA	1619659	140,404	
Education and Human Resources	47.076	-	42,871	SKAGIT VALLEY COLLEGE	1617-184	42,871	
Education and Human Resources	47.076	-	25,000	MACOMB COMMUNITY COLLEGE	1400593	25,000	
Education and Human Resources	47.076	-	16,149	UNIVERSITY OF WISCONSIN IN MADISON	DUE-1231286	16,149	
Education and Human Resources	47.076	-	34	TUSKEGEE UNIVERSITY	HRD-1137681	34	
Polar Programs	47.078	57,727	-			57,727	
International Science and Engineering (OISE)	47.079	200,391	-			200,391	
Office of Experimental Program to Stimulate Competitive Research							
	47.081	-	1,455	TUSKEGEE UNIVERSITY	EPS-1158862	1,455	
Office of Integrative Activities	47.083	-	316,808	CLEMSON UNIVERSITY	OIA-1632881	316,808	
Office of Integrative Activities	47.083	-	264,343	MEDICAL UNIVERSITY OF SOUTH CAROLINA	OIA-1539034	264,343	
Office of Integrative Activities	47.083	-	244,465	LOUISIANA STATE UNIVERSITY	OIA-1632891	244,465	
Office of Integrative Activities	47.083	-	70,510	UNIVERSITY OF SOUTHERN MISSISSIPPI	OIA-1632825	70,510	
Total National Science Foundation		4,083,579	1,410,265			5,493,844	3,353
<b>Department of Veterans Affairs</b>							
Contract - Intergovernmental Personnel Agreements	64.RD	3,524,007	-			3,524,007	
Contract #VA247-13-C-0429	64.RD	384,157	-			384,157	
Contract #1101BX001756-01A2	64.RD	76,458	-			76,458	
Contract #1 101BX001756-01A1	64.RD	21,461	-			21,461	
Total Department of Veterans Affairs		4,006,083	-			4,006,083	-
<b>Department of Energy</b>							
Office of Science Financial Assistance Program	81.049	418,281	-			418,281	
Office of Science Financial Assistance Program	81.049	-	116,935	UNIVERSITY OF SOUTH FLORIDA	DE-SC0012635	116,935	
Conservation Research and Development	81.086	-	18,753	CATERPILLAR INC	DEEE0005980	18,753	
Renewable Energy Research and Development	81.087	-	162,962	OHIO STATE UNIVERSITY RESEARCH FOUNDATION	DE-EE0007005	162,962	
Fossil Energy Research and Development	81.089	240,532	-			240,532	110,923
Fossil Energy Research and Development	81.089	-	67,394	SOUTHERN STATES ENERGY BOARD	DE-FE0029465	67,394	
Fossil Energy Research and Development	81.089	-	26,276	UNIVERSITY OF CONNECTICUT HEALTH CENTER	DE-FE0023385	26,276	
Fossil Energy Research and Development	81.089	-	14,359	ADVANCED RESOURCED INTERNATIONAL	EP-P28631/C13564	14,359	
Fossil Energy Research and Development	81.089	-	10,589	MONTANA STATE UNIVERSITY	DE-FE0024296	10,589	
Stewardship Science Grant Program	81.112	118,375	-			118,375	
Stewardship Science Grant Program	81.112	-	87,464	CARNEGIE INSTITUTE OF WASHINGTON	DE-NA002006	87,464	
Total Department of Energy		777,188	504,732			1,281,920	110,923
<b>Department of Education</b>							
National Institute on Disability and Rehabilitation Research	84.133	-	99,039	REHABILITATION INSTITUTE OF CHICAGO	H133E120010	99,039	6,253
National Institute on Disability and Rehabilitation Research	84.133	-	74,495	UNIVERSITY OF ILLINOIS AT CHICAGO	2016-00319-01-05-7931	74,495	
National Institute on Disability and Rehabilitation Research	84.133	-	(1,814)	UNIVERSITY OF ILLINOIS AT CHICAGO	488547 E2844/ED H133B13007-14	(1,814)	
Total Department of Education		-	171,720			171,720	6,253

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, 2017

Federal Program	CFDA Number	Direct	Pass-through	Pass-Through Grantor	Contract/Award or Pass-Through Num	Total Expenditures	Passed to Subrecipients
<b>RESEARCH AND DEVELOPMENT</b>							
<b>Department of Health and Human Services</b>							
Laboratory Training, Evaluation, and Quality Assurance Programs	93.064	277,229	-			277,229	
Global AIDS	93.067	-	284,200	CENTRE FOR INFECTIOUS DISEASE RESEARCH IN ZAMBIA	INU2GGH001920-01-00	284,200	
Family Smoking Prevention and Tobacco Control Act Regulatory Research	93.077	453,638	-			453,638	26,664
Blood Disorder Program: Prevention, Surveillance, and Research	93.080	-	37,836	HEMOPHILIA OF GEORGIA INC	INU27DD001155-01-00	37,836	
Food and Drug Administration_Research	93.103	198,474	-			198,474	
Food and Drug Administration_Research	93.103	-	17,149	DUKE UNIVERSITY	R18FD005292	17,149	
Maternal and Child Health Federal Consolidated Programs	93.110	79,013	-			79,013	
Environmental Health	93.113	5,366,052	-			5,366,052	877,012
Environmental Health	93.113	-	130,738	VIRGINIA TECH	7R01ES023029-02	130,738	
Environmental Health	93.113	-	69,239	WAYNE STATE UNIVERSITY	IR01ES022606	69,239	
Environmental Health	93.113	-	23,968	AUBURN UNIVERSITY	IR21ES024850-01A1	23,968	
Environmental Health	93.113	-	19,321	MEDICAL UNIVERSITY OF SOUTH CAROLINA	IR21ES026412-01	19,321	
Environmental Health	93.113	-	1,460	UNIVERSITY OF PITTSBURGH	IU01NS081041-01A1	1,460	
Oral Diseases and Disorders Research	93.121	12,964,150	-			12,964,150	8,055,514
Oral Diseases and Disorders Research	93.121	-	72,157	LOUISIANA STATE UNIVERSITY	2R0IDE019452-05	72,157	
Oral Diseases and Disorders Research	93.121	-	48,596	INDIANA UNIVERSITY	IR03DE025646-01A1	48,596	
Oral Diseases and Disorders Research	93.121	-	15,199	UNIVERSITY AT BUFFALO	IRD1DE02267301	15,199	
Centers for Research and Demonstration for Health Promotion and Disease Prevention	93.135	958,266	-			958,266	52,745
Centers for Research and Demonstration for Health Promotion and Disease Prevention	93.135	-	39,246	WEST VIRGINIA UNIVERSITY	5U48DP005004-03	39,246	
NIEHS Hazardous Waste Worker Health and Safety Training	93.142	287,879	-			287,879	128,133
AIDS Education and Training Centers	93.145	-	275,711	VANDERBILT UNIVERSITY MEDICAL CENTER	HRSA-15-032/1U01HA29297-01-01	275,711	
Human Genome Research	93.172	-	299,103	UNIVERSITY OF WASHINGTON	4R01HG005115-08	299,103	
Human Genome Research	93.172	-	100,303	HUDSON ALPHA INSTITUTE FOR BIOTECHNOLOGY	4UM1HG007301-05	100,303	
Human Genome Research	93.172	90,103	-			90,103	
Human Genome Research	93.172	-	(249)	HUDSON ALPHA INSTITUTE FOR BIOTECHNOLOGY	5UM1HG007301-03	(249)	
Research Related to Deafness and Communication Disorders	93.173	959,662	-			959,662	15,263
Research and Training in Complementary and Alternative Medicine	93.213	39,029	-			39,029	
National Research Service Awards_Health Services Research Training	93.225	481,503	-			481,503	
Research on Healthcare Costs, Quality and Outcomes	93.226	1,310,574	-			1,310,574	53,241
Research on Healthcare Costs, Quality and Outcomes	93.226	-	42,904	CHILDRENS HOSPITAL MEDICAL CENTER CINCINNATI OH	5R18HS023763-02	42,904	
National Center on Sleep Disorders Research	93.233	-	791	VANDERBILT UNIVERSITY MEDICAL CENTER	IR03HL136453-01	791	
Mental Health Research Grants	93.242	6,251,059	-			6,251,059	372,482
Mental Health Research Grants	93.242	-	96,806	UNIVERSITY OF CALIFORNIA IN SAN FRANCISCO	5R01MH102198-03	96,806	
Mental Health Research Grants	93.242	-	29,806	UNIVERSITY OF WASHINGTON	R01MH098675	29,806	
Mental Health Research Grants	93.242	-	17,366	UNIVERSITY OF NORTH CAROLINA AT CHAPEL HILL	IR01MH100970	17,366	
Mental Health Research Grants	93.242	-	15,158	UNIVERSITY OF NORTH CAROLINA AT CHAPEL HILL	IR01MH111889-01	15,158	
Mental Health Research Grants	93.242	-	11,334	THE FEINSTEIN INSTITUTE FOR MEDICAL RESEARCH	5R34MH103835-02	11,334	
Mental Health Research Grants	93.242	-	8,441	UNIVERSITY OF PITTSBURGH	IR01MH103313-01A1	8,441	
Mental Health Research Grants	93.242	-	583	YALE UNIV	5R25MH087217-07	583	
Occupational Safety and Health Program	93.262	1,399,275	-			1,399,275	409,812
Alcohol Research Programs	93.273	1,040,536	-			1,040,536	55,082
Alcohol Research Programs	93.273	-	15,438	UNIVERSITY OF WASHINGTON	2U01AA020793-06	15,438	
Drug Abuse and Addiction Research Programs	93.279	1,063,966	-			1,063,966	
Drug Abuse and Addiction Research Programs	93.279	-	49,195	VIRGINIA COMMONWEALTH UNIVERSITY	IR01DA033200-01A1	49,195	
Drug Abuse and Addiction Research Programs	93.279	-	19,175	UNIVERSITY OF TEXAS AT DALLAS	IR34DA040954-01A1	19,175	
Drug Abuse and Addiction Research Programs	93.279	-	18,073	MEDICAL UNIVERSITY OF SOUTH CAROLINA	3UGIDA013727-16S2	18,073	
Drug Abuse and Addiction Research Programs	93.279	-	4,256	UNIVERSITY OF WASHINGTON	5U01DA037702-03	4,256	
Drug Abuse and Addiction Research Programs	93.279	-	2,792	UNIVERSITY OF ALABAMA IN TUSCALOOSA	IR21DA035389-01A1	2,792	
The Affordable Care Act: Centers for Disease Control and Prevention_Investigations and Technical Assistance	93.283	-	19,714	NATIONAL AFRICAN AMERICAN TOBACCO PREVENTION NETWC	5N58DP004975-04-00	19,714	
The Affordable Care Act: Centers for Disease Control and Prevention_Investigations and Technical Assistance	93.283	-	19,464	ALABAMA DEPT OF PUBLIC HEALTH	C60112049	19,464	

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, 2017

Federal Program	CFDA Number	Direct	Pass-through	Pass-Through Grantor	Contract/Award or Pass-Through Num	Total Expenditures	Passed to Subrecipients
<b>RESEARCH AND DEVELOPMENT</b>							
The Affordable Care Act: Centers for Disease Control and Prevention_ Investigations and Technical Assistance	93.283	-	3,960	LOUISIANA STATE UNIVERSITY	U58DP005412	3,960	
The Affordable Care Act: Centers for Disease Control and Prevention_ Investigations and Technical Assistance	93.283	1,783	-			1,783	
Discovery and Applied Research for Technological Innovations to Improve Human Health	93.286	107,790	-			107,790	
Discovery and Applied Research for Technological Innovations to Improve Human Health	93.286	-	6,085	WAKE FOREST UNIVERSITY SCHOOL OF MEDICINE	R01EB020125	6,085	
Minority Health and Health Disparities Research	93.307	6,222,852	-			6,222,852	1,905,188
Minority Health and Health Disparities Research	93.307	-	1,036,382	BAYOU LA BATRE CLINIC	IU54MD0008602	1,036,382	21,778
Minority Health and Health Disparities Research	93.307	-	58,585	JACKSON STATE UNIVERSITY	IP20MD0006899-01	58,585	
Minority Health and Health Disparities Research	93.307	-	31,668	UNIVERSITY OF SOUTHERN CALIFORNIA	IR01MD010358-01	31,668	
Minority Health and Health Disparities Research	93.307	-	31,510	COLUMBIA UNIVERSITY IN THE CITY OF NEW YORK	U01MD011279-01	31,510	
Minority Health and Health Disparities Research	93.307	-	18,070	COLUMBIA UNIVERSITY IN THE CITY OF NEW YORK	U01MD011279	18,070	
Minority Health and Health Disparities Research	93.307	-	9,785	WAKE FOREST UNIVERSITY SCHOOL OF MEDICINE	R01MD009055	9,785	
Minority Health and Health Disparities Research	93.307	-	5,322	UNIVERSITY OF PITTSBURGH	5R01MD009118-02	5,322	
Minority Health and Health Disparities Research	93.307	-	4,286	WAKE FOREST UNIVERSITY SCHOOL OF MEDICINE	5R01MD009055-04	4,286	
Trans-NIH Research Support	93.310	1,031,059	-			1,031,059	350,257
Trans-NIH Research Support	93.310	-	87,432	UNIVERSITY OF IBADAN	3U54HG007479-02S1	87,432	
Trans-NIH Research Support	93.310	-	50,119	REGENTS OF THE UNIVERSITY OF MINNESOTA	8U54GM119023-02	50,119	
Trans-NIH Research Support	93.310	-	16,025	MEDICAL UNIVERSITY OF SOUTH CAROLINA	IUG30D023316-01	16,025	
Rare Disorders: Research, Surveillance, Health Promotion, and Education Outreach Programs to Reduce the Prevalence of Obesity in High Risk Rural Areas	93.315	97,882	-			97,882	
National Center for Advancing Translational Sciences	93.319	-	4,192	WEST VIRGINIA UNIVERSITY	NU58DP00548803 NU58DP00548803	4,192	
National Center for Advancing Translational Sciences	93.350	8,982,110	-			8,982,110	1,665,005
National Center for Advancing Translational Sciences	93.350	-	183,693	NORTHWESTERN UNIVERSITY	IU01TR001806-01	183,693	
National Center for Advancing Translational Sciences	93.350	-	77,499	UNIVERSITY OF MASSACHUSETTS WORCESTER	IU01TR001812-01	77,499	
National Center for Advancing Translational Sciences	93.350	-	27,753	UNIVERSITY OF PITTSBURGH	5UL1TR001857-02	27,753	
National Center for Advancing Translational Sciences	93.350	-	24,088	TUFTS MEDICAL CENTER INC.	3UL1TR001064-04S1	24,088	
National Center for Advancing Translational Sciences Research Infrastructure Programs	93.350	-	18,248	BLONDIN BIO SCIENCE LLC	IR43TR001283-01	18,248	
Nursing Research	93.351	1,092,321	-			1,092,321	
Nursing Research	93.361	1,341,130	-			1,341,130	
Nursing Research	93.361	-	152,947	RHODE ISLAND MEMORIAL HOSPITAL	5R01NR014782-03	152,947	
Nursing Research	93.361	-	13,068	UNIVERSITY OF COLORADO HEALTH SCIENCES CENTER	IR21NR016580-01	13,068	
Nursing Research	93.361	-	12,454	DUKE UNIVERSITY	5U24NR014637-04	12,454	
Cancer Cause and Prevention Research	93.393	2,597,221	-			2,597,221	159,566
Cancer Cause and Prevention Research	93.393	-	23,431	UNIVERSITY OF SOUTH ALABAMA	2R01CA131378-07A1	23,431	
Cancer Cause and Prevention Research	93.393	-	17,417	KAISER FOUNDATION RESEARCH INSTITUTE	R21CA198042-01A1	17,417	
Cancer Cause and Prevention Research	93.393	-	16,782	BAYLOR COLLEGE OF MEDICINE	IR01CA149973-01	16,782	
Cancer Cause and Prevention Research	93.393	-	9,055	UNIVERSITY OF VIRGINIA	5R01CA142081-06	9,055	
Cancer Cause and Prevention Research	93.393	-	4,918	FRED HUTCHINSON CANCER RESEARCH CENTER	IR01CA211996-01	4,918	
Cancer Detection and Diagnosis Research	93.394	2,472,028	-			2,472,028	83,574
Cancer Detection and Diagnosis Research	93.394	-	208,066	UNIVERSITY OF OKLAHOMA	IR01CA193378-01	208,066	
Cancer Detection and Diagnosis Research	93.394	-	5,901	UNIVERSITY OF MASSACHUSETTS WORCESTER	IR01CA194787-01A1	5,901	
Cancer Detection and Diagnosis Research	93.394	-	386	NRG ONCOLOGY INC	IU10CA180860-1	386	
Cancer Treatment Research	93.395	4,105,903	-			4,105,903	800,207
Cancer Treatment Research	93.395	-	173,694	UNIVERSITY OF SOUTH ALABAMA	3R01CA175772-03S1	173,694	
Cancer Treatment Research	93.395	-	74,361	CHILDREN'S HOSPITAL OF PHILADELPHIA	IU10CA180886	74,361	
Cancer Treatment Research	93.395	-	71,417	CHILDREN'S HOSPITAL OF PHILADELPHIA	UM1CA097452	71,417	
Cancer Treatment Research	93.395	-	66,122	CHILDREN'S HOSPITAL OF PHILADELPHIA	U10CA180886	66,122	
Cancer Treatment Research	93.395	-	52,330	JOHNS HOPKINS UNIVERSITY	UM1 CA137443	52,330	
Cancer Treatment Research	93.395	-	40,347	CHILDREN'S HOSPITAL OF PHILADELPHIA	U10CA180886-03	40,347	
Cancer Treatment Research	93.395	-	33,763	CHILDREN'S HOSPITAL OF PHILADELPHIA	UG1CA189955	33,763	
Cancer Treatment Research	93.395	-	29,702	BECKMAN RESEARCH INSTITUTE OF THE CITY OF HOPE	5R01CA196854-03	29,702	
Cancer Treatment Research	93.395	-	28,264	ALBERT EINSTEIN COLLEGE OF MEDICINE OF YESHIVA U	IR01CA174634-01A1	28,264	
Cancer Treatment Research	93.395	-	26,246	OREGON HEALTH & SCIENCES UNIVERSITY	5U10CA180888	26,246	

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, 2017

Federal Program	CFDA Number	Direct	Pass-through	Pass-Through Grantor	Contract/Award or Pass-Through Num	Total Expenditures	Passed to Subrecipients
<b>RESEARCH AND DEVELOPMENT</b>							
Cancer Treatment Research	93.395	-	22,384	OREGON HEALTH & SCIENCES UNIVERSITY	5U10CA180888-03	22,384	
Cancer Treatment Research	93.395	-	17,399	CHILDREN'S HOSPITAL OF PHILADELPHIA	1U10CA180886-01	17,399	
Cancer Treatment Research	93.395	-	17,359	CHILDREN'S HOSPITAL OF PHILADELPHIA	5UG1CA189955-02	17,359	
Cancer Treatment Research	93.395	-	17,086	CHILDREN'S HOSPITAL OF PHILADELPHIA	U10CA098543	17,086	
Cancer Treatment Research	93.395	-	14,621	CHILDREN'S HOSPITAL OF PHILADELPHIA	IUG1CA189955-01	14,621	
Cancer Treatment Research	93.395	-	11,919	SEATTLE CHILDREN'S HOSPITAL	1R01CA175216-01A1	11,919	
Cancer Treatment Research	93.395	-	4,597	MAYO CLINIC ROCHESTER	5UG1CA189823-03	4,597	
Cancer Treatment Research	93.395	-	2,462	JOHNS HOPKINS UNIVERSITY	U01CA137443	2,462	
Cancer Treatment Research	93.395	-	2,399	JOHNS HOPKINS UNIVERSITY	U01CA137443-01	2,399	
Cancer Treatment Research	93.395	-	2,267	SOUTHEASTERN GYNECOLOGIC ONCOLOGY	27469-02	2,267	304
Cancer Treatment Research	93.395	-	1,639	ALBERT EINSTEIN COLLEGE OF MEDICINE OF YESHIVA U	R01CA174634	1,639	
Cancer Treatment Research	93.395	-	585	ST. JUDE CHILDREN'S RESEARCH HOSPITAL	5U24CA055727-21	585	
Cancer Treatment Research	93.395	-	389	CHILDREN'S HOSPITAL OF PHILADELPHIA	1R01CA196854	389	
Cancer Treatment Research	93.395	-	265	NRG ONCOLOGY INC	5U10CA180868-02	265	
Cancer Biology Research	93.396	3,419,756	-			3,419,756	153,570
Cancer Biology Research	93.396	-	166,309	CORNELL UNIVERSITY	1R01CA201402-01	166,309	
Cancer Biology Research	93.396	-	93,849	CEDARS-SINAI MEDICAL CENTER	5P01CA098912	93,849	
Cancer Biology Research	93.396	-	18,595	CEDARS-SINAI MEDICAL CENTER	P01CA098912	18,595	
Cancer Biology Research	93.396	-	12,089	UNIVERSITY OF TEXAS AT AUSTIN	R21CA198648	12,089	
Cancer Biology Research	93.396	-	11,415	UNIVERSITY OF SOUTH CAROLINA RESEARCH FOUNDATION	5U01CA158428-05	11,415	
Cancer Centers Support Grants	93.397	7,196,409	-			7,196,409	258,400
Cancer Centers Support Grants	93.397	-	659,498	JOHNS HOPKINS UNIVERSITY	5P50CA096252	659,498	
Cancer Centers Support Grants	93.397	-	169,124	INDIANA UNIVERSITY	5U54CA196519-02	169,124	
Cancer Centers Support Grants	93.397	-	5,479	INDIANA UNIVERSITY	1U54CA196519-01	5,479	
Cancer Centers Support Grants	93.397	-	(1,460)	UNIVERSITY OF NEW MEXICO	5U54CA164336-05	(1,460)	
Cancer Centers Support Grants	93.397	-	(4,920)	UNIVERSITY OF CALIFORNIA IN SAN FRANCISCO	1U54CA196519-01	(4,920)	
Cancer Centers Support Grants	93.397	-	(7,328)	UNIVERSITY OF TEXAS SOUTHWESTERN MEDICAL CENTER	3U54CA163308-05S1	(7,328)	
Cancer Research Manpower	93.398	900,502	-			900,502	
NON-ACA/PPHF Building Capacity of the Public Health System to Improve Population Health through National Nonprofit Organizations	93.424	-	5,548	NATIONAL ASSOCIATION OF CHRONIC DISEASE DIRECTORS	5NU380TY000225-04	5,548	
ACL National Institute on Disability, Independent Living, and Rehabilitation Research	93.433	2,986,788	-			2,986,788	568,120
ACL National Institute on Disability, Independent Living, and Rehabilitation Research	93.433	-	8,296	AMERICAN INSTITUTES FOR RESEARCH	90DP0082	8,296	
Foster Care, Title IV-E	93.658	-	221	UNIVERSITY OF ALABAMA IN TUSCALOOSA	C60161203	221	
Cardiovascular Diseases Research	93.837	21,980,296	-			21,980,296	3,688,867
Cardiovascular Diseases Research	93.837	-	5,364,618	UNIVERSITY OF KENTUCKY RESEARCH FOUNDATION	7R01HL055673-19	5,364,618	
Cardiovascular Diseases Research	93.837	-	1,653,717	UNIVERSITY OF KENTUCKY RESEARCH FOUNDATION	7R01HL104135-05	1,653,717	
Cardiovascular Diseases Research	93.837	-	521,027	AUGUSTA UNIVERSITY	5P01HL06999-12	521,027	
Cardiovascular Diseases Research	93.837	-	389,600	WAKE FOREST UNIVERSITY SCHOOL OF MEDICINE	2P01HL051952-21A1	389,600	
Cardiovascular Diseases Research	93.837	-	227,503	CORNELL UNIVERSITY	2R01HL080477-11A1	227,503	
Cardiovascular Diseases Research	93.837	-	175,473	UNIVERSITY OF KENTUCKY RESEARCH FOUNDATION	7R01HL091357-06	175,473	
Cardiovascular Diseases Research	93.837	-	163,286	HUDSON ALPHA INSTITUTE FOR BIOTECHNOLOGY	5R01HL069321-12	163,286	
Cardiovascular Diseases Research	93.837	-	128,289	BRIGHAM & WOMENS HOSPITAL	5U01HL123336-04	128,289	
Cardiovascular Diseases Research	93.837	-	110,799	AUGUSTA UNIVERSITY	5P01HL06999-14	110,799	
Cardiovascular Diseases Research	93.837	-	104,467	INDIANA UNIVERSITY	1R01HL126903-01A1	104,467	
Cardiovascular Diseases Research	93.837	-	96,810	UNIVERSITY OF WASHINGTON	5U01HL077863-10	96,810	
Cardiovascular Diseases Research	93.837	-	81,254	INDIANA UNIVERSITY	5R01HL126903-02	81,254	
Cardiovascular Diseases Research	93.837	-	71,753	VANDERBILT UNIVERSITY MEDICAL CENTER	1P01HL128203-01A1	71,753	
Cardiovascular Diseases Research	93.837	-	70,893	NEW HEALTH SCIENCES INC	2R44HL132172-03	70,893	
Cardiovascular Diseases Research	93.837	-	65,753	SEATTLE CHILDREN'S HOSPITAL	1UM1HL119073-02	65,753	
Cardiovascular Diseases Research	93.837	-	64,272	PROGENRA, INC	1R41HL130207-01	64,272	
Cardiovascular Diseases Research	93.837	-	62,318	UNIVERSITY OF TEXAS HEALTH SCIENCE CTR AT HOUSTON	5U01HL077863-11	62,318	
Cardiovascular Diseases Research	93.837	-	46,328	UNIVERSITY OF WASHINGTON	5R01HL103612-04	46,328	

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, 2017

Federal Program	CFDA Number	Direct	Pass-through	Pass-Through Grantor	Contract/Award or Pass-Through Num	Total Expenditures	Passed to Subrecipients
<b>RESEARCH AND DEVELOPMENT</b>							
Cardiovascular Diseases Research	93.837	-	40,126	UNIVERSITY OF NEBRASKA AT OMAHA	4UMIHL12958-03	40,126	
Cardiovascular Diseases Research	93.837	-	33,039	KAISER FOUNDATION RESEARCH INSTITUTE	IR01HL122658	33,039	
Cardiovascular Diseases Research	93.837	-	30,855	KAISER FOUNDATION RESEARCH INSTITUTE	IR56HL125423-01A1	30,855	
Cardiovascular Diseases Research	93.837	-	23,338	UNIVERSITY OF MARYLAND	5U01HL099997-07	23,338	
Cardiovascular Diseases Research	93.837	-	23,277	UNIVERSITY OF SOUTH ALABAMA	5R01CA48896/-04	23,277	
Cardiovascular Diseases Research	93.837	-	22,446	CORNELL UNIVERSITY	IR01HL13519901A1	22,446	
Cardiovascular Diseases Research	93.837	-	18,383	EMORY UNIVERSITY	5P01HL095070-07	18,383	
Cardiovascular Diseases Research	93.837	-	17,742	UNIVERSITY OF MINNESOTA	5U01HL100407-07	17,742	
Cardiovascular Diseases Research	93.837	-	15,650	BRIGHAM & WOMENS HOSPITAL	5U01HL101422	15,650	
Cardiovascular Diseases Research	93.837	-	13,165	MASSACHUSETTS GENERAL HOSPITAL	1U01HL123336-01	13,165	
Cardiovascular Diseases Research	93.837	-	12,318	EMORY UNIVERSITY	5R01HL12759-02	12,318	
Cardiovascular Diseases Research	93.837	-	9,364	JOHNS HOPKINS UNIVERSITY	IR01HL125169-01A1	9,364	
Cardiovascular Diseases Research	93.837	-	9,251	UNIVERSITY OF MINNESOTA	IR21HL135300-01	9,251	
Cardiovascular Diseases Research	93.837	-	8,284	KAISER FOUNDATION RESEARCH INSTITUTE	IR01HL122658-01A1	8,284	
Cardiovascular Diseases Research	93.837	-	6,615	NORTHWESTERN UNIVERSITY	IR01HL130502-01	6,615	
Cardiovascular Diseases Research	93.837	-	6,281	UNIVERSITY OF LOUISVILLE RESEARCH FOUNDATION, INC	IR01HL125877-01A1	6,281	
Cardiovascular Diseases Research	93.837	-	5,421	NEW ENGLAND RESEARCH INSTITUTES INC	U01HL107407	5,421	
Cardiovascular Diseases Research	93.837	-	5,393	TULANE UNIVERSITY	5R01HL127092-02	5,393	
Cardiovascular Diseases Research	93.837	-	5,126	EMORY UNIVERSITY	5P01HL095070-08	5,126	
Cardiovascular Diseases Research	93.837	-	5,025	NORTHWESTERN UNIVERSITY	2R01HL107577-05A1	5,025	
Cardiovascular Diseases Research	93.837	-	4,873	HARVARD MEDICAL - SCHEPHENS EYE RESEARCH	IR01HL136685-001	4,873	
Cardiovascular Diseases Research	93.837	-	3,495	BRIGHAM & WOMENS HOSPITAL	5R01HL117713-03	3,495	
Cardiovascular Diseases Research	93.837	-	1,852	BRIGHAM & WOMENS HOSPITAL	IR01HL132021-01	1,852	
Cardiovascular Diseases Research	93.837	-	1,826	NEW YORK UNIVERSITY MEDICAL SCHOOL	U01HL105907	1,826	
Cardiovascular Diseases Research	93.837	-	1,323	NORTHWESTERN UNIVERSITY	5R01HL130502-02	1,323	
Cardiovascular Diseases Research	93.837	-	780	UNIVERSITY OF CALIFORNIA IN DAVIS	2P01HL08101	780	
Cardiovascular Diseases Research	93.837	-	675	JOHNS HOPKINS UNIVERSITY	5R34HL108756-02	675	
Cardiovascular Diseases Research	93.837	-	352	VANDERBILT UNIVERSITY MEDICAL CENTER	7R01HL102780-04	352	
Cardiovascular Diseases Research	93.837	-	248	UNIVERSITY OF COLORADO HEALTH SCIENCES CENTER	IUH2HL123442-02	248	
Cardiovascular Diseases Research	93.837	-	(20)	JOHNS HOPKINS UNIVERSITY	IR34HL108756-02 REVISED	(20)	
Cardiovascular Diseases Research	93.837	-	(6,868)	UNIVERSITY OF MICHIGAN	U01HL094345	(6,868)	
Lung Diseases Research	93.838	10,242,846	-			10,242,846	1,532,270
Lung Diseases Research	93.838	-	105,248	CFD RESEARCH CORPORATION	IR43HL134056-01	105,248	
Lung Diseases Research	93.838	-	38,119	NORTHWESTERN UNIVERSITY	RO1HL122477	38,119	
Lung Diseases Research	93.838	-	22,961	NORTHWESTERN UNIVERSITY	5R01HL122477-03	22,961	
Lung Diseases Research	93.838	-	17,977	THE GEORGE WASHINGTON UNIVERSITY	2R01HL098354-04	17,977	
Lung Diseases Research	93.838	-	9,425	UNIVERSITY OF PENNSYLVANIA	5R01HL087115-08	9,425	
Lung Diseases Research	93.838	-	7,930	NATIONAL JEWISH MEDICAL AND RESEARCH CENTER	2R01HL089897	7,930	
Lung Diseases Research	93.838	-	412	UNIVERSITY OF PITTSBURGH	5U01HL128954-02	412	
Lung Diseases Research	93.838	-	99	UNIVERSITY OF MICHIGAN	3R01HL122438-02S1	99	
Blood Diseases and Resources Research	93.839	815,551	-			815,551	3,622
Blood Diseases and Resources Research	93.839	-	371,487	INDIANA UNIVERSITY	7R24HL123767-03	371,487	
Blood Diseases and Resources Research	93.839	-	303,288	AUGUSTA UNIVERSITY	4U01HL17684-04	303,288	
Blood Diseases and Resources Research	93.839	-	83,581	INDIANA UNIVERSITY	5R24HL123767-04 REVISED	83,581	
Blood Diseases and Resources Research	93.839	-	70,505	AUGUSTA UNIVERSITY	5U01HL17684-05	70,505	
Blood Diseases and Resources Research	93.839	-	30,018	UNIVERSITY OF WASHINGTON	IR01HL126538	30,018	
Blood Diseases and Resources Research	93.839	-	16,046	UNIVERSITY OF WASHINGTON	1U01HL116383-01	16,046	
Blood Diseases and Resources Research	93.839	-	7,917	WASHINGTON UNIVERSITY IN ST LOUIS	IR21HL28863-01A1	7,917	
Arthritis, Musculoskeletal and Skin Diseases Research	93.846	6,800,914	-			6,800,914	656,772
Arthritis, Musculoskeletal and Skin Diseases Research	93.846	-	53,390	O.N. DIAGNOSTICS, LLC	2R44AR057616-03A1	53,390	
Arthritis, Musculoskeletal and Skin Diseases Research	93.846	-	29,965	NORTHWESTERN UNIVERSITY	UH2AR067681	29,965	

See accompanying notes to schedule of expenditures of federal awards.

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## Schedule of Expenditures of Federal Awards

### Year Ended September 30, 2017

Federal Program	CFDA Number	Direct	Pass-through	Pass-Through Grantor	Contract/Award or Pass-Through Num	Total Expenditures	Passed to Subrecipients
<b>RESEARCH AND DEVELOPMENT</b>							
Arthritis, Musculoskeletal and Skin Diseases Research	93.846	-	15,855	BOSTON UNIVERSITY MEDICAL CAMPUS	5R01AR062506-01A1	15,855	
Arthritis, Musculoskeletal and Skin Diseases Research	93.846	-	10,256	CALIFORNIA PACIFIC MED. CTR. RES. INST.	1R01AR065268-01A1	10,256	
Arthritis, Musculoskeletal and Skin Diseases Research	93.846	-	3,163	NORTHWESTERN UNIVERSITY	5R21AR069867-03	3,163	
Arthritis, Musculoskeletal and Skin Diseases Research	93.846	-	2,957	NORTHWESTERN UNIVERSITY	7R21AR069867-02	2,957	
Arthritis, Musculoskeletal and Skin Diseases Research	93.846	-	2,888	CHILDREN'S HOSPITAL OF PHILADELPHIA	1U19AR069525-01-REVISED	2,888	
Arthritis, Musculoskeletal and Skin Diseases Research	93.846	-	2,671	EMORY UNIVERSITY	5R01AR048266-14	2,671	
Arthritis, Musculoskeletal and Skin Diseases Research	93.846	-	(672)	NEW YORK PRESBYTERIAN HOSPITAL-WEILL CORNELL MEDIC	1R21AR069867-01	(672)	
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	19,369,329	-			19,369,329	1,467,897
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	-	444,718	THE GEORGE WASHINGTON UNIVERSITY	4U01DK098246-05	444,718	
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	-	325,227	SEATTLE CHILDREN'S HOSPITAL	5R01DK103608-02	325,227	
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	-	198,285	COLUMBIA UNIVERSITY IN THE CITY OF NEW YORK	5R01DK082753-08	198,285	
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	-	161,406	MOUNT SINAI SCHOOL OF MEDICINE	5U54DK083909-08	161,406	
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	-	153,516	THE GEORGE WASHINGTON UNIVERSITY	3U01DK096037-03S1	153,516	
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	-	97,676	COLUMBIA UNIVERSITY IN THE CITY OF NEW YORK	1R01DK105124-01	97,676	
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	-	97,636	UNIVERSITY OF ALASKA IN FAIRBANKS	1R01DK104347-01A1	97,636	
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	-	92,426	FAST BIOMEDICAL	1R44DK093274-04	92,426	
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	-	81,394	ENDOMIMETICS, LLC	1R43DK109789-01	81,394	
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	-	70,641	TUFTS MEDICAL CENTER INC.	1U01DK102730-01	70,641	
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	-	56,977	UNIVERSITY OF TEXAS SOUTHWESTERN MEDICAL CENTER	5U01DK058369-17	56,977	
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	-	54,239	KAISER FOUNDATION RESEARCH INSTITUTE	1R01DK106201-03	54,239	
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	-	45,569	THE GEORGE WASHINGTON UNIVERSITY	1R01DK104845-01	45,569	
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	-	36,617	UNIVERSITY OF NORTH CAROLINA AT CHAPEL HILL	4UM1DK100867-04	36,617	
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	-	34,770	UNIVERSITY OF SOUTHERN CALIFORNIA	1R01DK109161-01A1	34,770	
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	-	31,316	SYNEDGEN INC	1R43DK107004-01	31,316	
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	-	27,996	KAISER FOUNDATION RESEARCH INSTITUTE	1R01DK106201-01	27,996	
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	-	24,406	MASSACHUSETTS GENERAL HOSPITAL	2R01DK053093-15A1	24,406	
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	-	24,306	THE CHILDREN'S MERCY HOSPITAL	2U01DK066143-11	24,306	
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	-	21,559	THE RESEARCH INSTITUTE AT NATIONWIDE CHILDRENS HOS	4UM1DK100866-04	21,559	
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	-	19,772	UNIVERSITY OF SOUTH FLORIDA	U01 DK061055	19,772	
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	-	17,192	COLUMBIA UNIVERSITY IN THE CITY OF NEW YORK	1R21DK109690-01	17,192	
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	-	16,539	MAYO CLINIC ROCHESTER	5U01DK056957-15	16,539	
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	-	14,555	CHILDRENS HOSPITAL MEDICAL CENTER CINCINNATI OH	5UM1DK072493-07	14,555	
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	-	13,023	UNIVERSITY OF WASHINGTON	5U01DK082315-08	13,023	
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	-	12,902	EMORY UNIVERSITY	1DP3DK108245-01	12,902	
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	-	8,066	THE GEORGE WASHINGTON UNIVERSITY	R01DK104845	8,066	
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	-	5,850	AUGUSTA UNIVERSITY	2U24DK076169-11	5,850	
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	-	2,945	MOUNT SINAI SCHOOL OF MEDICINE	U54DK083909	2,945	
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	-	2,001	JOHNS HOPKINS UNIVERSITY	U01DK062431	2,001	
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	-	1,960	UNIVERSITY OF TEXAS SOUTHWESTERN MEDICAL CENTER	2U01DK058369-16	1,960	
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	-	1,856	UNIVERSITY OF WASHINGTON	U01DK082315-09	1,856	
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	-	1,505	EMORY UNIVERSITY	3R01DK087694-04S1	1,505	
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	-	463	SEATTLE CHILDREN'S HOSPITAL	R01DK103608-02	463	
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	-	375	EMORY UNIVERSITY	2R01DK087694-06	375	
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	-	167	CHILDRENS HOSPITAL MEDICAL CENTER CINCINNATI OH	2UM1DK072493-11	167	
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	-	25	CHILDRENS HOSPITAL MEDICAL CENTER CINCINNATI OH	5UM1DK072493-10	25	
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	-	(54)	UNIVERSITY OF MINNESOTA	5K23DK087919-04	(54)	
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	-	(100)	FAST BIOMEDICAL	1R44DK093274-01 REVISED	(100)	
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	-	(466)	EMORY UNIVERSITY	1DP3DK094346-01	(466)	
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	-	(7,816)	JOHNS HOPKINS UNIVERSITY	5U01DK062431-13	(7,816)	
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	-	(14,594)	THE GEORGE WASHINGTON UNIVERSITY	1R01DK104845	(14,594)	

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, 2017

Federal Program	CFDA Number	Direct	Pass-through	Pass-Through Grantor	Contract/Award or Pass-Through Num	Total Expenditures	Passed to Subrecipients
<b>RESEARCH AND DEVELOPMENT</b>							
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	18,363,811	-			18,363,811	2,174,281
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	-	221,022	MASSACHUSETTS GENERAL HOSPITAL	P01NS087997	221,022	
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	-	193,022	CLEVELAND CLINIC FOUNDATION	5R01NS087913-03	193,022	
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	-	174,622	CHILDREN'S HOSPITAL BOSTON	5U01NS082320-04	174,622	
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	-	145,177	UMDNJ/RUTGERS	4U01NS038384-17	145,177	
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	-	105,404	CORNELL UNIVERSITY	1R01NS097443-01	105,404	
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	-	100,830	CLEVELAND CLINIC FOUNDATION	5R01NS087913-04	100,830	
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	-	84,783	JOHNS HOPKINS UNIVERSITY	1U01NS080824-01A1	84,783	
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	-	79,306	MASSACHUSETTS GENERAL HOSPITAL	1U10NS077420	79,306	
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	-	57,522	VIRGINIA POLYTECHNIC INSTITUTE AND STATE UNIVERSIT	R0INS05062	57,522	
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	-	51,398	UNIVERSITY OF TEXAS AT DALLAS	2R01NS065926-05A1	51,398	
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	-	49,529	UNIVERSITY OF MICHIGAN	1R01NS092706-01A1	49,529	
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	-	46,001	UNIVERSITY OF VIRGINIA	1U01NS088034	46,001	
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	-	44,955	MASSACHUSETTS GENERAL HOSPITAL	1R01NS099209-01	44,955	
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	-	43,893	JOHNS HOPKINS UNIVERSITY	7R01NS075047-02	43,893	
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	-	40,291	NORTHWESTERN UNIVERSITY	5U01NS080818-03	40,291	
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	-	36,618	UNIVERSITY OF PITTSBURGH	5U01NS081041-03	36,618	
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	-	35,816	CORNELL UNIVERSITY	5R01NS097443-02	35,816	
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	-	32,507	UNIVERSITY OF CALIFORNIA IN SAN FRANCISCO	5U54NS092089-03	32,507	
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	-	30,762	CHILDREN'S HOSPITAL BOSTON	5U54NS092090-03	30,762	
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	-	29,462	NORTHWESTERN UNIVERSITY	1R01NS093843-01A1	29,462	
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	-	29,183	MASSACHUSETTS GENERAL HOSPITAL	1U01NS090259-01A1	29,183	
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	-	26,907	STANFORD UNIVERSITY	1U01NS0982076-01A1	26,907	

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, 2017

Federal Program	CFDA Number	Direct	Pass-through	Pass-Through Grantor	Contract/Award or Pass-Through Num	Total Expenditures	Passed to Subrecipients
<b>RESEARCH AND DEVELOPMENT</b>							
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	-	25,630	CHILDREN'S HOSPITAL BOSTON	5U01NS082320-05	25,630	
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	-	25,499	UNIVERSITY OF MIAMI	1R01NS084288-01A1	25,499	
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	-	25,189	CLEVELAND CLINIC FOUNDATION	4R01NS083629-04	25,189	
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	-	18,888	MAYO CLINIC JACKSONVILLE	5U01NS080168-02	18,888	
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	-	18,011	EMORY UNIVERSITY	4U01NS038455-15	18,011	
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	-	17,328	MEDICAL COLLEGE OF WISCONSIN	5R01NS035929-14	17,328	
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	-	16,428	THE UNIVERSITY OF MONTANA	1U01NS092492-01	16,428	
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	-	15,474	UNIVERSITY OF MARYLAND	1U01NS069208-01	15,474	
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	-	7,364	THE REGENTS OF THE UNIVERSITY OF CALIFORNIA	ROINS071463	7,364	
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	-	5,872	AUGUSTA UNIVERSITY	1R01NS090083-01A1	5,872	
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	-	2,487	EMORY UNIVERSITY	3U01NS038455	2,487	
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	-	2,332	EMMES CORPORATION	1U01NS026835-01A1	2,332	
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	-	2,322	CHILDRENS HOSPITAL MEDICAL CENTER CINCINNATI OH	1R01NS096053-01A1	2,322	
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	-	223	UNIVERSITY OF CALIFORNIA IN SAN FRANCISCO	U0INS058634-05	223	
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	-	(287)	REGENTS OF THE UNIVERSITY OF MINNESOTA	1U01NS062091-01A2	(287)	
Allergy, Immunology and Transplantation Research	93.855	44,832,485	-			44,832,485	17,762,858
Allergy, Immunology and Transplantation Research	93.855	-	958,366	FRED HUTCHINSON CANCER RESEARCH CENTER	5UM1A1068614-10	958,366	
Allergy, Immunology and Transplantation Research	93.855	-	602,334	JOHNS HOPKINS UNIVERSITY	UM1A1068632	602,334	126,526
Allergy, Immunology and Transplantation Research	93.855	-	496,185	EMORY UNIVERSITY	1P01A1125180-01	496,185	
Allergy, Immunology and Transplantation Research	93.855	-	494,718	FHI 360	UMI A1068619	494,718	90,872
Allergy, Immunology and Transplantation Research	93.855	-	389,826	EMORY UNIVERSITY	5R01A1064060-12	389,826	
Allergy, Immunology and Transplantation Research	93.855	-	332,277	EMORY UNIVERSITY	2R01A1064060-11	332,277	
Allergy, Immunology and Transplantation Research	93.855	-	314,373	BRIGHAM & WOMENS HOSPITAL	2UM1A1068636-08	314,373	
Allergy, Immunology and Transplantation Research	93.855	-	291,875	MOUNT SINAI SCHOOL OF MEDICINE	5U01A1063594-13	291,875	
Allergy, Immunology and Transplantation Research	93.855	-	275,250	MAGEE-WOMEN'S RESEARCH INSTITUTE & FOUNDATION	5UM1A1068633-11	275,250	
Allergy, Immunology and Transplantation Research	93.855	-	257,944	BRIGHAM & WOMENS HOSPITAL	5UM1A106701-04	257,944	
Allergy, Immunology and Transplantation Research	93.855	-	241,186	UNIVERSITY OF CALIFORNIA IN DAVIS	4R01A1049342-10A1	241,186	
Allergy, Immunology and Transplantation Research	93.855	-	228,852	FRED HUTCHINSON CANCER RESEARCH CENTER	5UM1A1068614-11	228,852	
Allergy, Immunology and Transplantation Research	93.855	-	221,725	EMORY UNIVERSITY	1R01A1126322-02	221,725	
Allergy, Immunology and Transplantation Research	93.855	-	193,406	BRIGHAM & WOMENS HOSPITAL	5UM1A1068636	193,406	
Allergy, Immunology and Transplantation Research	93.855	-	192,099	THE GEORGE WASHINGTON UNIVERSITY	1R21A1114471-01A1	192,099	
Allergy, Immunology and Transplantation Research	93.855	-	184,821	FAMILY HEALTH INTERNATIONAL	UM1A1068619	184,821	
Allergy, Immunology and Transplantation Research	93.855	-	175,458	DUKE UNIVERSITY	5UM1A100645-05	175,458	
Allergy, Immunology and Transplantation Research	93.855	-	153,736	UNIVERSITY OF MARYLAND	1R01A1125561-01	153,736	

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, 2017

Federal Program	CFDA Number	Direct	Pass-through	Pass-Through Grantor	Contract/Award or Pass-Through Num	Total Expenditures	Passed to Subrecipients
<b>RESEARCH AND DEVELOPMENT</b>							
Allergy, Immunology and Transplantation Research	93.855	-	146,786	TULANE UNIVERSITY	5R01AI097080-04	146,786	
Allergy, Immunology and Transplantation Research	93.855	-	141,838	IMMUNO-MYCOLOGICS INC	2R44AI096945	141,838	
Allergy, Immunology and Transplantation Research	93.855	-	138,977	UNIVERSITY OF CALIFORNIA LOS ANGELES	7UM1AI106716	138,977	
Allergy, Immunology and Transplantation Research	93.855	-	138,094	UNIVERSITY OF KANSAS	1R01AI125093-01	138,094	
Allergy, Immunology and Transplantation Research	93.855	-	132,175	ACTUATED MEDICAL INC	2R44AI080335-04	132,175	
Allergy, Immunology and Transplantation Research	93.855	-	98,581	FAMILY HEALTH INTERNATIONAL	UM1AI058619	98,581	
Allergy, Immunology and Transplantation Research	93.855	-	95,338	THE REGENTS OF THE UNIVERSITY OF CALIFORNIA	1R01AI097629	95,338	
Allergy, Immunology and Transplantation Research	93.855	-	85,797	UNIVERSITY OF VIRGINIA	1R01AI129678-01	85,797	
Allergy, Immunology and Transplantation Research	93.855	-	68,246	UNIVERSITY OF WASHINGTON	5U19AI113173-03	68,246	
Allergy, Immunology and Transplantation Research	93.855	-	67,398	UNIVERSITY OF CALIFORNIA IN SAN FRANCISCO	5U01AI113362-03	67,398	
Allergy, Immunology and Transplantation Research	93.855	-	64,955	BRIGHAM & WOMENS HOSPITAL	5UM1AI068636-11	64,955	
Allergy, Immunology and Transplantation Research	93.855	-	57,855	UNIVERSITY OF CALIFORNIA LOS ANGELES	7UM1AI106716-04	57,855	
Allergy, Immunology and Transplantation Research	93.855	-	44,815	BROWN UNIVERSITY	1R56AI120830-01A1	44,815	
Allergy, Immunology and Transplantation Research	93.855	-	43,644	BRIGHAM & WOMENS HOSPITAL	UM1AI096701	43,644	
Allergy, Immunology and Transplantation Research	93.855	-	42,575	JOHNS HOPKINS UNIVERSITY	2U01AI069918-11	42,575	
Allergy, Immunology and Transplantation Research	93.855	-	42,313	UNIVERSITY OF CALIFORNIA IN DAVIS	1R01AI097629-01	42,313	
Allergy, Immunology and Transplantation Research	93.855	-	41,135	JOHNS HOPKINS UNIVERSITY	5UM1AI068632-10	41,135	34,635
Allergy, Immunology and Transplantation Research	93.855	-	39,104	UNIVERSITY OF TEXAS MEDICAL BRANCH	1R01AI127744-01A1	39,104	
Allergy, Immunology and Transplantation Research	93.855	-	36,571	JOHNS HOPKINS UNIVERSITY	5UM1AI068632-11	36,571	
Allergy, Immunology and Transplantation Research	93.855	-	36,178	UNIVERSITY OF GEORGIA	5R01AI071002-09	36,178	
Allergy, Immunology and Transplantation Research	93.855	-	30,893	UNIVERSITY OF CALIFORNIA IN SAN FRANCISCO	5U01AI118594-02	30,893	
Allergy, Immunology and Transplantation Research	93.855	-	29,263	THERAPEUTICS SYSTEMS RESEARCH LAB	2R44AI00401-03	29,263	
Allergy, Immunology and Transplantation Research	93.855	-	26,955	ALBERT EINSTEIN COLLEGE OF MEDICINE OF YESHIVA U	5U19-A1103461-05	26,955	
Allergy, Immunology and Transplantation Research	93.855	-	25,533	MAGEE-WOMEN'S RESEARCH INSTITUTUE & FOUNDATION	UM1AL068633	25,533	
Allergy, Immunology and Transplantation Research	93.855	-	25,097	UNIVERSITY OF MARYLAND	1R01AI125841-01	25,097	
Allergy, Immunology and Transplantation Research	93.855	-	24,532	ALBERT EINSTEIN COLLEGE OF MEDICINE OF YESHIVA U	5R01-A1097096-05	24,532	
Allergy, Immunology and Transplantation Research	93.855	-	19,522	MAGEE-WOMEN'S RESEARCH INSTITUTUE & FOUNDATION	5UM1AL068633-10	19,522	
Allergy, Immunology and Transplantation Research	93.855	-	18,246	MAGEE-WOMEN'S RESEARCH INSTITUTUE & FOUNDATION	5UM1AL068633-11	18,246	
Allergy, Immunology and Transplantation Research	93.855	-	17,569	MAGEE-WOMEN'S RESEARCH INSTITUTUE & FOUNDATION	5UM1AI068633-10	17,569	
Allergy, Immunology and Transplantation Research	93.855	-	16,724	MAGEE-WOMEN'S RESEARCH INSTITUTUE & FOUNDATION	UM1AI068633	16,724	
Allergy, Immunology and Transplantation Research	93.855	-	11,606	UNIVERSITY OF ROCHESTER	5R01AI117787-03	11,606	
Allergy, Immunology and Transplantation Research	93.855	-	9,818	TULANE UNIVERSITY	4R01AI097080-05	9,818	
Allergy, Immunology and Transplantation Research	93.855	-	8,584	ALBERT EINSTEIN COLLEGE OF MEDICINE OF YESHIVA U	5U19-A1103461-04	8,584	
Allergy, Immunology and Transplantation Research	93.855	-	8,031	BRIGHAM & WOMENS HOSPITAL	5UM1AI068636-10	8,031	
Allergy, Immunology and Transplantation Research	93.855	-	7,921	JOHNS HOPKINS UNIVERSITY	U01AI109657-01	7,921	
Allergy, Immunology and Transplantation Research	93.855	-	7,010	REGENTS OF THE UNIVERSITY OF MINNESOTA	1R34AI118416-01A1	7,010	
Allergy, Immunology and Transplantation Research	93.855	-	5,943	UNIVERSITY OF CALIFORNIA IN SAN FRANCISCO	U54AI082973-08	5,943	
Allergy, Immunology and Transplantation Research	93.855	-	4,696	BENAROYA RESEARCH INSITUTE AT VIRGINIA MASON	5UM1AI109565-025	4,696	
Allergy, Immunology and Transplantation Research	93.855	-	3,760	DUKE UNIVERSITY	UM1AI104681	3,760	
Allergy, Immunology and Transplantation Research	93.855	-	3,104	MOUNT SINAI SCHOOL OF MEDICINE	5U01AI063594-14	3,104	
Allergy, Immunology and Transplantation Research	93.855	-	2,983	UNIVERSITY OF ROCHESTER	1U01AI113144-01	2,983	
Allergy, Immunology and Transplantation Research	93.855	-	2,974	UNIVERSITY OF CALIFORNIA IN SAN FRANCISCO	1UM1AI110498-02	2,974	
Allergy, Immunology and Transplantation Research	93.855	-	2,092	SEATTLE BIOMEDICAL RESEARCH INSTITUTE	5R01AI100018-04	2,092	
Allergy, Immunology and Transplantation Research	93.855	-	296	JOHNS HOPKINS UNIVERSITY	UM1AI068632-10	296	
Allergy, Immunology and Transplantation Research	93.855	-	260	COLUMBIA UNIVERSITY IN THE CITY OF NEW YORK	U0INS051483	260	
Allergy, Immunology and Transplantation Research	93.855	-	121	MIRIAM HOSPITAL	5P30AI042853-18	121	
Allergy, Immunology and Transplantation Research	93.855	-	(50)	OKLAHOMA MEDICAL RESEARCH FOUNDATION	1P01AI083194-01	(50)	
Allergy, Immunology and Transplantation Research	93.855	-	(712)	UNIVERSITY OF WASHINGTON	5U19AI113173-02	(712)	
Allergy, Immunology and Transplantation Research	93.855	-	(2,830)	CHILDREN'S HOSPITAL LOS ANGELES	UM1AI06716	(2,830)	
Allergy, Immunology and Transplantation Research	93.855	-	(3,616)	DUKE UNIVERSITY	1R34AI108512-01A1	(3,616)	
Microbiology and Infectious Diseases Research	93.856	282,465	-			282,465	

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, 2017

Federal Program	CFDA Number	Direct	Pass-through	Pass-Through Grantor	Contract/Award or Pass-Through Num	Total Expenditures	Passed to Subrecipients
<b>RESEARCH AND DEVELOPMENT</b>							
Biomedical Research and Research Training	93.859	6,047,219	-			6,047,219	121,299
Biomedical Research and Research Training	93.859	-	57,677	UNIVERSITY OF PITTSBURGH	4P50GM082251-10	57,677	
Biomedical Research and Research Training	93.859	-	49,255	UNIVERSITY OF PITTSBURGH	5R01GM101197-03	49,255	
Biomedical Research and Research Training	93.859	-	13,680	UNIVERSITY OF MISSISSIPPI MEDICAL CENTER	1R01GM103799	13,680	
Biomedical Research and Research Training	93.859	-	11,568	ST. JUDE CHILDREN'S RESEARCH HOSPITAL	1R01GM118578-01A1	11,568	
Child Health and Human Development Extramural Research	93.865	10,354,347	-			10,354,347	3,930,076
Child Health and Human Development Extramural Research	93.865	-	465,383	WASHINGTON UNIVERSITY IN ST LOUIS	1U01HD077384-02	465,383	
Child Health and Human Development Extramural Research	93.865	-	345,788	HARVARD COLLEGE	5P01HD052102-12	345,788	
Child Health and Human Development Extramural Research	93.865	-	298,989	THE GEORGE WASHINGTON UNIVERSITY	U10HD036801	298,989	
Child Health and Human Development Extramural Research	93.865	-	220,487	RTI INTERNATIONAL	RFA-HD-16-020	220,487	
Child Health and Human Development Extramural Research	93.865	-	171,550	RTI INTERNATIONAL	5U10HD034216-15	171,550	
Child Health and Human Development Extramural Research	93.865	-	116,828	WASHINGTON UNIVERSITY IN ST LOUIS	5R01HD086007-02	116,828	
Child Health and Human Development Extramural Research	93.865	-	111,834	UNIVERSITY OF CALIFORNIA IN SAN FRANCISCO	1R01HD089918-01	111,834	
Child Health and Human Development Extramural Research	93.865	-	86,537	WASHINGTON UNIVERSITY IN ST LOUIS	1R01HD086323-02	86,537	
Child Health and Human Development Extramural Research	93.865	-	72,812	REGENTS OF THE UNIVERSITY OF COLORADO	5R01HD080477-04	72,812	
Child Health and Human Development Extramural Research	93.865	-	70,727	SHARP HEALTHCARE FOUNDATION	1R01HD088646-01A1	70,727	
Child Health and Human Development Extramural Research	93.865	-	67,246	DUKE UNIVERSITY	5R01HD076871-04	67,246	
Child Health and Human Development Extramural Research	93.865	-	67,038	UNIVERSITY OF CAPE TOWN	5R01HD083026-03	67,038	
Child Health and Human Development Extramural Research	93.865	-	64,881	UNIVERSITY OF CAPE TOWN	5R01HD083026-02	64,881	
Child Health and Human Development Extramural Research	93.865	-	57,839	HARVARD COLLEGE	5U01HD052102-13	57,839	
Child Health and Human Development Extramural Research	93.865	-	53,120	RTI INTERNATIONAL	2U24HD069031	53,120	
Child Health and Human Development Extramural Research	93.865	-	52,149	BENTEN TECHNOLOGIES	2R44HD072823-02	52,149	
Child Health and Human Development Extramural Research	93.865	-	17,366	WAYNE STATE UNIVERSITY	5U10HD021385	17,366	
Child Health and Human Development Extramural Research	93.865	-	15,250	RTI INTERNATIONAL	1U01HD069031	15,250	
Child Health and Human Development Extramural Research	93.865	-	12,649	OREGON HEALTH & SCIENCES UNIVERSITY	5R01HD069610	12,649	
Child Health and Human Development Extramural Research	93.865	-	12,386	THE RESEARCH INSTITUTE AT NATIONWIDE CHILDRENS HOS	1R01HD088033-01A1	12,386	
Child Health and Human Development Extramural Research	93.865	-	10,244	UNIVERSITY OF MARYLAND	R01HD067126	10,244	
Child Health and Human Development Extramural Research	93.865	-	3,668	UNIVERSITY OF MARYLAND	1R01HD067126	3,668	
Child Health and Human Development Extramural Research	93.865	-	743	UNIVERSITY OF NORTH CAROLINA AT CHAPEL HILL	1R01HD086139-01A1	743	
Child Health and Human Development Extramural Research	93.865	-	600	UNIVERSITY OF TEXAS MEDICAL BRANCH	5R01HD083003-02	600	
Child Health and Human Development Extramural Research	93.865	-	(51)	HARVARD COLLEGE	5U01HD052102-19 HSPH S	(51)	
Child Health and Human Development Extramural Research	93.865	-	(735)	UNIVERSITY OF NORTH CAROLINA AT GREENSBORO	1R15HD071431-01A1	(735)	
Child Health and Human Development Extramural Research	93.865	-	(1,316)	UNIVERSITY OF KWAZULU-NATAL	1R21HD083011-01	(1,316)	
Aging Research	93.866	6,939,094	-			6,939,094	416,906
Aging Research	93.866	-	476,970	UNIVERSITY OF FLORIDA	2R37AG033906-11	476,970	
Aging Research	93.866	-	330,862	JOHNS HOPKINS UNIVERSITY	1RF1AG050609-01A1	330,862	
Aging Research	93.866	-	255,452	UNIVERSITY OF KENTUCKY RESEARCH FOUNDATION	1R01AG046920-01A1	255,452	
Aging Research	93.866	-	164,533	UNIVERSITY OF SOUTHERN CALIFORNIA	U19AG02-4904	164,533	
Aging Research	93.866	-	118,200	UNIVERSITY OF PENNSYLVANIA	3U01AG030644-02S3	118,200	
Aging Research	93.866	-	84,361	UNIVERSITY OF TEXAS SOUTHWESTERN MEDICAL CENTER	5R01AG047290-03	84,361	
Aging Research	93.866	-	80,119	WILLIAM BEAUMONT HOSPITAL	R01AG043383	80,119	
Aging Research	93.866	-	61,154	WAKE FOREST UNIVERSITY SCHOOL OF MEDICINE	5U01AG029824-07	61,154	
Aging Research	93.866	-	46,270	UNIVERSITY OF FLORIDA	3R37AG033906-13S1	46,270	
Aging Research	93.866	-	34,984	UNIVERSITY OF KENTUCKY RESEARCH FOUNDATION	4R37AG004542-27	34,984	
Aging Research	93.866	-	34,902	NORTHWESTERN UNIVERSITY	1R01AG047416-01A1	34,902	
Aging Research	93.866	-	20,447	WAKE FOREST UNIVERSITY SCHOOL OF MEDICINE	R24AG044325	20,447	
Aging Research	93.866	-	19,256	UNIVERSITY OF SOUTHERN CALIFORNIA	5U01AG024904-10	19,256	
Aging Research	93.866	-	18,981	THE JACKSON LABORATORY	1R01AG052608-01	18,981	
Aging Research	93.866	-	16,581	UNIVERSITY OF WISCONSIN IN MADISON	5R01AG040178-07	16,581	
Aging Research	93.866	-	13,018	UNIVERSITY OF FLORIDA	R37AG033906	13,018	
Aging Research	93.866	-	7,936	UNIVERSITY OF CALIFORNIA IN SAN DIEGO	2U19AG010483-22	7,936	
Aging Research	93.866	-	7,004	UNIVERSITY OF PITTSBURGH	4R01AG045176-04	7,004	

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, 2017

Federal Program	CFDA Number	Direct	Pass-through	Pass-Through Grantor	Contract/Award or Pass-Through Num	Total Expenditures	Passed to Subrecipients
<b>RESEARCH AND DEVELOPMENT</b>							
Aging Research	93.866	-	6,823	UNIVERSITY OF SOUTHERN CALIFORNIA	5U19AG010483-24	6,823	
Aging Research	93.866	-	5,460	REGENTS OF THE UNIVERSITY OF COLORADO	1R01AG054366-01A1	5,460	
Aging Research	93.866	-	4,446	THE JACKSON LAORATORY	5R01AG052608-02	4,446	
Aging Research	93.866	-	553	UNIVERSITY OF WISCONSIN IN MADISON	1R56AG047358-01A1	553	
Aging Research	93.866	-	501	UNIVERSITY OF PITTSBURGH	5R01AG045176-03	501	
Aging Research	93.866	-	(3,961)	COLUMBIA UNIVERSITY IN THE CITY OF NEW YORK	1R01AG049970-01A1	(3,961)	
Aging Research	93.866	-	(19,095)	ALZHEIMER'S DISEASE COOPERATIVE STUDY	2U01AG24904-06	(19,095)	
Vision Research	93.867	7,958,157	-			7,958,157	810,660
Vision Research	93.867	-	201,423	UNIVERSITY OF MISSISSIPPI MEDICAL CENTER	2R01EY014263-09	201,423	
Vision Research	93.867	-	175,843	NEW YORK UNIVERSITY	R01EY015220	175,843	
Vision Research	93.867	-	144,203	UNIVERSITY OF FLORIDA	R01EY024280	144,203	
Vision Research	93.867	-	127,045	UNIVERSITY OF TEXAS HEALTH SCIENCE CTR AT HOUSTON	2R01EY022362-04A1	127,045	
Vision Research	93.867	-	126,092	UNIVERSITY OF CALIFORNIA - BERKELEY	R01EY023591	126,092	
Vision Research	93.867	-	38,256	BIOLIGHT ENGINEERING, LLC	R43EY026265	38,256	
Vision Research	93.867	-	27,038	OREGON HEALTH & SCIENCES UNIVERSITY	1R21EY027079-01	27,038	
Vision Research	93.867	-	10,444	SALUS UNIVERSITY	1U10EY022599-03	10,444	
Vision Research	93.867	-	9,880	JAEB CENTER FOR HEALTH RESEARCH INC	U10 EY11751	9,880	
Vision Research	93.867	-	8,944	JAEB CENTER FOR HEALTH RESEARCH INC	EY11751	8,944	
Vision Research	93.867	-	7,748	SALUS UNIVERSITY	1U10EY022599-01A1	7,748	
Vision Research	93.867	-	6,983	JAEB CENTER FOR HEALTH RESEARCH INC	U10EY11751	6,983	
Vision Research	93.867	-	2,432	JAEB CENTER FOR HEALTH RESEARCH INC	U01EY11751	2,432	
Vision Research	93.867	-	(183)	UNIVERSITY OF CALIFORNIA IN SAN DIEGO	1R01EY019869-01	(183)	
Preventive Health Services_ Sexually Transmitted Diseases Control Grants	93.977	-	19,481	UNIVERSITY OF WASHINGTON	5NU62PS004584-03-00	19,481	
International Research and Research Training	93.989	695,212	-			695,212	221,196
International Research and Research Training	93.989	-	53,872	UNIVERSIDAD PERUANA CAYETANO HEREDIA	5D43TW009763-02	53,872	
International Research and Research Training	93.989	-	29,617	THE FLORIDA INTL UNIVERSITY OF BOARD OF TRUSTEES	1D43TW009125-01	29,617	
International Research and Research Training	93.989	-	12,393	NATIONAL INSTITUTE OF HEALTH SCIENCES,SRI LANKA	5R01TW009401-04	12,393	
Contract #HHSN272201300012I	93.RD	1,971,302	-			1,971,302	887,719
Contract #HHSN268201300025C	93.RD	1,784,684	-			1,784,684	460,880
Contract #HHSN272201100034C	93.RD	1,108,027	-			1,108,027	549,270
Contract #HHSN272201100016I	93.RD	1,046,383	-			1,046,383	
Contract #HHSN275201300014C	93.RD	889,563	-			889,563	
Contract #HHSN261201500036I	93.RD	814,280	-			814,280	241,324
Contract #HHSN268201100025C	93.RD	721,928	-			721,928	
Contract #HHSN272201100036C	93.RD	544,896	-			544,896	172,868
Contract #HHSN268201300026C OPT4	93.RD	526,686	-			526,686	
Contract	93.RD	-	453,324	LEIDOS BIOMEDICAL RESEARCH, INC	HHSN261200800001E	453,324	
Contract #HHSN272201000027I	93.RD	440,815	-			440,815	
Contract #HHSN272201300012I/HHSN27200010	93.RD	415,696	-			415,696	304,689
Contract #HHSN268200900047C OPT5	93.RD	352,471	-			352,471	62,545
Contract #HHSN272201100035C-Option 2	93.RD	350,233	-			350,233	78,979
Contract #HHSN261201200021I	93.RD	307,706	-			307,706	
Contract	93.RD	-	283,823	UNIVERSITY OF ROCHESTER	HHSN272201200005C	283,823	
Contract #HHSN272201100037C	93.RD	269,145	-			269,145	60,589
Contract #OP-7 HHSN268201300025C	93.RD	260,886	-			260,886	251,412
Contract #HHSN272201600018C	93.RD	258,226	-			258,226	153,381
Contract	93.RD	-	242,229	VIVO BIOSCIENCES INC	HHSN26120150068C	242,229	
Contract #HHSN272201100035C	93.RD	187,255	-			187,255	116,268
Contract #HHSN272201100038C	93.RD	173,171	-			173,171	11,999
Contract #HHSN272201300012I/HHSN27200011	93.RD	155,186	-			155,186	79,468

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, 2017

Federal Program	CFDA Number	Direct	Pass-through	Pass-Through Grantor	Contract/Award or Pass-Through Num	Total Expenditures	Passed to Subrecipients
<b>RESEARCH AND DEVELOPMENT</b>							
Contract #HHSN268201300026C-OPT 2	93.RD	145,316	-			145,316	
Contract #HHSN272201600017C	93.RD	135,054	-			135,054	
Contract #HHSN268201300026C OPT 5	93.RD	125,297	-			125,297	
Contract	93.RD	-	120,222	RESEARCH FOUNDATION FOR MENTAL HYGIENE, INC	PO 130536 HHSN271-2012-00007-I	120,222	
Contract	93.RD	-	96,355	CHILDRENS HOSPITAL MEDICAL CENTER CINCINNATI OH	HHSN2722013000161	96,355	
Contract #HHSN271201500088C	93.RD	79,305	-			79,305	
Contract	93.RD	-	60,654	UNIVERSITY OF ROCHESTER	HHSN27220120000SC	60,654	
Contract #HHSN271201700015C	93.RD	59,628	-			59,628	
Contract #HHSN268201300026C	93.RD	54,270	-			54,270	
Contract #16IPA0001611537	93.RD	52,658	-			52,658	
Contract #14IPA1404866	93.RD	43,900	-			43,900	
Contract	93.RD	-	40,934	CENTRE FOR INFECTIOUS DISEASE RESEARCH IN ZAMBIA	3U2GGH000226-05S1	40,934	
Contract #HHSN272301300012L/JJSN27200011	93.RD	39,872	-			39,872	25,765
Contract	93.RD	-	39,694	RAND CORPORATION	HHSM-500-2014-00399G	39,694	
Contract #OP-8 HHSN268201300025C	93.RD	39,642	-			39,642	5,151
Contract #200-2011-42023	93.RD	34,575	-			34,575	
Contract	93.RD	-	33,368	UNIVERSITY OF MICHIGAN	HHSN268201100026C	33,368	
Contract #200-2013-56733/MSG08	93.RD	31,604	-			31,604	
Contract	93.RD	-	27,649	UNIVERSITY OF NORTH CAROLINA AT CHAPEL HILL	HHSN2682013000011	27,649	
Contract	93.RD	-	26,138	UNIVERSITY OF TEXAS SOUTHWESTERN MEDICAL CENTER	HHSN268201200019C	26,138	
Contract	93.RD	-	23,157	UNIVERSITY OF WISCONSIN IN MADISON	HHSN2612012000331	23,157	
Contract	93.RD	-	21,345	RAND CORPORATION	HHSP23337003T	21,345	
Contract #HHSN311201600036P	93.RD	19,906	-			19,906	
Contract	93.RD	-	15,230	DUKE UNIVERSITY	HHSN272200900023C	15,230	
Contract	93.RD	-	11,424	ABT ASSOCIATES INC	HHSD20002013M53890B/200-2013-F-57544	11,424	
Contract #HHSN268201300025C OP 9	93.RD	9,234	-			9,234	
Contract #HHSN268201300026C OPT 8	93.RD	7,464	-			7,464	
Contract	93.RD	-	6,284	NORTHWESTERN UNIVERSITY	HHSN2612012000351	6,284	
Contract #HHSN268201300026C OPT 9	93.RD	1,806	-			1,806	
Contract	93.RD	-	1,503	DUKE UNIVERSITY	HHSN-2752010000031	1,503	
Contract	93.RD	-	1,390	DUKE UNIVERSITY	HHSN-2752010000031	1,390	
Contract	93.RD	-	1,383	ICF INCORPORATED LLC	HHSN316201200028W	1,383	
Contract #16IPA1611537-1	93.RD	934	-			934	
Contract	93.RD	-	736	WAKE FOREST UNIVERSITY SCHOOL OF MEDICINE	HHSN26800900019 C	736	
Contract #HHSN272201100038C Opt 1	93.RD	87	-			87	
Contract	93.RD	-	55	CONRAD, EASTERN VIRGINIA MEDICAL SCHOOL	200-2014-59074	55	
Contract	93.RD	-	(73)	REGENTS OF THE UNIVERSITY OF MINNESOTA	200-2012-52155	(73)	
Contract #200-2015-M-64008	93.RD	(3,336)	-			(3,336)	
Unknown	93.RD	-	57,226	EASTERN COOPERATIVE ONCOLOGY GROUP	ECOG-ACRIN	57,226	
Unknown	93.RD	-	22,667	OREGON HEALTH & SCIENCES UNIVERSITY	SWOG	22,667	
Unknown	93.RD	-	(148)	INDIANA HEMOPHILIA AND THROMBOSIS CENTER	284-10SC	(148)	
Unknown	93.RD	-	(13,240)	CENTRE FOR INFECTIOUS DISEASE RESEARCH IN ZAMBIA	018(115616) SA1	(13,240)	
Total Department of Health and Human Services		243,913,423	35,514,569			279,427,992	52,512,961
<b>Department of Homeland Security</b>							
Contract #HSCEMD-16-P-00127	97.RD	72,422	-			72,422	
Contract #HSCEMD-16-Z-00014	97.RD	2,306	-			2,306	
Total Department of Homeland Security		74,728	-			74,728	-
<b>U. S. Agency for International Development</b>							
USAID Foreign Assistance for Programs Overseas	98.001	-	147,911	INTL AIDS VACCINE INITIATIVE	AID-OAA-A-16-00032	147,911	
USAID Foreign Assistance for Programs Overseas	98.001	-	54,328	NATL ACADEMY OF SCIENCES	AID-263-A-15-00002	54,328	
Total U. S. Agency for International Development		-	202,239			202,239	-
<b>TOTAL RESEARCH AND DEVELOPMENT</b>		<b>270,814,424</b>	<b>40,524,831</b>			<b>311,339,255</b>	<b>55,634,233</b>

See accompanying notes to schedule of expenditures of federal awards.

**University of Alabama at Birmingham  
Schedule of Expenditures of Federal Awards  
Year Ended September 30, 2017**

Federal Program	CFDA Number	Direct	Pass-through	Pass-Through Grantor	Contract/Award or Pass-Through Num	Total Expenditures	Passed to Subrecipients
<b>STUDENT FINANCIAL ASSISTANCE</b>							
<b>Department of Education</b>							
Federal Supplemental Education Opportunity Grant	84.007	745,447	-			745,447	
Federal Work-Study Program	84.033	1,083,845	-			1,083,845	
Federal Perkins Loan - Outstanding loans at fiscal year beginning	84.038	12,319,430	-			12,319,430	
Federal Perkins Loan - New loans issued during fiscal year	84.038	2,248,893	-			2,248,893	
Federal Perkins Loan - Administrative cost allowance	84.038	19,459	-			19,459	
Federal Pell Grant	84.063	20,516,139	-			20,516,139	
Direct Student Loans	84.268	162,960,967	-			162,960,967	
Teacher Education Assistance for College and Higher Education Grants (TEACH)	84.379	39,855	-			39,855	
Total Department of Education		<u>199,934,035</u>	<u>-</u>			<u>199,934,035</u>	<u>-</u>
<b>Department of Health and Human Services</b>							
Nurse Faculty Loan Program - Outstanding loans at fiscal year beginning	93.264	1,401,991	-			1,401,991	
Nurse Faculty Loan Program - New loans issued during fiscal year	93.264	540,140	-			540,140	
Health Professions Student Loans - Outstanding loans at fiscal year beginning	93.342	1,998,590	-			1,998,590	
Health Professions Student Loans - New loans issued during fiscal year	93.342	254,081	-			254,081	
Nurse Faculty Loan Program ARRA - Outstanding loans at fiscal year beginning	93.408	120,616	-			120,616	
Nurse Faculty Loan Program ARRA - New loans issued during fiscal year	93.408	-	-			-	
Total Department of Health and Human Services		<u>4,315,418</u>	<u>-</u>			<u>4,315,418</u>	<u>-</u>
<b>TOTAL STUDENT FINANCIAL ASSISTANCE</b>		<b><u>204,249,453</u></b>	<b><u>-</u></b>			<b><u>204,249,453</u></b>	<b><u>-</u></b>
<b>HIV EARLY INTERVENTION</b>							
<b>Department of Health and Human Services</b>							
Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease	93.918	2,090,387	-			2,090,387	
Total Department of Health and Human Services		<u>2,090,387</u>	<u>-</u>			<u>2,090,387</u>	<u>-</u>
<b>TOTAL HIV EARLY INTERVENTION</b>		<b><u>2,090,387</u></b>	<b><u>-</u></b>			<b><u>2,090,387</u></b>	<b><u>-</u></b>
<b>HEAD START</b>							
<b>Department of Health and Human Services</b>							
Head Start	93.600	925,089	-			925,089	78,942
Total Department of Health and Human Services		<u>925,089</u>	<u>-</u>			<u>925,089</u>	<u>78,942</u>
<b>TOTAL HEAD START</b>		<b><u>925,089</u></b>	<b><u>-</u></b>			<b><u>925,089</u></b>	<b><u>78,942</u></b>

See accompanying notes to schedule of expenditures of federal awards.

# University of Alabama at Birmingham

## Schedule of Expenditures of Federal Awards

### Year Ended September 30, 2017

Federal Program	CFDA Number	Direct	Pass-through	Pass-Through Grantor	Contract/Award or Pass-Through Num	Total Expenditures	Passed to Subrecipients
<b>OTHER PROGRAMS</b>							
<b>Department of Agriculture</b>							
Child and Adult Care Food Program	10.558	-	4,261	ALABAMA DEPT OF EDUCATION	ADS-0000	4,261	-
Child and Adult Care Food Program	10.558	-	(360)	ALABAMA DEPT OF EDUCATION	ALSDE	(360)	-
Total Department of Agriculture		-	3,901			3,901	-
<b>Department of Defense</b>							
Military Medical Research and Development	12.420	-	48,584	DIGNITY HEALTH DBA ST. JOSEPHS HOSPITAL & MEDICAL	W81XWH-14-2-0191	48,584	-
Military Medical Research and Development	12.420	-	13,236	JOHNS HOPKINS UNIVERSITY	W81XW4-10-2-0133	13,236	-
Military Medical Research and Development	12.420	-	(1,297)	JOHNS HOPKINS UNIVERSITY	W81XWH-09-2-0108	(1,297)	-
		-	60,523			60,523	-
Competitive Grants: Promoting K-12 Student Achievement at Military-Connected Schools	12.556	-	(74)	SUMTER SCHOOL DISTRICT	HEI254-13-1-0037	(74)	-
Mathematical Sciences Grants Program	12.901	3,000	-			3,000	-
Contract - Navy Medicine/Dentistry/Optomtry	12.U00	793,971	-			793,971	-
Contract - Air Force Unknown	12.U01	416,745	-			416,745	-
Contract - Army Health Profession Students	12.U02	284,493	-			284,493	-
Contract - Go Army	12.U03	77,432	-			77,432	-
Contract - Army Medical Department Center and School	12.U04	28,491	-			28,491	-
Contract - Army Corp of Engineers	12.U05	17,372	-			17,372	-
Contract - Air Force Reserve	12.U06	13,871	-			13,871	-
Contract - Coast Guard Unknown	12.U07	9,250	-			9,250	-
Contract - Navy Unknown	12.U08	3,750	-			3,750	-
Contract - US Army Officers Adv Schooling	12.U09	2,490	-			2,490	-
Total Department of Defense		1,650,865	60,449			1,711,314	-
<b>Department of Justice</b>							
Drug Court Discretionary Grant Program	16.585	-	82,444	JEFFERSON COUNTY COMMISSION	2015-DC-BX-0082	82,444	-
Total Department of Justice		-	82,444			82,444	-
<b>Department of Labor</b>							
H-1B Job Training Grants	17.268	555,717	-			555,717	228,951
Total Department of Labor		555,717	-			555,717	228,951
<b>Department of Transportation - Highway Planning and Construction Cluster</b>							
Highway Planning and Construction	20.205	-	154,096	ALABAMA DEPT OF TRANSPORTATION	930-935	154,096	-
Highway Planning and Construction	20.205	-	116,971	ALABAMA DEPT OF TRANSPORTATION	930-921	116,971	-
Highway Planning and Construction	20.205	-	14,419	ALABAMA DEPT OF TRANSPORTATION	930-914	14,419	-
Total Department of Transportation - Highway Planning and Construction Cluster		-	285,486			285,486	-
<b>Department of Transportation - Federal Transit Cluster</b>							
Federal Transit_Capital Investment Grants	20.500	-	150,717	ALABAMA DEPT OF TRANSPORTATION	K-17-0022	150,717	-
Federal Transit_Capital Investment Grants	20.500	-	32,044	ALABAMA DEPT OF TRANSPORTATION	K-15-1869	32,044	-
Total Department of Transportation - Federal Transit Cluster		-	182,761			182,761	-
<b>Department of Transportation - Highway Safety Cluster</b>							
State and Community Highway Safety	20.600	-	10,870	VIRGINIA TECH	DTNH-14-D-00328L/0004	10,870	-
Total Department of Transportation - Highway Safer Cluster		-	10,870			10,870	-
<b>Department of Transportation</b>							
National Highway Traffic Safety Administration (NHTSA) Discretionary Safety Grants	20.614	44,693	-			44,693	-
Total Department of Transportation		44,693	-			44,693	-
<b>National Aeronautics and Space Administration</b>							
Education	43.008	-	62,165	UNIVERSITY OF ALABAMA IN HUNTSVILLE	NNX15AJ18H	62,165	-
Total National Aeronautics and Space Administration		-	62,165			62,165	-
<b>National Foundation on the Arts and the Humanities</b>							
Promotion of the Humanities_Federal/State Partnership	45.129	-	1,518	ALABAMA HUMANITIES FOUNDATION	0916-2335MJ	1,518	-
Unknown	45.U10	-	6,000	ALABAMA COUNCIL ON THEARTS	2017-22601	6,000	-
Unknown	45.U11	-	4,000	ALABAMA COUNCIL ON THEARTS	2017-22598	4,000	-
Total National Foundation on the Arts and the Humanities		-	11,518			11,518	-
<b>Department of Energy</b>							
State Energy Program	81.041	-	9,896	ALABAMA DEPT OF ECONOMIC & COMMUNITY AFFAIRS	DE-EE0006978	9,896	-

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, 2017

Federal Program	CFDA Number	Direct	Pass-through	Pass-Through Grantor	Contract/Award or Pass-Through Num	Total Expenditures	Passed to Subrecipients
<b>OTHER PROGRAMS</b>							
Energy Efficiency and Renewable Energy Information Dissemination, Outreach, Training and Technical Analysis/Assistance	81.117	28,135	-			28,135	
Total Department of Energy		28,135	9,896			38,031	-
<b>Department of Education-TRIO Cluster</b>							
TRIO_ Student Support Services	84.042	688,101	-			688,101	
Total Department of Education-TRIO Cluster		688,101	-			688,101	-
<b>Department of Education</b>							
Graduate Assistance in Areas of National Need	84.200	184,299	-			184,299	
Research in Special Education	84.324	73,543	-			73,543	
Results for Children with Disabilities	84.325	417,885	-			417,885	
Gaining Early Awareness and Readiness for Undergraduate Programs	84.334	2,414,610	-			2,414,610	788,724
English Language Acquisition State Grants	84.365	1,410,779	-			1,410,779	
Mathematics and Science Partnerships	84.366	-	(32)	ALABAMA DEPT OF EDUCATION	PL 107-110	(32)	
Improving Teacher Quality State Grants	84.367	-	311,311	ALABAMA DEPT OF EDUCATION	PL107-10	311,311	
Improving Teacher Quality State Grants	84.367	-	176,613	ALABAMA COMM ON HIGHER EDUCATION	PL 107-110	176,613	
Improving Teacher Quality State Grants	84.367	-	32,846	ALABAMA COMM ON HIGHER EDUCATION	PL107-110	32,846	
Improving Teacher Quality State Grants	84.367	-	16,399	ALABAMA DEPT OF EDUCATION	PL 107-110	16,399	
Improving Teacher Quality State Grants	84.367	-	7,421	ALABAMA COMM ON HIGHER EDUCATION	PL.107-110	7,421	
Improving Teacher Quality State Grants	84.367	-	4,128	NATIONAL WRITING PROJECT	U367DI50004	4,128	
		-	548,718			548,718	-
Investing in Innovation (I3) Fund	84.411	-	6,660	NATIONAL WRITING PROJECT	U411A160004	6,660	
Unknown	84.U12	-	149,716	ALABAMA DEPT OF CHILDREN'S AFFAIRS	I7FC2506016011	149,716	
Unknown	84.U13	-	16,033	ALABAMA DEPT OF CHILDREN'S AFFAIRS	I6DEV50601UAB1	16,033	
Total Department of Education		4,501,116	721,095			5,222,211	788,724
<b>Department of Health and Human Services</b>							
Training in General, Pediatric, and Public Health Dentistry	93.059	15,484	-			15,484	
Birth Defects and Developmental Disabilities - Prevention and Surveillance	93.073	-	19,535	ALABAMA DEPT OF PUBLIC HEALTH	C70115133	19,535	
Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements	93.074	-	51,743	ALABAMA DEPT OF PUBLIC HEALTH	C70115129	51,743	
Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements	93.074	-	23,867	ALABAMA DEPT OF PUBLIC HEALTH	C70115130	23,867	
		-	75,610			75,610	-
Healthy Marriage Promotion and Responsible Fatherhood Grants	93.086	-	23,681	COLORADO SEMINARY/ UNIVERSITY OF DENVER	90FM0062-01-01	23,681	
Healthy Marriage Promotion and Responsible Fatherhood Grants	93.086	-	11,252	COLORADO SEMINARY/ UNIVERSITY OF DENVER	GS-10F-0050L	11,252	
		-	34,933			34,933	-
Area Health Education Centers Point of Service Maintenance and Enhancement Awards	93.107	1,268,963	-			1,268,963	993,975
Maternal and Child Health Federal Consolidated Programs	93.110	2,219,490	-			2,219,490	33,459
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	-	74,071	ALABAMA DEPT OF PUBLIC HEALTH	C60112042	74,071	
Nurse Anesthetist Traineeships	93.124	32,497	-			32,497	
Emergency Medical Services for Children	93.127	-	12,863	ALABAMA DEPT OF PUBLIC HEALTH	C70115071	12,863	
Emergency Medical Services for Children	93.127	-	8,766	ALABAMA DEPT OF PUBLIC HEALTH	C60118166	8,766	
		-	21,629			21,629	-
Coordinated Services and Access to Research for Women, Infants, Children, and Youth	93.153	962,229	-			962,229	92,045
Disabilities Prevention	93.184	1,584,393	-			1,584,393	1,029,527
Disabilities Prevention	93.184	-	60,681	ALABAMA DEPT OF PUBLIC HEALTH	C70115112	60,681	
		1,584,393	60,681			1,645,074	1,029,527

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, 2017

Federal Program	CFDA Number	Direct	Pass-through	Pass-Through Grantor	Contract/Award or Pass-Through Num	Total Expenditures	Passed to Subrecipients
<b>OTHER PROGRAMS</b>							
Substance Abuse and Mental Health Services_Projects of Regional and National Significance	93.243	-	265,671	JEFFERSON COUNTY COMMISSION	2014-RW-BX-0006	265,671	
Substance Abuse and Mental Health Services_Projects of Regional and National Significance	93.243	-	254,472	JEFFERSON COUNTY COMMISSION	5H79TI025496-03	254,472	28,293
Substance Abuse and Mental Health Services_Projects of Regional and National Significance	93.243	-	250,756	JEFFERSON COUNTY COMMISSION	5H79TI026406-02	250,756	
Substance Abuse and Mental Health Services_Projects of Regional and National Significance	93.243	-	248,607	JEFFERSON COUNTY COMMISSION	5H79TI026130-02	248,607	11,429
Substance Abuse and Mental Health Services_Projects of Regional and National Significance	93.243	-	33,348	MOREHOUSE SCHOOL OF MEDICINE	5URITI024252-05	33,348	
Substance Abuse and Mental Health Services_Projects of Regional and National Significance	93.243	-	30,209	JEFFERSON COUNTY COMMISSION	1H79TI025496-2	30,209	27,581
Substance Abuse and Mental Health Services_Projects of Regional and National Significance	93.243	-	15,178	JEFFERSON COUNTY COMMISSION	1H79TI026130-1	15,178	6,863
Substance Abuse and Mental Health Services_Projects of Regional and National Significance	93.243	-	2,487	JEFFERSON COUNTY COMMISSION	1H79TI024154-1	2,487	
	93.243	139	-			139	
		139	1,100,728			1,100,867	74,166
Advanced Nursing Education Grant Program	93.247	561,551	-			561,551	137,055
Health Systems Strengthening and HIV/AIDS Prevention, Care and Treatment under the President's Emergency Plan for AIDS Relief	93.266	-	3,719	CASE WESTERN UNIVERSITY	IR13HS024660-01A1	3,719	
The Affordable Care Act: Centers for Disease Control and Prevention_Investigations and Technical Assistance	93.283	-	106,569	LOUISIANA STATE UNIVERSITY	5U58DP005412-03-00	106,569	
Trans-NIH Research Support	93.310	101,446	-			101,446	
Behavioral Risk Factor Surveillance System	93.336	-	133,033	ALABAMA DEPT OF PUBLIC HEALTH	C70115139	133,033	
Advanced Education Nursing Traineeships	93.358	236,533	-			236,533	
Nurse Education, Practice Quality and Retention Grants	93.359	1,345,898	-			1,345,898	
Cancer Research Manpower	93.398	696,899	-			696,899	
Affordable Care Act (ACA) Public Health Training Centers Program, Resources Development and Academic Support to the Public Health Training Centers Program and Public Health Infrastructure and Systems Support	93.516	-	99,917	EMORY UNIVERSITY	UB6HP27875-03-00	99,917	
Affordable Care Act (ACA) Public Health Training Centers Program, Resources Development and Academic Support to the Public Health Training Centers Program and Public Health Infrastructure and Systems Support	93.516	-	(404)	EMORY UNIVERSITY	UB6HP27875-02-00	(404)	
		-	99,513			99,513	
Health Care Innovation Awards (HCIA)	93.610	-	(6,339)	ALABAMA QUALITY ASSURANCE FOUNDATION	1E1CMS331087-01-00	(6,339)	
Strong Start for Mothers and Newborns	93.611	43,103	-			43,103	
Affordable Care Act Initiative to Reduce Avoidable Hospitalizations among Nursing Facility Residents	93.621	-	216,868	ALABAMA QUALITY ASSURANCE FOUNDATION	1E1CMS331493-01-00	216,868	
University Centers for Excellence in Developmental Disabilities Education, Research, and Service	93.632	547,798	-			547,798	
Foster Care_Title IV-E	93.658	-	7,715	UNIVERSITY OF ALABAMA IN TUSCALOOSA	C70161203	7,715	
ARRA - 90WT0007	93.721	559,873	-			559,873	405,682
Prevention Public Health Fund 2012: Viral Hepatitis Prevention	93.736	707,633	-			707,633	151,792
PPHF 2012: Racial and Ethnic Approaches to Community Health Program financed solely by 2012 Public Prevention and Health Funds	93.738	229,966	-			229,966	170,088
Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations financed in part by Prevention and Public Health Funds	93.752	-	223,128	ALABAMA DEPT OF PUBLIC HEALTH	C60112082	223,128	

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, 2017

Federal Program	CFDA Number	Direct	Pass-through	Pass-Through Grantor	Contract/Award or Pass-Through Num	Total Expenditures	Passed to Subrecipients
<b>OTHER PROGRAMS</b>							
Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations financed in part by Prevention and Public Health Funds	93.752	-	51,393	ALABAMA DEPT OF PUBLIC HEALTH	C70115072	51,393	-
		-	274,521			274,521	-
State and Local Public Health Actions to Prevent Obesity, Diabetes, Heart Disease and Stroke (PPHF)	93.757	-	40,000	ALABAMA DEPT OF PUBLIC HEALTH	C70115097	40,000	-
Preventive Health and Health Services Block Grant funded solely with PPHF	93.758	-	3,955	ALABAMA DEPT OF PUBLIC HEALTH	C70115050	3,955	-
Children's Health Insurance Program	93.767	-	290,159	ALABAMA DEPT OF PUBLIC HEALTH	C60112018	290,159	60,362
Children's Health Insurance Program	93.767	-	74,440	ALABAMA DEPT OF PUBLIC HEALTH	C60118063	74,440	-
Children's Health Insurance Program	93.767	-	429	ALABAMA DEPT OF PUBLIC HEALTH	C70115194	429	-
		-	365,028			365,028	60,362
Health Careers Opportunity Program	93.822	46,707	-			46,707	-
Cardiovascular Diseases Research	93.837	5,659	-			5,659	-
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	316,468	-			316,468	-
Allergy, Immunology and Transplantation Research	93.855	13,669	-			13,669	-
Aging Research	93.866	36,051	-			36,051	-
Grants for Primary Care Training and Enhancement	93.884	237,585	-			237,585	-
National Bioterrorism Hospital Preparedness Program	93.889	-	48,758	ALABAMA DEPT OF PUBLIC HEALTH	C60112116	48,758	-
Rural Health Care Services Outreach, Rural Health Network Development and Small Health Care Provider Quality Improvement Program	93.912	-	19,635	REGIONAL HEALTH CARE NETWORK	R01RH26278-01-00	19,635	-
HIV Care Formula Grants	93.917	-	87,650	UNITED WAY OF CENTRAL ALABAMA INC	HRSA-10-055	87,650	-
HIV Care Formula Grants	93.917	-	83,446	UNITED WAY OF CENTRAL ALABAMA INC	HRSA-10-055/X07HA00049	83,446	-
HIV Care Formula Grants	93.917	-	70,445	UNITED WAY OF CENTRAL ALABAMA INC	X07HA00049	70,445	-
		-	241,541			241,541	-
HIV Prevention Activities_Health Department Based	93.940	-	443,574	ALABAMA DEPT OF PUBLIC HEALTH	C70115115	443,574	-
HIV Prevention Activities_Health Department Based	93.940	-	245,763	ALABAMA DEPT OF PUBLIC HEALTH	C60112030	245,763	-
HIV Prevention Activities_Health Department Based	93.940	-	42,787	ALABAMA DEPT OF PUBLIC HEALTH	C70115114	42,787	-
HIV Prevention Activities_Health Department Based	93.940	-	18,044	ALABAMA DEPT OF PUBLIC HEALTH	C60112005	18,044	-
HIV Prevention Activities_Health Department Based	93.940	-	(27)	ALABAMA DEPT OF PUBLIC HEALTH	C40118121	(27)	-
		-	750,141			750,141	-
Cooperative Agreements to Support State-Based Safe Motherhood and Infant Health Initiative Programs	93.946	-	11,659	ALABAMA DEPT OF PUBLIC HEALTH	C60112050	11,659	-
Preventive Health Services_Sexually Transmitted Diseases Control Grants	93.977	300,530	-			300,530	93,569
Maternal and Child Health Services Block Grant to the States	93.994	-	26,757	ALABAMA DEPT OF PUBLIC HEALTH	C70115049	26,757	-
Maternal and Child Health Services Block Grant to the States	93.994	-	9,298	ALABAMA DEPT OF PUBLIC HEALTH	C70115108	9,298	-
Maternal and Child Health Services Block Grant to the States	93.994	-	3,288	ALABAMA DEPT OF PUBLIC HEALTH	C60118064	3,288	-
Maternal and Child Health Services Block Grant to the States	93.994	-	2,198	ALABAMA DEPT OF PUBLIC HEALTH	C60118101	2,198	-
		-	41,541			41,541	-
Unknown	93.U14	-	229,150	ALABAMA DEPT OF CHILDREN'S AFFAIRS	X10MC29458	229,150	-
Unknown	93.U15	-	67,879	ALABAMA DEPT OF HUMAN RESOURCES	4537	67,879	-
Unknown	93.U16	-	53,179	ALABAMA DEPT OF HUMAN RESOURCES	1870	53,179	-
Unknown	93.U17	-	8,500	ALABAMA FAMILY PRACTICE RURAL HEALTH BOARD	HRSA-READ	8,500	-
Unknown	93.U18	-	(1,575)	ALABAMA DEPT OF CHILDREN'S AFFAIRS	16CF1506016005	(1,575)	-
Unknown	93.U19	-	(1,919)	ALABAMA DEPT OF CHILDREN'S AFFAIRS	16CE2506015010	(1,919)	-
Total Department of Health and Human Services		12,070,564	4,100,258			16,170,822	3,241,720
<b>TOTAL OTHER PROGRAMS</b>		<b>19,539,191</b>	<b>5,530,843</b>			<b>25,070,034</b>	<b>4,259,395</b>

See accompanying notes to schedule of expenditures of federal awards.

**University of Alabama at Birmingham  
 Schedule of Expenditures of Federal Awards  
 Year Ended September 30, 2017**

Federal Program	CFDA Number	Direct	Pass-through	Pass-Through Grantor	Contract/Award or Pass-Through Num	Total Expenditures	Passed to Subrecipients
<b>OTHER PROGRAMS</b>							
<b>SPECIAL FEDERAL APPROPRIATIONS</b>							
<b>Miscellaneous</b>							
John J. Sparkman Center	93.U20	1,032,561	-			1,032,561	
Lister Hill Center for Health Policy	93.U21	201,539	-			201,539	
Total Miscellaneous		<u>1,234,100</u>	<u>-</u>			<u>1,234,100</u>	<u>-</u>
<b>TOTAL SPECIAL FEDERAL APPROPRIATIONS</b>		<u><b>1,234,100</b></u>	<u><b>-</b></u>			<u><b>1,234,100</b></u>	<u><b>-</b></u>
<b>TOTAL FEDERAL</b>		<u><b>\$ 498,852,644</b></u>	<u><b>\$ 46,055,674</b></u>			<u><b>\$ 544,908,318</b></u>	<u><b>\$ 59,972,370</b></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, 2017

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#### 1. **Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") summarizes the federal expenditures of The University of Alabama at Birmingham ("UAB"), a campus of the University of Alabama System, under programs of the federal government for the year ended September 30, 2017. Other campuses of the University of Alabama System are presented in separate reports. The amounts reported as federal expenditures were obtained from UAB's general ledger. The information in this Schedule is presented in accordance with the requirements of the Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this Schedule may differ from amounts presented in, or used in the preparation of, the statements of net position, the related statements of revenues, expenses, and changes in net position and cash flows of UAB. UAB has elected to adopt the grace period granted by the OMB for the new Uniform Guidance procurement standard. The federal expenditures of Southern Research Institute ("SRI"), a discretely presented component unit of UAB, have not been included within the Schedule as they have been included in a separate schedule of expenditures of federal awards that has been audited by other auditors.

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

For purposes of the Schedule, federal awards include all grants, contracts, and similar agreements entered into directly between UAB and agencies and departments of the federal government and all subawards to UAB by nonfederal organizations pursuant to federal grants, contracts, and similar agreements. Negative amounts represent adjustments or credits to amounts reported as expenditures in prior years. Catalog of Federal Domestic Assistance ("CFDA") numbers and pass-through numbers are provided when available.

#### 2. **Summary of Significant Accounting Policies**

For purposes of the Schedule, expenditures for federal award programs are recognized on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance where certain types of expenditures are not allowable or are limited to reimbursement.

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

UAB applies its predetermined approved facilities and administrative rate when charging indirect cost to federal awards rather than the 10% de minimis cost rate described in Section 200.414 of the Uniform Guidance. UAB operates under predetermined fixed F&A cost rates which are effective from October 1, 2015 through September 30, 2019. The predetermined fixed rates were based on 2014 financial information. The base rate for on-campus research is 48.5% for the year ended September 30, 2017. Base rates for other F&A cost recoveries range from 5.4% to 48.5% for the year ended September 30, 2017.

**University of Alabama at Birmingham**  
**Notes to Schedule of Expenditures of Federal Awards**  
**Year Ended September 30, 2017**

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**4. Federal Student Loan Programs**

**Direct Loan Programs**

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

The balances of loans outstanding at September 30, 2017 under the federal student loan programs are summarized as follows:

	<b>Perkins</b> <b>(CFDA#84.038)</b>	<b>HPSL</b> <b>(CFDA#93.342)</b>	<b>NFLP</b> <b>(CFDA#93.264)</b>	<b>LDS</b> <b>(CFDA#93.342)</b>	<b>NFLP-ARRA</b> <b>(CFDA#93.408)</b>	<b>Total</b>
Total loan balance outstanding, September 30, 2017	\$ 12,365,866	\$ 1,402,779	\$ 1,825,088	\$ 428,978	\$ 101,475	\$ 16,124,186

**Federal Direct Loans**

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

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

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**University of Alabama at Birmingham  
 Schedule of Findings and Questioned Costs  
 Year Ended September 30, 2017**

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**Section I – Summary of Auditor’s Results**

**Financial Statements**

Type of auditor's report issued:

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

yes  no

Significant deficiency(ies) identified that are not considered to be material weaknesses?

yes  none reported

Noncompliance material to financial statements noted?

yes  no

**Federal Awards**

Internal control over major programs:

Material weakness(es) identified?

yes  no

Significant deficiency(ies) identified that are not considered to be material weaknesses?

yes  none reported

Type of auditor's report issued on compliance for major programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance the with 2 CFR 200.516(a)?

yes  no

Identification of major programs:

**CFDA Number(s)**

**Name of Federal Program or Cluster**

Various

Research and Development Cluster

Various

Student Financial Assistance Cluster

93.918

Grants to provide outpatient early intervention services with respect to HIV disease (Ryan White HIV/AIDS program part C)

93.600

Head Start

Threshold used to determine Type A Programs:

\$ 3,000,000

Auditee qualified as low-risk auditee?

yes  no

**Section II – Financial Statement Findings**

No matters were noted

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

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**University of Alabama at Birmingham  
Summary Schedule of Prior Audit Findings  
Year Ended September 30, 2017**

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

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**Part IV**  
**2017 Financial Report**

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# 2017 Financial Report

The University of Alabama at Birmingham



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

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



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# Introduction to UAB

## Vision

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

## Mission

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

In fall 2017 UAB achieved record-high overall enrollment for the second consecutive year (20,902), including a freshman class that is the university's largest (2,299) and most academically prepared ever with an average ACT of 25.1 and average GPA of 3.62.

UAB's research enterprise continues to be globally renowned. In the 2017 U.S. News & World Report "Best Global Universities," UAB vaulted 36 spots to number 162 in the world and is the top-ranked Alabama university by more than 250 spots. With over \$528 million in total research expenditures, UAB ranks 18th in federal research funding and 10th in National

Institutes of Health funding among public universities.

UAB is home to the 3rd largest public hospital in the U.S. and the state's only level 1 adult trauma center. In the U.S. News & World Report "Best Hospitals," UAB has 10 specialties ranked in the national top 50 and its ongoing live donor kidney chain is the longest ever conducted anywhere on the globe.

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

## 2017 Overview

As a globally respected academic medical center, UAB excels at translating research into leading-edge patient care. UAB's Comprehensive Cancer Center, among the first eight such centers to be designated by the National Cancer Institute (NCI) in the early 1970s, remains the only one in Alabama and a five-state region.

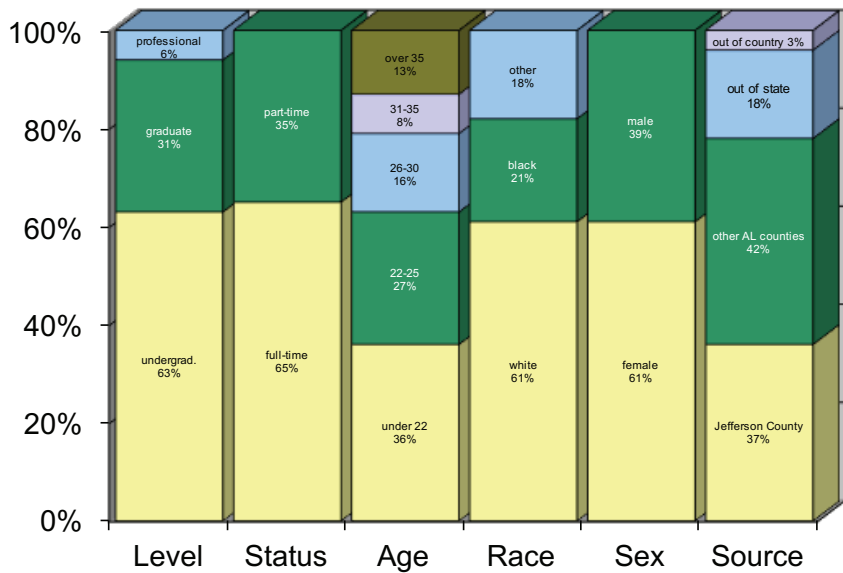
Students are engaged in a robust research enterprise, some beginning in their freshman year. UAB offers students novel academic programs and unrivaled research opportunities, such as the new B.S. in Immunology, the only undergrad program of its kind in the Southeast. Over the past year, UAB students won a record 31 nationally or globally competitive scholarships, including a record five Fulbright Scholarships and three Goldwater Scholarships.

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

UAB is among only 62 universities—and the only one in Alabama—classified by the Carnegie Foundation for both "Highest Research Activity" and "Community Engagement."

UAB has an economic impact on Alabama that exceeds \$7.15 billion annually and is key in growing a tech- and knowledge-based economy for Alabama. In 2017, the UAB Harbert Institute for Innovation & Entrepreneurship has generated \$4.66 million in revenue, 6 start-up companies, and 52 licenses and 45 patents. Innovation Depot, in which UAB is a founding partner, is the largest business incubator in the Southeast, with 102 start-up companies and a \$1.42 billion economic impact over the past five years.

# Highlights



## Student Profile

Total 19,535

As of Fall 2016

## Student Headcount

Enrollment for the fall semester of the 2016-2017 school year is outlined in the following table.

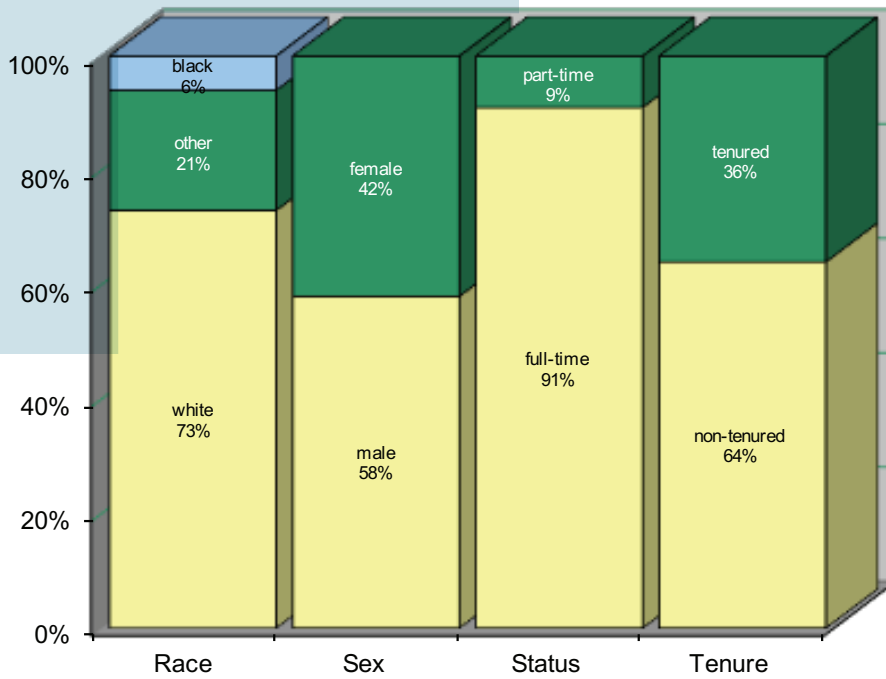
FALL 2016				
	UNDERGRADUATE	GRADUATE	FIRST PROFESSIONAL/ ADVANCED PROFESSIONAL*	TOTAL
SCHOOL OF ARTS AND SCIENCES	5,846	579	20	6,445
SCHOOL OF BUSINESS	2,441	507	-	2,948
SCHOOL OF EDUCATION	1,007	730	1	1,738
SCHOOL OF ENGINEERING	987	476	9	1,472
UNCLASSIFIED	-	-	208	208
<b>SUBTOTAL</b>	<b>10,281</b>	<b>2,292</b>	<b>238</b>	<b>12,811</b>
<b>ACADEMIC HEALTH CENTER:</b>				
SCHOOL OF MEDICINE	-	-	1,799	1,799
SCHOOL OF DENTISTRY	23	1	351	375
SCHOOL OF OPTOMETRY	-	-	220	220
SCHOOL OF NURSING	858	1,710	1	2,569
SCHOOL OF HEALTH PROFESSIONS	902	1,135	9	2,046
SCHOOL OF PUBLIC HEALTH	305	375	8	688
JOINT HEALTH SCIENCES	-	315	14	329
<b>SUBTOTAL, ACADEMIC HEALTH CENTER</b>	<b>2,088</b>	<b>3,536</b>	<b>2,402</b>	<b>8,026</b>
<b>TOTAL ENROLLMENT</b>	<b>12,369</b>	<b>5,828</b>	<b>2,640</b>	<b>20,837</b>

\*Includes 1,108 first professionals and 1,302 advanced professionals.

# Faculty Profile

Total 2,543

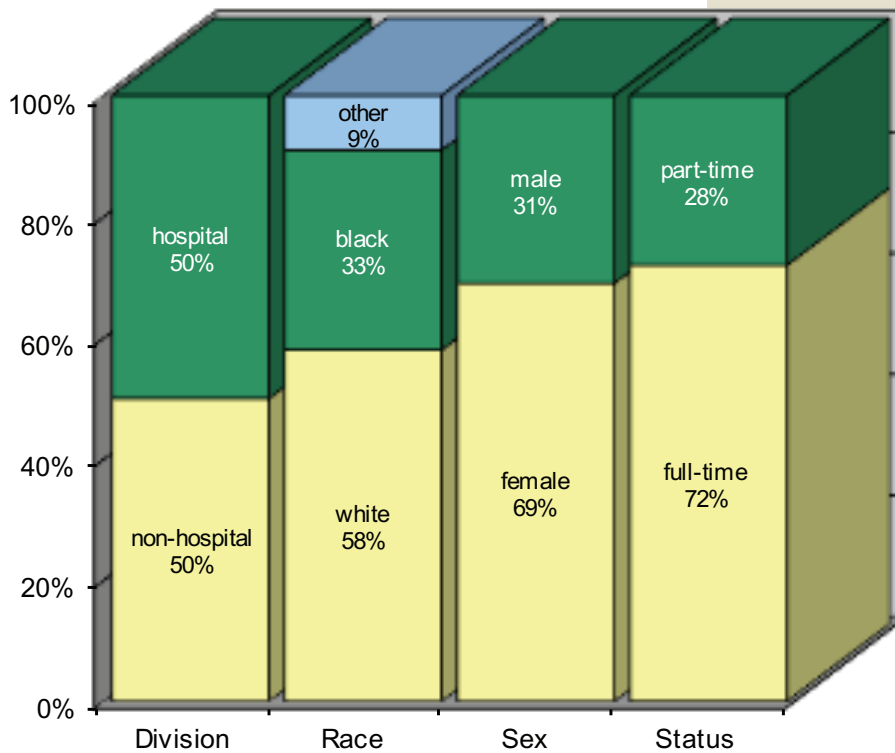
As of Fall 2016



# Staff Profile

Total 18,702

As of Fall 2016





# State Appropriations

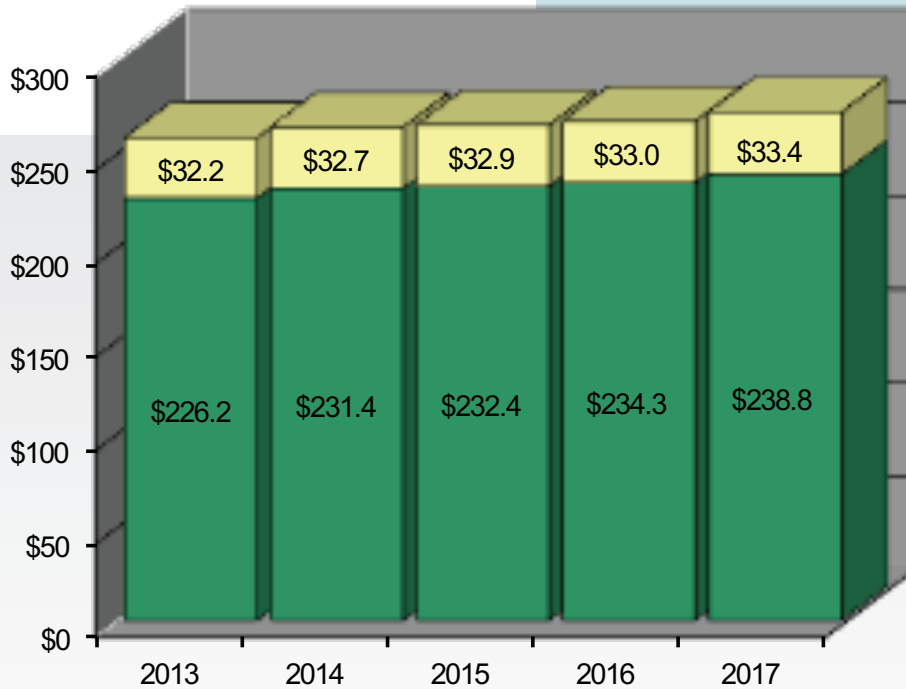
State appropriations for UAB are made by the Alabama State Legislature based upon a process which involves requests from the Board of Trustees of The University of Alabama, and budget recommendations by the Alabama Commission on Higher Education and the Governor. State funds are appropriated annually from the Educational Trust Fund (ETF) to UAB. For the fiscal year ended September 30, 2017, UAB received direct funding from the ETF in the amount of \$272,166,253.

## Appropriations Received

Fiscal years ended September 30

(Dollars in millions)

■ University    ■ Hospital



# Sponsored Grants and Contracts

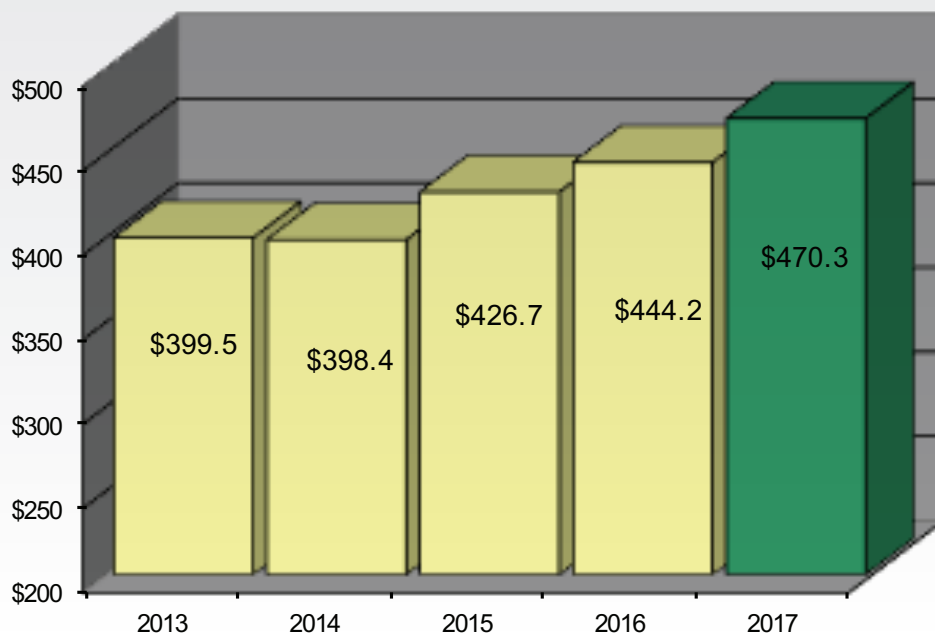
During fiscal year 2017, UAB received \$470.3 million in sponsored grants and contracts revenues (including \$86.7 million of indirect cost recovery). Various federal agencies provided the majority of support for these projects, with the National Institutes of Health (NIH) being the primary sponsor. Nonfederal funding sources include state agencies, local governmental agencies, and a wide variety of private sponsors.

Revenues from grants and contracts (including indirect cost recovery) increased from \$444.2 million during fiscal year 2016 to \$470.3 million during fiscal year 2017, an increase of 5.9% 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 non-profit institutions located within and adjacent to the UAB campus, including Veterans Affairs Medical Center and Children’s Hospital. Other healthcare facilities in the UAB Health System include The Kirklin Clinic, the Callahan Eye Hospital, Medical West and Baptist Health (located in Montgomery, Alabama).

## Hospital Awards and Accolades

Ten UAB Medicine specialties are among the nation’s top 50 in the 16 categories evaluated for nearly 5,000 U.S. hospitals this year by U.S. News and World Report. Four of these specialties were in the top 20. The rankings appear in the 2017-18 annual “America’s Best Hospitals” special edition issue. UAB also received five “America’s Best Hospital’s honors for 2017 from Women’s Choice Award, achieving recognition as a hospital of choice among women. UAB was recognized in five categories: Breast Centers, Bariatric Surgery, Cancer Care, Heart Care, and Obstetrics. UAB Hospital has been named by Becker’s Hospital Review among the 2017 “100 Great Hospitals in America,” a compilation of some of the most prominent, forward-thinking and focused healthcare facilities in the nation. UAB is the only Alabama hospital in 2017 to make the list.

# Operations

Inpatient discharges increased 1.9% and adjusted patient discharges increased 2.9%. Operating room cases increased 1.9% over fiscal year 2016. Also emergency room visits increased 2% during fiscal year 2017. The Hospital had an increase in net position of \$110 million in fiscal year 2017.

Selected Hospital operating statistics are outlined below:

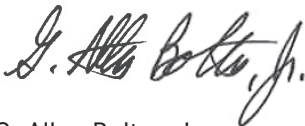
	2017	2016
Beds in service	1,124	1,157
Patient discharges	50,592	49,625
Adjusted patient discharges	85,471	83,009
Patient days	355,998	355,413
Adjusted patient days	601,430	594,509
Operating room cases	34,560	33,901
Emergency department visits	108,781	106,550
Patient origin:		
Jefferson County	48.0%	46.8%
Other Alabama counties	46.3%	47.5%
Out of state	5.7%	5.7%

## Management's Responsibility for Financial Reporting

The accompanying financial statements of the University of Alabama at Birmingham (UAB) for the years ended September 30, 2017 and 2016 were prepared by UAB's management in conformity with accounting principles generally accepted in the United States of America.

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

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



G. Allen Bolton, Jr.  
Vice President for Financial Affairs  
and Administration



Stephanie Mullins  
UAB Chief Financial Officer



## **Report of Independent Auditors**

To the Board of Trustees of The University of Alabama:

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the business-type activities and the discretely presented component unit 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, which comprise the statements of net position as of September 30, 2017 and 2016, and the related statements of revenues, expenses, and changes in net position and of cash flows (where applicable) for the years then ended, and the related notes to the financial statements, which collectively comprise UAB's basic financial statements.

### ***Management's Responsibility for the Financial Statements***

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

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

Our responsibility is to express opinions on the financial statements based on our audits. We did not audit the financial statements of Southern Research Institute ("SRI"), UAB's discretely presented component unit, as of December 30, 2016 and January 1, 2016 and for the years then ended. Those statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for SRI, is based solely on the report of the other auditors. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of Triton Health Systems, L.L.C., UAB Athletics Foundation, and UAB Research Foundation were not audited in accordance with *Government Auditing Standards*.

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

### ***Opinions***

In our opinion, based on our audits and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the discretely presented component unit of The University of Alabama at Birmingham as of September 30, 2017 and 2016 and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.



### ***Emphasis of Matter***

As discussed in Note 1, the financial statements of UAB are intended to present the financial position, the changes in financial position and the cash flows of only that portion of the business-type activities of the financial reporting entity of The University of Alabama System that is attributable to the transactions of UAB. They do not purport to, and do not, present fairly the financial position of The University of Alabama System as of September 30, 2017 and 2016, its changes in financial position, or, its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

### ***Other Matters***

#### *Required Supplementary Information*

The accompanying management's discussion and analysis on pages 11 through 17 and the accompanying supplementary information on pages 58 and 59 are required by accounting principles generally accepted in the United States of America to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Other Information*

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the University's basic financial statements. The introductory information on pages 2 through 7 and the management's report on page 8 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audits of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated January 22, 2018, on our consideration of UAB's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters for the year ended September 30, 2017. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the UAB's internal control over financial reporting and compliance and other matters.

*PricewaterhouseCoopers LLP*

January 22, 2018

# 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, 2017 and 2016. 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 16. GASB Statement No. 14, *The Financial Reporting Entity* (GASB Statement No. 14), as amended by GASB Statement No. 61, *The Financial Reporting Entity: Omnibus—an amendment of GASB Statements No. 14 and No. 34* (GASB Statement No. 61), requires governmental entities to include in their financial statements as component units, organizations that are legally separate entities for which the governmental entity, as a primary organization, is financially accountable. Southern Research Institute (SRI) is a discretely presented component unit of UAB. Blended component units include Hospital Management LLC (LLC), Triton Health Systems, L.L.C. (Triton), Alabama Care Plan (ACP), UAB Athletics Foundation (UABAF) and UAB Research Foundation (UABRF). The following discussion and analysis provides an overview of UAB's financial activities. This discussion should be read in conjunction with the financial statements and notes to the financial statements.

## Financial Overview

UAB's financial position remained strong, as assets totaled \$4.82, \$4.41, and \$4.11 billion at September 30, 2017, 2016, and 2015. Increases of \$416 million or 9% from 2016 to 2017 were primarily due to increases in investments and capital assets. Increases of \$300 million or 7% from 2015 to 2016 were primarily due to increases in investment assets and the continued growth in accounts receivable.

Total liabilities increased \$201 million or 8% from September 30, 2016 to September 30, 2017. The increase results primarily from the issuance of bonds during fiscal year 2017. The increase also relates to growth in accounts payable and accrued liabilities as well as an increase in the pension liability.

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

The change in net position reflects the operating, nonoperating and other activity of UAB, which results from revenues, expenses, and gains and losses, and is summarized for the years ended September 30, 2017, 2016, and 2015, as follows:

	2017	2016	2015
<b>TOTAL OPERATING REVENUES</b>	\$ 3,084,238,857	\$2,971,428,032	\$2,757,271,163
<b>TOTAL OPERATING EXPENSES</b>	3,353,597,836	3,137,324,351	2,971,735,542
<b>NET OPERATING LOSS</b>	(269,358,979)	(165,896,319)	(214,464,379)
<b>TOTAL NONOPERATING INCOME, CAPITAL, ENDOWMENT AND OTHER ACTIVITIES</b>	499,741,609	455,164,660	276,164,537
<b>INCREASE IN NET POSITION</b>	\$230,382,630	\$289,268,341	\$61,700,158

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

## Statements of Net Position

The statement of net position presents the financial position of UAB at the end of the fiscal year, and includes all assets, deferred outflows, liabilities, and deferred inflows recorded on the accrual basis of accounting. The changes in net position are indicators of whether the overall financial condition of UAB has improved or worsened during the year. A summarized comparison of UAB's assets, deferred outflows, liabilities, deferred inflows, and net position at September 30, 2017, 2016, and 2015, is as follows:

	2017	2016	2015
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>			
Capital assets, net	\$1,600,940,041	\$1,539,894,566	\$1,543,382,487
Other assets	3,220,278,123	2,865,159,548	2,561,775,690
<b>TOTAL ASSETS</b>	<b>4,821,218,164</b>	<b>4,405,054,114</b>	<b>4,105,158,177</b>
Deferred outflows from debt refundings	14,238,497	11,128,220	12,166,509
Deferred outflows from pension obligations	197,907,000	167,981,000	84,999,000
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>212,145,497</b>	<b>179,109,220</b>	<b>97,165,509</b>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$5,033,363,661</b>	<b>\$4,584,163,334</b>	<b>\$4,202,323,686</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</b>			
Current liabilities	\$564,064,026	\$495,362,237	\$448,846,513
Noncurrent liabilities	2,251,669,042	2,119,813,291	2,011,660,998
<b>TOTAL LIABILITIES</b>	<b>2,815,733,068</b>	<b>2,615,175,528</b>	<b>2,460,507,511</b>
Deferred inflows from debt refundings	69,653	89,496	213,206
Deferred inflows from pension obligations	70,055,000	51,775,000	113,748,000
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>70,124,653</b>	<b>51,864,496</b>	<b>113,961,206</b>
<b>NET POSITION</b>	<b>2,147,505,940</b>	<b>1,917,123,310</b>	<b>1,627,854,969</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</b>	<b>\$5,033,363,661</b>	<b>\$4,584,163,334</b>	<b>\$4,202,323,686</b>

At September 30, 2017, the major categories of current assets consist primarily of cash and cash equivalents, short-term investments, and accounts receivable, which totaled \$1.64 billion of the \$1.71 billion and increased \$152.5 million or 10.3% from 2016. The increase is a result of growth in cash and short term investments.

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

At September 30, 2017, total current liabilities of \$564.1 consist primarily of accounts payable, accrued payroll and related benefits, and unearned revenue, which totaled \$513.8 million, compared to \$449.1 million at September 30, 2016, an increase of \$64.7 million or 14.4% from 2016.

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

UAB's endowment and life income investments increased \$46.1 million or 10.3% to \$495.4 million from September 30, 2016 to September 30, 2017. 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 and life income investments increased \$43.9 million or 10.8% to \$449.3 million from September 30, 2015 to September 30, 2016. This increase resulted from net investment gains and by the establishment of new endowment funds through gifts and the creation of Board-designated quasi-endowments.

UAB's endowment funds consists of both permanent and quasi-endowments. 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, 2017, 2016, and 2015 respectively, UAB's investment in the Professional Liability Trust Fund (PLTF) and other long-term investments totaled approximately \$69.4, \$60.5, and \$48.6 million. The \$8.9 million increase from September 30, 2016 to September 30, 2017 is a result of growth in investment

values at September 30, 2017. The \$11.8 million increase from September 30, 2015 to September 30, 2016 is a result of growth in investment values at September 30, 2016.

At September 30, 2017, deferred outflows from pension obligations were \$197.9 million and deferred inflows from pension obligations were \$70.1 million. At September 30, 2016, deferred outflows from pension obligations were \$168.0 million and deferred inflows from pension obligations were \$51.8 million. At September 30, 2015, deferred outflows from pension obligations were \$85.0 million and deferred inflows from pension obligations were \$114.0 million. UAB recorded these balances for the first time in fiscal year 2015 upon implementation of GASB Statement No. 68, *Financial Reporting for Pension Plans – an amendment of GASB Statement No. 27* (GASB 68).

At September 30, 2017, deferred outflows from debt refundings were \$14.2 million and deferred inflows from debt refundings were \$0.1 million. The increase of \$3.1 million in deferred outflows from September 30, 2016 to September 30, 2017 is the result of bond refundings during fiscal year 2017, net of the annual amortization of these balances. At September 30, 2016, deferred outflows from debt refundings were \$11.1 million and deferred inflows from debt refundings were \$0.1 million. At September 30, 2015, deferred outflows from debt refundings were \$12.2 million and deferred inflows from debt refundings were \$0.2 million. These changes from 2015 to 2016 are related to the annual amortization of these balances.

## 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 \$181.2 million and \$94.0 million from September 30, 2016 to September 30, 2017 and from September 30, 2015 to September 30, 2016, respectively. This increase consists primarily of capital expenditures and capital additions totaling \$199.4 million (offset primarily by \$18 million in disposals) and \$128.0 million (offset primarily by \$38 million in disposals) in 2017 and 2016. Capital additions are comprised primarily of renovation and new construction of student, research and health care facilities, as well as additions to improve information technology systems. Annual additions were funded with capital funds, grants, gifts of \$16.6 million and \$3.3 million, debt proceeds of \$53.5 million and \$11.6 million, and the remainder by UAB funds designated for capital purchases in 2017 and 2016, respectively.

Capital projects in process at September 30, 2017 include construction of the Collat School of Business Building, Police Headquarters Building, and the School of Nursing addition and renovation. Capital



projects in process at September 30, 2016 include the School of Nursing addition and renovation, Camp Hall renovations, construction of the Football Operations Building and renovations at Highlands.

UAB's long-term debt related to capital assets, consisting of bonds and capital leases, totaled \$976.9, \$878.5, and \$908.6 million at September 30, 2017, 2016, and 2015, respectively. The increase in debt during 2017 consisted primarily of the bonds issued during the year, partially offset by the refunding of debt outstanding. The decrease in debt during 2016 consisted primarily of the principal payments made in accordance with the debt instruments.

## Net Position

Net position represents the residual interest in UAB's assets and deferred outflows after liabilities and deferred inflows are deducted. UAB's net position at September 30, 2017, 2016, and 2015, is summarized as follows:

	2017	2016	2015
<b>NET INVESTMENT IN CAPITAL ASSETS</b>	<b>\$704,791,969</b>	<b>\$686,403,862</b>	<b>\$677,862,629</b>
<b>RESTRICTED</b>			
<b>Nonexpendable</b>	<b>359,844,678</b>	<b>320,965,491</b>	<b>285,371,572</b>
<b>Expendable</b>	<b>337,272,370</b>	<b>315,513,729</b>	<b>276,376,346</b>
<b>UNRESTRICTED</b>	<b>745,596,923</b>	<b>594,240,228</b>	<b>388,244,422</b>
<b>TOTAL NET POSITION</b>	<b>\$2,147,505,940</b>	<b>\$1,917,123,310</b>	<b>\$1,627,854,969</b>

Net position invested in capital assets represents UAB's capital assets, net of accumulated depreciation and outstanding principal of debt attributable to the acquisition, construction, or improvement of those assets. The \$18.4 million increase in 2017 reflects the continued capital asset development in accordance with UAB's long-range capital plan, offset by the increase in debt related to the bonds issued during the year. The \$8.5 million increase in 2016 reflects the growth in capital assets net of annual depreciation expense, along with the decrease in total debt related to the annual principal payments.

Restricted nonexpendable net position includes UAB's permanent endowment funds and annuity and life income assets that will ultimately become pure endowment funds. The \$38.9 million increase in 2017 and the \$35.6 million increase in 2016 relates to contributions and the increase in fair values of investments at year-end.

Restricted expendable net position is subject to externally imposed restrictions governing its use. Restricted expendable net position includes UAB's assets whose use is restricted by an external restriction. The \$21.8 million increase in 2017 and \$39.1 million increase in 2016 result primarily from gifts.

Unrestricted net position includes UAB's assets whose use is not restricted by an external entity. Unrestricted net position increased by \$151.4 million or 25.5% and \$206.0 million or 53.1% in 2017 and 2016, respectively.

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

## Statements of Revenues, Expenses, and Changes in Net Position

The statement of revenues, expenses, and changes in net position presents UAB's results of operations, as well as the nonoperating revenues and expenses. Annual state appropriations are classified as nonoperating revenues according to governmental accounting standards, even though the state-appropriated funds are used to support the operations of UAB. Without the nonoperating revenues, in particular the state appropriations and private gifts, UAB would not be able to cover its costs of operations. A summarized comparison of UAB's revenues, expenses and changes in net position for the years ended September 30, 2017, 2016, and 2015 is presented on the following page:

	2017	2016	2015
<b>OPERATING REVENUES</b>			
Student tuition and fees, net	\$208,481,228	\$182,483,417	\$169,249,316
Grants and contracts	439,678,012	414,788,777	398,214,165
Sales and services	2,377,662,013	2,305,553,473	2,131,411,413
Other revenues	58,417,604	68,602,365	58,396,269
<b>TOTAL OPERATING REVENUES</b>	<b>3,084,238,857</b>	<b>2,971,428,032</b>	<b>2,757,271,163</b>
<b>OPERATING EXPENSES</b>			
Operating expenses	3,353,597,836	3,137,324,351	2,971,735,542
<b>OPERATING LOSS</b>	<b>(269,358,979)</b>	<b>(165,896,319)</b>	<b>(214,464,379)</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
State educational appropriations	272,166,253	267,329,728	265,293,488
Grants and contracts	30,638,381	29,383,991	28,451,597
Private gifts	35,726,160	41,958,002	54,203,316
Investment income (loss)	157,849,551	123,951,690	(64,196,326)
Interest expense	(33,472,892)	(32,030,211)	(30,644,143)
Net other nonoperating revenue (expense)	424,477	1,792,415	(1,564,237)
<b>NET NONOPERATING REVENUES</b>	<b>463,331,930</b>	<b>432,385,615</b>	<b>251,543,695</b>
<b>OTHER CHANGES IN NET POSITION</b>	<b>36,409,679</b>	<b>22,779,045</b>	<b>24,620,842</b>
<b>INCREASE IN NET POSITION</b>	<b>230,382,630</b>	<b>289,268,341</b>	<b>61,700,158</b>
Net position, beginning of year as previously reported	1,917,123,310	1,627,854,969	2,710,561,811
Adoption of GASB 68	-	-	(1,144,407,000)
Net Position, beginning of year as restated as of October 1, 2014	1,917,123,310	1,627,854,969	1,566,154,811
<b>NET POSITION, END OF YEAR</b>	<b>\$2,147,505,940</b>	<b>\$1,917,123,310</b>	<b>\$1,627,854,969</b>

Figure A: Revenue Streams 2017

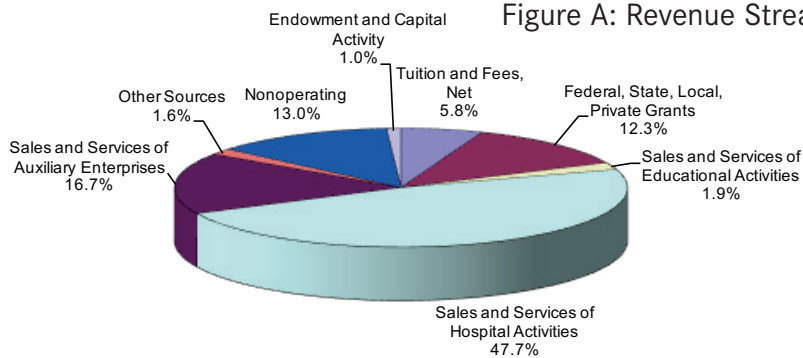
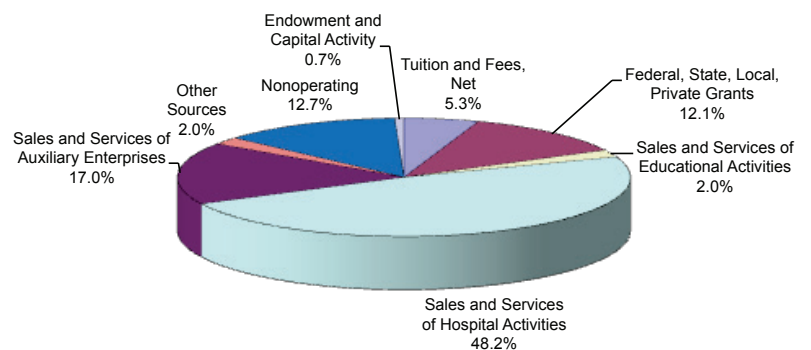


Figure A1: Revenue Streams 2016



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, 2017 and 2016, respectively.

Gross tuition and fees revenue increased by \$31.8 million and \$15.4 million in 2017 and 2016, respectively. Tuition rates increased 3.5% in both 2017 and 2016. Total student headcount of 20,837 and 19,656 increased by 1,181 or 6.0% in Fall 2016 and decreased by 317 or 1.6% in Fall 2015.

UAB recognized \$71.3, \$64.5, and \$73.2 million in gift revenue (composed partially of \$15.7, \$3.2, and \$4.1 million for each year in capital gifts and \$19.8, \$19.4, and \$14.9 million for each year in endowment gifts) for the years ended September 30, 2017, 2016, and 2015, 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 \$272.5, \$267.3, and \$270.6 million, of which \$272.2, \$267.3,

and \$265.3 million was primarily from the Educational Trust Fund (ETF), which is included as nonoperating revenue in 2017, 2016, and 2015, respectively. The remaining \$0.5 million in 2017 and \$5.3 million in 2015 represents Public School and College Authority funds and other state capital funds.

Net hospital sales and service revenue totaled \$1.71 billion, \$1.65 billion, and \$1.52 billion, an increase of 3.4% and 9.1% from 2016 to 2017 and 2015 to 2016, respectively. This increase results from increased volume, contract improvements, and ongoing revenue-cycle improvement activities.

UAB receives grant and contract revenue from federal, state, local, and private agencies. These funds are used to further the mission of UAB: research, education, and public service. In addition to the funds received in exchange for services performed, UAB received \$0.30, \$0.14, and \$0.33 million in 2017, 2016, and 2015, 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 2017 and 2016, respectively.

Figure B: Grants and Contract Revenues

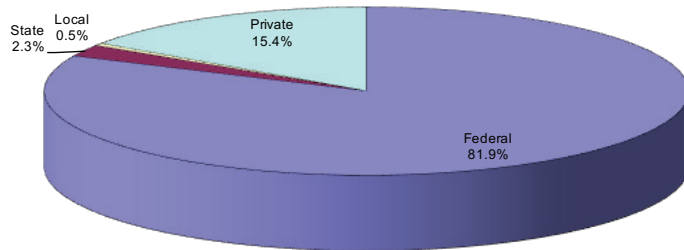
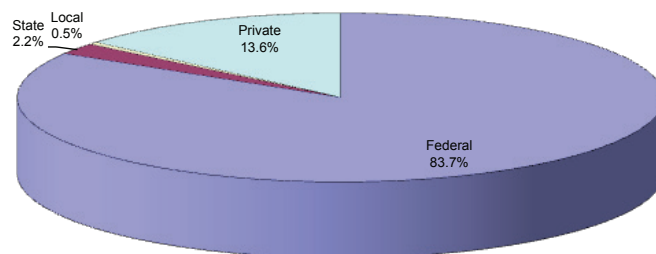


Figure B1: Grants and Contract Revenues



Net investment income increased \$33.9 million and \$188.1 million from 2016 to 2017 and 2015 to 2016, respectively. The increase was a result of an increase in the fair value of investments at the end of the year.

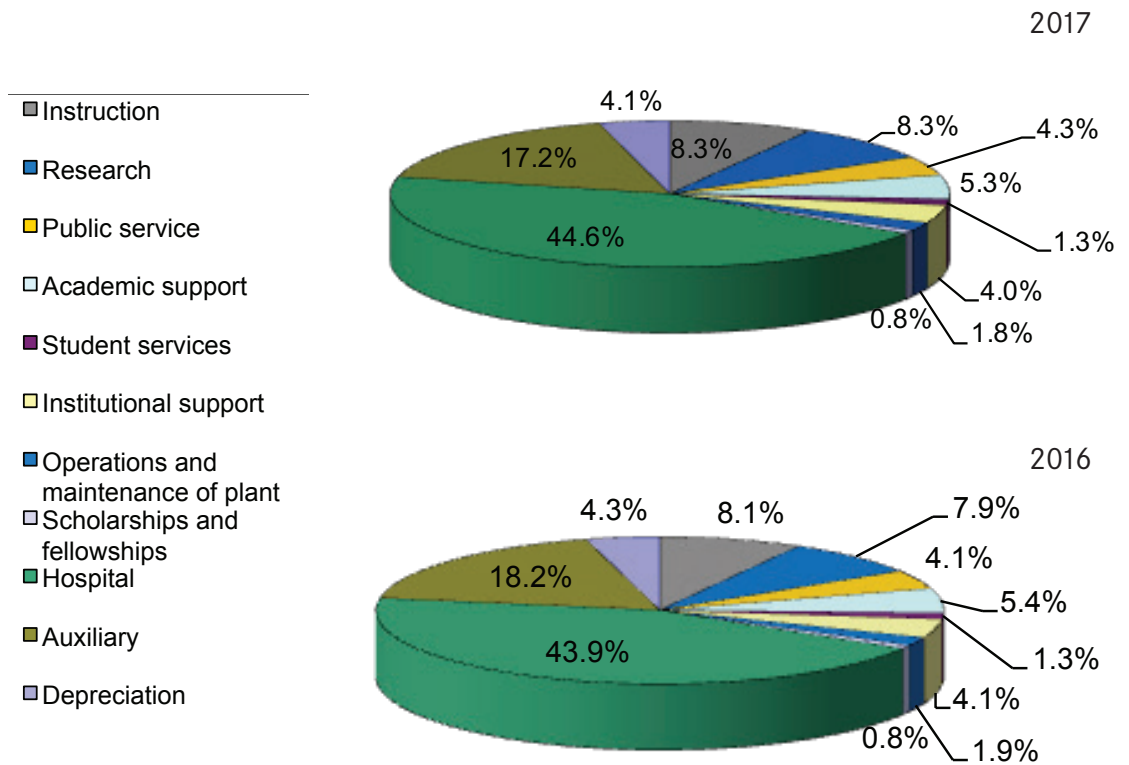
A comparative summary of UAB's operating expenses for the years ended September 30, 2017, 2016, and 2015, is as follows:

	2017	2016	2015
Salaries, wages, and benefits	\$1,598,699,146	\$1,467,912,381	\$1,390,766,703
Supplies and services	1,590,907,613	1,512,804,330	1,422,828,210
Depreciation	137,431,750	131,758,758	137,027,585
Scholarships and fellowships	26,559,327	24,848,882	21,113,044
	<u>\$3,353,597,836</u>	<u>\$3,137,324,351</u>	<u>\$2,971,735,542</u>

Salaries, wages, and benefits increased \$130.8 million or 8.9% during 2017 and \$77.1 million or 5.5% during 2016. These increases are primarily due to the growth of UAB's salary base and rising benefit costs. Supplies and services expenses increased \$78.1 million or 5.2% and \$90.0 million or 6.3% during 2017 and 2016, 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, 2017 and 2016, respectively, are presented as follows:



## 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. As the State could implement proration in future years, UAB continues implementing cost-saving measures in order to balance its own budget.

Private gifts are an important part of the fundamental support of UAB. Economic pressures affecting donors may also affect the future level of support UAB receives from corporate and individual giving. In fiscal year 2014, UAB launched its largest fundraising campaign to date known as “Give something change everything.” The fundraising goal is \$1 billion and will run through 2018.

During fiscal year 2017, 70% of UAB students received financial aid, including \$180.3 million of Federal Financial Aid. In recent years, financial aid reform and reauthorization of existing aid programs have been topics in legislative sessions. Management is monitoring proposed future legislation in order to respond in a manner to assist current and future students.

The Hospital faces significant challenges in a dynamic healthcare sector and volatile economic environment. The demand for health care services and the cost of providing them are increasing significantly while the revenues to support these services are diminishing. In addition to cost increases such as rising salary and benefit costs, the Hospital also faces additional costs

associated with new technologies, the education and training of health care professionals and provision of care for a disproportionate share of the medically underserved in Alabama. In recent years, federal legislation has been enacted to slow future rate increases in Medicare and Medicaid and reduce medical education and disproportionate share funding. Management is committed to staying abreast of pertinent issues; implementing appropriate management actions and continuing to provide quality care for all patients.

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

# The University of Alabama at Birmingham Statements of Net Position

September 30, 2017 and 2016

	2017	2016
<b>ASSETS</b>		
Current Assets:		
Cash and cash equivalents	\$402,323,457	\$366,615,811
Short term investments	889,971,001	765,478,983
Accounts receivable, net	346,583,676	354,251,209
Loans receivable, current portion	2,812,768	2,669,457
Pledges receivable, current portion	14,526,204	14,134,117
Inventories	19,141,822	16,105,894
Other current assets	35,237,022	34,372,193
<b>Total current assets</b>	<b>1,710,595,950</b>	<b>1,553,627,664</b>
Noncurrent Assets:		
Cash designated for capital activities	21,826,112	14,001,320
Restricted cash and cash equivalents	387,290	719,608
Investments for capital activities	848,706,636	718,044,845
Endowment and life income investments	495,444,170	449,335,052
Investment in Professional Liability Trust Fund	69,401,747	60,460,407
Other long-term investments	9,976,211	11,821,995
Loans receivable, net	13,037,463	13,098,818
Pledges receivable	50,852,726	44,000,021
Capital assets, net	1,600,940,041	1,539,894,566
Other noncurrent assets	49,818	49,818
<b>Total noncurrent assets</b>	<b>3,110,622,214</b>	<b>2,851,426,450</b>
<b>Total Assets</b>	<b>4,821,218,164</b>	<b>4,405,054,114</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Bond deferred refundings	14,238,497	11,128,220
Pension obligations	197,907,000	167,981,000
<b>Total Deferred Outflows of Resources</b>	<b>212,145,497</b>	<b>179,109,220</b>
<b>Total Assets and Deferred Outflows of Resources</b>	<b>\$5,033,363,661</b>	<b>\$4,584,163,334</b>
<b>LIABILITIES</b>		
Current Liabilities:		
Accounts payable and accrued liabilities	\$379,142,524	\$330,348,017
Deposits	12,556,458	11,413,395
Unearned revenue-grants	31,743,112	29,611,942
Unearned revenue-other	102,901,382	89,141,648
Long-term debt, current portion	37,720,550	34,847,235
<b>Total current liabilities</b>	<b>564,064,026</b>	<b>495,362,237</b>
Noncurrent Liabilities:		
Federal advances-loan funds	13,538,130	13,993,312
Long-term debt, noncurrent portion	939,147,663	843,683,512
Pension liability	1,284,396,000	1,247,128,000
Other noncurrent liabilities	14,587,249	15,008,467
<b>Total noncurrent liabilities</b>	<b>2,251,669,042</b>	<b>2,119,813,291</b>
<b>Total Liabilities</b>	<b>2,815,733,068</b>	<b>2,615,175,528</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Bond deferred refundings	69,653	89,496
Pension obligations	70,055,000	51,775,000
<b>Total Deferred Inflows Of Resources</b>	<b>70,124,653</b>	<b>51,864,496</b>
<b>NET POSITION</b>		
Net investment in capital assets	704,791,969	686,403,862
Restricted		
Nonexpendable	359,844,678	320,965,491
Expendable	337,272,370	315,513,729
Unrestricted	745,596,923	594,240,228
<b>Total Net Position</b>	<b>2,147,505,940</b>	<b>1,917,123,310</b>
<b>Total Liabilities, Deferred Inflows and Net Position</b>	<b>\$5,033,363,661</b>	<b>\$4,584,163,334</b>

# The University of Alabama at Birmingham

## Statements of Revenues, Expenses, and Changes in Net Position

Years Ended September 30, 2017 and 2016

	2017	2016
<b>Operating Revenues</b>		
Tuition and fees	\$273,334,364	\$241,529,320
Less: scholarship allowance	(64,113,422)	(58,252,486)
Less: bad debt expense	(739,714)	(793,417)
Tuition and fees, net	208,481,228	182,483,417
Grants and contracts:		
Federal	354,409,094	342,483,955
State	10,548,285	9,535,237
Local	2,350,134	2,138,910
Private	72,370,499	60,630,675
Sales and services:		
Educational activities	69,216,946	68,415,573
Hospital, net of bad debt expense of \$158,675,228 in 2017 and \$149,661,519 in 2016	1,708,864,967	1,653,127,317
Other auxiliary enterprises, net of scholarship allowance of \$3,601,607 in 2017 and \$2,895,788 in 2016	599,580,100	584,010,583
Other operating revenues	58,417,604	68,602,365
<b>Total operating revenues</b>	<b>3,084,238,857</b>	<b>2,971,428,032</b>
<b>Operating Expenses</b>		
Salaries, wages and benefits	1,598,699,146	1,467,912,381
Supplies and services	1,590,907,613	1,512,804,330
Depreciation	137,431,750	131,758,758
Scholarships and fellowships	26,559,327	24,848,882
<b>Total operating expenses</b>	<b>3,353,597,836</b>	<b>3,137,324,351</b>
<b>Operating loss</b>	<b>(269,358,979)</b>	<b>(165,896,319)</b>
<b>Nonoperating Revenues (Expenses)</b>		
State educational appropriations	272,166,253	267,329,728
Grants and contracts	30,638,381	29,383,991
Gifts	35,726,160	41,958,002
Investment income	157,849,551	123,951,690
Interest expense	(33,472,892)	(32,030,211)
Loss on asset dispositions, net	(567,261)	(3,028,152)
Other nonoperating income, net	991,738	4,820,567
<b>Net nonoperating revenues</b>	<b>463,331,930</b>	<b>432,385,615</b>
<b>Income before other changes in net position</b>	<b>193,972,951</b>	<b>266,489,296</b>
<b>Other Changes in Net Position</b>		
State capital funds	563,090	-
Capital gifts and grants	15,997,447	3,347,165
Endowment gifts	19,849,142	19,431,880
<b>Total other changes in net position</b>	<b>36,409,679</b>	<b>22,779,045</b>
<b>Increase in net position</b>	<b>230,382,630</b>	<b>289,268,341</b>
Net Position, beginning of year	1,917,123,310	1,627,854,969
Net Position, end of year	<b>\$2,147,505,940</b>	<b>\$1,917,123,310</b>

See accompanying notes to financial statements.

# The University of Alabama at Birmingham Statements of Cash Flows

Years Ended September 30, 2017 and 2016

	2017	2016
<b>Cash flows from operating activities</b>		
Student tuition and fees	\$ 207,645,546	\$ 187,583,912
Grants and contracts	439,765,021	419,834,507
Receipts from sales and services of:		
Educational activities	73,424,643	68,997,081
Patient services	1,700,484,923	1,643,846,454
Auxiliary enterprises, net	41,857,497	38,343,558
Premium and administrative fees collected	559,667,815	554,522,947
Payment to employees and related benefits	(1,242,040,761)	(1,210,289,629)
Payment for contract labor	(340,781,858)	(288,170,642)
Payment to suppliers	(1,528,233,550)	(1,471,647,514)
Payment for scholarships and fellowships	(26,558,508)	(24,843,330)
Other receipts	55,561,481	67,686,666
<b>Net cash used in operating activities</b>	<b>(59,207,751)</b>	<b>(14,135,990)</b>
<b>Cash flows from noncapital financing activities</b>		
State educational appropriations	272,166,253	267,329,728
Private gifts	56,634,715	58,688,433
Student direct lending receipts	162,567,490	150,583,782
Student direct lending disbursements	(162,960,967)	(148,930,162)
Other deposits	37,679,289	31,762,445
Deposits from affiliates	687,881	1,914,055
<b>Net cash provided by noncapital financing activities</b>	<b>366,774,661</b>	<b>361,348,281</b>
<b>Cash flows from investing activities</b>		
Interest and dividends from investments, net	72,359,582	58,192,679
Proceeds from notes receivable	125,006	578,030
Proceeds from sales and maturities of investments	32,075,526	37,046,620
Purchases of investments	(254,753,549)	(140,904,575)
<b>Net cash used in investing activities</b>	<b>(150,193,435)</b>	<b>(45,087,246)</b>
<b>Cash flows from capital and related financing activities</b>		
Proceeds from issuance of capital debt	126,935,700	-
State capital funds	563,090	-
Capital gifts, grants and contracts	7,798,253	4,008,586
Proceeds from sale of capital assets	394,607	252,900
Purchases of capital assets	(182,332,592)	(131,822,608)
Principal payments on capital debt	(35,441,861)	(34,794,346)
Interest payments on capital debt	(32,090,552)	(33,001,959)
<b>Net cash used in capital and related financing activities</b>	<b>(114,173,355)</b>	<b>(195,357,427)</b>
<b>Net increase in cash and cash equivalents</b>	<b>43,200,120</b>	<b>106,767,618</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>381,336,739</b>	<b>274,569,121</b>
<b>Cash and cash equivalents, end of year</b>	<b>\$ 424,536,859</b>	<b>\$ 381,336,739</b>

See accompanying notes to financial statements.



# The University of Alabama at Birmingham

## Statements of Cash Flows (continued)

Years Ended September 30, 2017 and 2016

	2017	2016
<b>Reconciliation of cash and cash equivalents to the statements of net position</b>		
Cash and cash equivalents	\$ 402,323,457	\$ 366,615,811
Cash designated for capital activities	21,826,112	14,001,320
Restricted cash and cash equivalents	387,290	719,608
<b>Total cash and cash equivalents</b>	<b>\$ 424,536,859</b>	<b>\$ 381,336,739</b>
<b>Reconciliation of operating loss to net cash used in operating activities</b>		
Operating loss	\$ (269,358,979)	\$ (165,896,319)
Adjustments to reconcile operating loss to net cash used in operating activities		
Depreciation expense	137,431,750	131,758,758
Pension expense	117,135,000	84,171,000
Changes in assets and liabilities:		
Accounts receivable, net	(6,920,813)	(19,297,792)
Prepaid expenses and other assets	(6,117,998)	(1,735,937)
Accounts payable and accrued liabilities	41,627,263	29,453,206
Pension obligations	(88,660,000)	(86,334,000)
Unearned revenue	15,656,026	13,745,094
<b>Net cash used in operating activities</b>	<b>\$ (59,207,751)</b>	<b>\$ (14,135,990)</b>
<b>Supplemental noncash activities information</b>		
Capital assets acquired included in accounts payable	\$ 17,017,642	\$ 6,922,709
Capital assets acquired through capital lease	3,464,436	5,746,261
Interest capitalized	3,547,132	-
Debt proceeds immediately transferred into escrow	459,011,966	-
Payment of outstanding bonds principal and interest via escrow	457,584,413	-

See accompanying notes to financial statements.

# Southern Research Institute

## A Discretely Presented Component Unit

### Statements of Net Position

December 30, 2016 and January 1, 2016

	2017	2016
<b>ASSETS</b>		
<b>Current Assets:</b>		
Cash and cash equivalents	\$ 89,858	\$ 301,543
Investments	39,008,931	45,679,988
Restricted cash and investments	11,211,750	10,686,608
Accounts receivable, net	18,896,445	17,046,403
Other receivables	5,985,276	3,530,451
Insurance receivable, non-operating	3,169,448	3,169,448
Materials and supplies, net	1,052,211	947,049
Prepayments and other current assets	962,281	1,617,081
<b>Total current assets</b>	<b>80,376,200</b>	<b>82,978,571</b>
<b>Noncurrent Assets:</b>		
Net OPEB asset	208,955	158,176
Capital assets:		
Land and improvements	8,055,743	8,157,347
Buildings and major plant equipment	64,435,222	64,355,578
Laboratory equipment and fixtures	66,492,431	62,171,952
Office furniture and equipment	3,061,108	2,609,539
Intangible assets, net	1,939,581	2,214,834
	143,984,085	139,509,250
Less accumulated depreciation	86,740,203	79,783,427
	57,243,882	59,725,823
Construction-in-progress	4,042,055	1,553,161
Total capital assets, net	61,285,937	61,278,984
<b>Total noncurrent assets</b>	<b>61,494,892</b>	<b>61,437,160</b>
<b>Total Assets</b>	<b>141,871,092</b>	<b>144,415,731</b>
<b>DEFERRED OUTFLOW OF RESOURCES</b>		
Accumulated change in fair value of interest rate swap	162,253	376,458
<b>Total Assets and Deferred Outflows of Resources</b>	<b>\$ 142,033,345</b>	<b>\$ 144,792,189</b>
<b>LIABILITIES</b>		
<b>Current Liabilities:</b>		
Accounts payable	\$ 5,413,728	\$ 1,550,481
Accrued liabilities	8,001,177	9,617,914
Unearned contract revenue	3,745,973	3,387,870
Current maturities of long-term debt and capital lease obligations	16,790,000	600,000
Derivative instrument - interest rate swap - current	162,253	-
Note payable	2,883,810	2,668,938
<b>Total current liabilities</b>	<b>36,996,941</b>	<b>17,825,203</b>
<b>Noncurrent Liabilities:</b>		
Long-term debt and capital lease obligations	-	17,290,000
Derivative instrument - interest rate swap	-	376,458
<b>Total noncurrent liabilities</b>	<b>-</b>	<b>17,666,458</b>
<b>Total Liabilities</b>	<b>36,996,941</b>	<b>35,491,661</b>
<b>NET POSITION</b>		
Net investment in capital assets	44,495,937	43,388,984
Restricted		
Expendable	13,515,705	10,844,784
Unrestricted	47,024,762	55,066,760
<b>Total Net Position</b>	<b>105,036,404</b>	<b>109,300,528</b>
<b>Total Liabilities and Net Position</b>	<b>\$ 142,033,345</b>	<b>\$ 144,792,189</b>

See accompanying notes to financial statements.

# Southern Research Institute

## A Discretely Presented Component Unit

### Statements of Revenues, Expenses, and Changes in Net Position

Years Ended December 30, 2016 and January 1, 2016

	2017	2016
<b>Operating Revenues</b>		
Contract revenues	\$ 67,110,627	\$ 63,362,767
Intellectual property revenues, net of direct expenses	5,724,260	4,470,005
<b>Total operating revenues</b>	<b>72,834,887</b>	<b>67,832,772</b>
<b>Operating Expenses</b>		
Salaries, wages and benefits	45,339,891	45,198,054
Supplies and services	31,659,576	30,539,117
Depreciation and amortization	7,320,862	7,750,688
<b>Total operating expenses</b>	<b>84,320,329</b>	<b>83,487,859</b>
<b>Operating loss</b>	<b>(11,485,442)</b>	<b>(15,655,087)</b>
<b>Nonoperating Revenues (Expenses)</b>		
Contributions	3,113,445	2,159,005
Investment income (loss)	3,821,234	(949,539)
Interest expense	(553,880)	(513,047)
Gain (loss) on disposal of assets	861,025	(1,384,161)
Other nonoperating expenses	(20,506)	(6,301)
<b>Net nonoperating revenues (expenses)</b>	<b>7,221,318</b>	<b>(694,043)</b>
<b>Change in net position</b>	<b>(4,264,124)</b>	<b>(16,349,130)</b>
<b>Net Position, beginning of year</b>	<b>109,300,528</b>	<b>125,649,658</b>
<b>Net Position, end of year</b>	<b>\$ 105,036,404</b>	<b>\$ 109,300,528</b>

See accompanying notes to financial statements.

# The University of Alabama at Birmingham

## Notes to Financial Statements

September 30, 2017 and 2016

### (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. They do not purport to, and do not, present fairly the financial position of the System, its changes in financial position or cash flows in accordance with accounting principles generally accepted in the United States of America. The System is recognized as an organization exempt from Federal income tax under Section 501(a) of the Internal Revenue Code as an organization described in Section 501(c)(3) of the Internal Revenue Code.

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

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

- **Net Investment in Capital Assets:**

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

- **Restricted:**

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

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

- **Unrestricted:**

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

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

UAB policy states that operating activities as reported by the statement of revenues, expenses, and changes in net position are those that generally result from exchange transactions such as payments received for providing services and payments made for services or goods received. Certain significant revenue streams

relied upon for operations are recorded as nonoperating revenues, as defined by GASB Statement No. 35.

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

#### Scope of Statements

UAB is principally comprised of a university (the University) and the University of Alabama Hospital (the Hospital) which are UAB's reportable segments as defined by GASB Statement No. 37, *Basic Financial Statements and Management's Discussion and Analysis - For State and Local Governments: Omnibus an Amendment of GASB Statements No. 21 and No. 34*. UAB's financial statements present the financial position, changes in financial position, and the cash flows of the University, the Hospital, and UAB's blended component units. Condensed financial information of UAB's reportable segments is presented at Note 16. Refer to Note 2 for information regarding UAB's component units.

UAB is affiliated with the UAB Educational Foundation (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 UABEF, HSF, UABHS or VF; therefore, they do not constitute component units under the provisions of GASB Statement No. 14, *The Financial Reporting Entity*, as amended. These entities are not required to be presented as component units under GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units - an Amendment of GASB Statement No. 14 and No. 61, The Financial Reporting Entity - an Amendment of GASB Statement No. 14 and 34*. More information regarding HSF, UABHS and VF can be found at Note 15.

UABEF provides funds and certain facilities to UAB for its educational and scientific functions. UABEF has 13 board members, including seven outside members not affiliated with UAB. UABEF leases certain facilities to UAB, with rental expense of approximately \$2,380,000 for the year ended September 30, 2017 and \$2,102,000 for the year ended September 30, 2016. UABEF made contributions to UAB which totaled approximately \$5,187,000 for the year ended June 30, 2017 and approximately \$5,634,000 for the year ended June 30, 2016. UABEF's total assets were approximately \$69,539,000 and \$54,155,000 at June 30, 2017 and June 30, 2016, respectively. UABEF's total liabilities were approximately \$29,349,000 and \$16,215,000 at June 30, 2017 and June 30, 2016, respectively.

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's investments are reported at fair value. The majority of UAB's investment portfolio is invested in separate investment pools sponsored by the System. 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. Fair value for equity securities, debt securities, mutual funds and U.S. government and agency obligations held by UAB is determined from quoted market prices or market prices of similar instruments. Real estate held as investments is reported at fair value based upon appraisals, entry price at the date of donation, and other valuations typically based on management assumptions or expectations. Investments received by gift are reported at fair value at date of receipt. Net investment income, including realized and unrealized gains and losses, is reported as nonoperating revenues (expenses) in the statements of revenues, expenses, and changes in net position.

Investments are reported in four categories in the statement of net position. Investments recorded as endowment and life income investments are those invested funds that cannot be used to fund current operations and thus are included in noncurrent assets. Investments held for future capital projects are included in noncurrent assets. Other long-term investments include amounts resulting from UAB's equity investment in other entities, as discussed in Note 4 and Note 8. All other investments are included as short-term investments.

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

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

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

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

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

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

**Endowment spending:** The State Legislature adopted the Alabama Uniform Prudent Management of Institutional Funds Act (UPMIFA), effective January 1, 2009, which permits the Board of Trustees of the University of Alabama (the "Board") to appropriate an amount of realized and unrealized endowment appreciation as the Board determines to be prudent. UPMIFA prescribes guidelines for the expenditure of donor-restricted endowment funds in the absence of overriding, explicit donor stipulations. UPMIFA focuses on the entirety of a donor-restricted endowment fund, that is, both the original gift amount(s) and net appreciation. UPMIFA eliminates UMIFA's historic-dollar-value threshold, an amount below which an organization could not spend from the fund, in favor of a more robust set of guidelines about what constitutes prudent spending, explicitly requiring consideration of the duration and preservation of the fund.

UAB's policy is to retain the endowment realized and unrealized appreciation within an endowment after the spending rate distributions in a manner consistent with the standards of prudence prescribed by UPMIFA. The Board approved a spending rate for the fiscal years September 30, 2017 and 2016 of 5% of a moving three-year average of the market (unit) value. However, effective October 1, 2017, the Board adopted a spending rate of 4.5%, based on a moving five-year average of the market (unit) value, and return of gains for underwater endowments.

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

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

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

**Deferred outflows of resources:** Deferred outflows of resources consist of bond deferred refunding amounts, employer contributions to the Teachers' Retirement System subsequent to the Plan's measurement date, and changes in proportion of the allocated pension liability and differences between employer contributions and the employer's proportionate share of the total contributions.

**Deferred inflows of resources:** Deferred inflows of resources consist of bond deferred refunding amounts and the proportionate share of the net difference between projected and actual investment earnings on pension assets.

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

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

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

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

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

**Other revenue:** Other revenue represents primarily revenues generated by UAB for activities such as intellectual property income and the University of Alabama Health Services Foundation, P.C. (HSF) revenues.

**Equity investments:** Investments in affiliated companies where UAB can exercise significant influence and for which UAB's ownership interest is 50% or less are accounted for using the equity method. The investment in the Professional Liability Trust Fund (PLTF) also is accounted for using the equity method. See Notes 4 and 8.

**Nonoperating revenues (expenses):** Nonoperating revenues and expenses include State educational appropriations, Federal Pell grants, private gifts for other than capital purposes, investment income, net unrealized appreciation or depreciation in the fair value of investments, interest expense, and loss on asset dispositions.

## (2) Component Units

GASB Statement No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units – an Amendment of GASB Statement No. 14*, No. 61, *The Financial Reporting Entity – an Amendment of GASB Statement No. 14 and 34* and No. 80, *Blending Requirements for Certain Component Units – an amendment of 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 primary objective of these statements is to determine whether all entities associated with a primary government are potential component units and should be evaluated for inclusion in the financial reporting entity. The statements as amended provide additional guidance to determine whether certain organizations for which the primary government is not financially accountable should be reported as component units based on the nature and significance of their relationship with the primary government.

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

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

UABRF was organized exclusively for charitable, scientific, and educational purposes in order to benefit UAB. UABAF was formed in November 2015 as a nonprofit corporation organized to build loyalty and philanthropic support for the UAB athletic program and support the staff in coordinating, developing and improving a superior intercollegiate athletics program. UABAF encourages alumni and friends to generously support the Athletics Department and contribute to scholarship funding for UAB's student athletes. ACP was formed in September 2014 to apply to become certified by the Alabama Medicaid Agency as a probationary regional care organization (RCO), with the goal at the time of being eligible to become a fully certified RCO by July 1, 2017. Effective October 17, 2016, ACP resolved to cease its pursuit of full regional care organization certification from the Alabama Medicaid Agency and cease efforts to enter into a risk contract with Medicaid to provide RCO services to Medicaid beneficiaries. On July 27, 2017, the Alabama Medicaid Agency abandoned its development of regional care organizations. ACP is contracted to continue providing care management services to Alabama Medicaid Health Home members through September 30, 2018. ACP's members are the University of Alabama Hospital, St. Vincent's Health System and Triton. 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. Triton was formed to advance the educational and research mission of UAB and to educate and train physicians and other health care professionals. Triton is owned 99% by UAB and 1% by The UAB Educational Foundation (UABEF). UABRF, ACP and LLC maintain a September 30 year-end. UABAF maintains a June 30 year-end. The

activities of Triton are maintained using a fiscal calendar year-end that ends prior to UAB's fiscal year-end of September 30. However, interfund cash transactions during the period from January 1 through September 30 have been eliminated. Since Triton qualifies

as a major component unit under GASB Statement No. 61, financial information for the years ended December 31, 2016 and 2015 is presented as follows:

<b>TRITON HEALTH SYSTEMS, LLC</b>	<b>2017</b>	<b>2016</b>
<b>CONDENSED STATEMENT OF NET POSITION</b>		
Current assets	\$ 295,737,693	\$ 254,243,815
Capital assets, net	3,771,458	4,988,224
Other assets	10,021,134	11,991,815
<b>TOTAL ASSETS</b>	<b>309,530,285</b>	<b>271,223,854</b>
Current liabilities	99,194,747	78,471,252
Other noncurrent liabilities	1,330,870	1,573,249
<b>TOTAL LIABILITIES</b>	<b>100,525,617</b>	<b>80,044,501</b>
Net investment in capital assets	3,771,458	4,988,224
Restricted nonexpendable	100,000	100,000
Unrestricted	205,133,210	186,091,129
<b>TOTAL NET POSITION</b>	<b>209,004,668</b>	<b>191,179,353</b>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<b>\$ 309,530,285</b>	<b>\$ 271,223,854</b>
<b>CONDENSED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION</b>		
Operating revenues	\$ 644,245,066	\$ 634,527,227
Operating expenses	(606,988,669)	(604,666,713)
Depreciation and amortization expense	(1,318,127)	(1,311,036)
<b>OPERATING INCOME</b>	<b>35,938,270</b>	<b>28,549,478</b>
Investment income	521,416	154,200
Income tax benefit (expense)	(5,620,786)	1,562,343
<b>INCOME BEFORE OTHER CHANGES IN NET POSITION</b>	<b>30,838,900</b>	<b>30,266,021</b>
Distributions to members	(13,013,585)	(15,447,524)
<b>INCREASE IN NET POSITION</b>	<b>17,825,315</b>	<b>14,818,497</b>
Net position, beginning of year	191,179,353	176,360,856
<b>NET POSITION, END OF YEAR</b>	<b>\$ 209,004,668</b>	<b>\$ 191,179,353</b>
<b>CONDENSED STATEMENT OF CASH FLOWS</b>		
Net cash provided by (used in):		
Operating activities	\$ 74,764,313	\$ 36,900,221
Noncapital financing activities	(13,013,585)	(15,447,525)
Capital and related financing activities	(101,360)	(1,835,394)
Investing activities	2,726,777	651,424
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>64,376,145</b>	<b>20,268,726</b>
Cash and cash equivalents, beginning of year	193,202,635	172,933,909
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b>\$ 257,578,780</b>	<b>\$ 193,202,635</b>

### (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 of its public deposits on a pooled basis in a custody account established for the State Treasurer as SAFE administrator. In the unlikely event a public entity should suffer a deposit loss due to QPD insolvency or default, a claim form would be filed with the

state treasurer, who would use the SAFE pool collateral or other means to reimburse the loss. As of September 30, 2017 and 2016, respectively, UAB had cash and cash equivalents totaling \$424,536,859 and \$381,336,739.

### (4) Investments

The Board has the responsibility for the establishment of the investment policy and the oversight of the investments for the System and related entities. In order to facilitate System-wide investment objectives and achieve economies of scale, the Board has established three distinct investment pools based primarily on the projected investment time-horizons for System funds. These investment pools are the Endowment Fund, Long Term Reserve Pool and the Short Term Liquidity Pool (collectively, the "System Pools"). Pursuant to Board investment policies, each System or related entity may include all or a portion of their investments

within the System sponsored investment pools. These investment funds are considered 'internal' investment pools under GASB Statement No. 31, with the assets pooled on a market value basis. Separately managed funds that are resident with each entity are to be invested consistent with the asset mix of the corresponding System investment pool.

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

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

### **Endowment Fund**

The purpose of the Endowment Fund is to pool endowment and similar funds to support the System campuses, the Hospital and related entities in carrying out their respective missions over a perpetual time frame. Accordingly, the primary investment objectives of the Endowment Fund are to preserve the purchasing power of the principal and provide a stable source of perpetual financial support to the endowment beneficiaries. To satisfy the long-term rate of return objective, the Endowment Fund relies on a total return strategy in which investment returns are achieved through both capital appreciation and natural income. Asset allocation targets are established to meet return objectives while providing adequate diversification in order to minimize investment volatility.

### **Long Term Reserve Pool**

The Long Term Reserve Pool is a longer-term fund used as an investment vehicle to manage operating reserves with a time horizon of three to seven years. This fund has an investment objective of growth and income and is invested in a diversified asset mix of liquid, semi-liquid and illiquid securities. This fund can invest no more than 10% in illiquid assets.

### **Short Term Liquidity Pool**

The Short Term Liquidity Pool serves as an investment vehicle to manage operating reserves with a time horizon of one to three years. This fund is also used to balance the other funds when looking at the System's entire asset allocation of operating reserves relative to its investment objectives. The Short Term Liquidity Pool has an investment objective of income with preservation of capital and is invested in intermediate term fixed income securities. The fund holds at least one large mutual fund to provide daily liquidity.

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

### **Fair Value Measurements**

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

- Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the UAB has the ability to access.
- Level 2 – Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the assets or liabilities;

• Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

• Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement. Unobservable inputs reflect UAB's own assumptions about the inputs market participants would use in pricing the asset or liability (including assumptions about risk). Unobservable inputs are developed based on the best information available in the circumstances and may include UAB's own data.

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

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

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

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

The following is a description of the valuation methods and assumptions used by UAB to estimate the fair value of its investments. There have been no changes in the methods and assumptions used at September 30, 2017. The methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. UAB management believes its valuation methods are appropriate and consistent with other market participants. The use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

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

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

UAB's Level 3 investments primarily consist of two very illiquid securities. The inputs or methodologies used for valuing securities are not necessarily an indication of the risks associated with investing in those securities. Changes in valuation techniques may result in transfers into or out of an assigned level within the



disclosure hierarchy. Valuation techniques utilized by UAB are appraisals, entry price at the date of donation, and other valuations typically based on management assumptions or expectations.

At September 30, 2017 and 2016, the fair value of UAB's investments based on the inputs used to value them is summarized as follows:

	2017			NAV	TOTAL
	LEVEL 1	LEVEL 2	LEVEL 3		
Cash and equivalents:					
Commercial paper	\$100,000	\$-	\$-	\$-	\$100,000
Equities:					
Common Stock	197,292	-	-	-	197,292
Fixed Income Securities:					
U.S. Government Obligations		44,725,185			44,725,185
Corporate bonds	-	13,900,104	-	-	13,900,104
Commingled Funds:					
U.S. equity funds	-	1,045,114	-	-	1,045,114
Non-U.S. equity funds	-	240,918	-	-	240,918
Real Estate	-	-	159,600	-	159,600
	\$297,292	\$59,911,321	\$159,600	\$-	\$60,368,213
Equity investments in partnerships					69,401,747
UAB Portion of System Pool Investments:					
Endowment Fund					495,925,377
Long Term Reserve Pool					1,113,146,987
Short Term Liquidity Pool					574,657,441
Total Reported Value with System Pooled Investments					\$2,313,499,765

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

At September 30, 2017 and 2016, the fair value of investments for the System Pools based on the inputs used to value them is summarized as follows:

ENDOWMENT FUND					
2017					
	LEVEL 1	LEVEL 2	LEVEL 3	NAV	TOTAL
Receivables:					
Accrued Income Receivables	\$-	\$-	\$-	\$-	\$737,344
<b>Total Receivables</b>	-	-	-	-	<b>737,344</b>
Cash Equivalents:					
Money Market Funds	79,594,084	-	-	-	79,594,084
<b>Total Cash Equivalents</b>	<b>79,594,084</b>	-	-	-	<b>79,594,084</b>
Equities:					
U.S. Common Stock	94,939,223	-	-	-	94,939,223
Foreign Stock	34,902,583	-	-	-	34,902,583
<b>Total Equities</b>	<b>129,841,806</b>	-	-	-	<b>129,841,806</b>
Fixed Income Securities:					
U.S. Government Obligations	-	8,498,567	-	-	8,498,567
Mortgage Backed Securities	-	6,136,259	-	-	6,136,259
Corporate Bonds	-	21,041,058	-	-	21,041,058
Non-U.S. Bonds	-	3,038,650	-	-	3,038,650
<b>Total Fixed Income Securities</b>	-	<b>38,714,534</b>	-	-	<b>38,714,534</b>
Commingled Funds:					
Non-U.S. Equity Funds	-	224,559,339	-	-	224,559,339
U.S. Bond Funds	-	58,363,636	-	-	58,363,636
Non-U.S. Bond Funds	-	29,063,500	-	-	29,063,500
Hedge Funds	-	-	-	506,943,088	506,943,088
Private Equity Funds	-	-	-	123,786,463	123,786,463
Real Estate Funds	-	-	-	203,564,413	203,564,413
<b>Total Commingled Funds</b>	-	<b>311,986,475</b>	-	<b>834,293,964</b>	<b>1,146,280,439</b>
<b>Total Fund Investments</b>	<b>209,435,890</b>	<b>350,701,009</b>	-	<b>834,293,964</b>	<b>1,394,430,863</b>
<b>Total Fund Assets</b>	<b>209,435,890</b>	<b>350,701,009</b>	-	<b>834,293,964</b>	<b>1,395,168,207</b>
<b>Total Fund Liabilities</b>					(223,940)
<b>Affiliated Entity Investments</b>					(222,871,294)
<b>Total Net Asset Value</b>	<b>\$209,435,890</b>	<b>\$350,701,009</b>	<b>\$-</b>	<b>\$834,293,964</b>	<b>\$1,172,072,973</b>

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

LONG TERM RESERVE POOL					
2017					
	LEVEL 1	LEVEL 2	LEVEL 3	NAV	TOTAL
Receivables:					
Accrued Income Receivables	\$-	\$-	\$-	\$-	\$2,371,886
<b>Total Receivables</b>	-	-	-	-	<b>2,371,886</b>
Cash Equivalents:					
Money Market Funds	58,259,515	-	-	-	58,259,515
<b>Total Cash Equivalents</b>	<b>58,259,515</b>	-	-	-	<b>58,259,515</b>
Equities:					
U.S. Common Stock	176,807,415	-	-	-	176,807,415
Foreign Stock	50,575,577	-	-	-	50,575,577
<b>Total Equities</b>	<b>227,382,992</b>	-	-	-	<b>227,382,992</b>
Fixed Income Securities:					
U.S. Government Obligations	-	14,142,677	-	-	14,142,677
Mortgage Backed Securities	-	11,840,312	-	-	11,840,312
Corporate Bonds	-	35,515,741	-	-	35,515,741
Non-U.S. Bonds	-	5,479,805	-	-	5,479,805
<b>Total Fixed Income Securities</b>	-	<b>66,978,535</b>	-	-	<b>66,978,535</b>
Commingled Funds:					
Non-U.S. Equity Funds	-	425,447,446	-	-	425,447,446
U.S. Bond Funds	-	67,342,316	-	-	67,342,316
Non-U.S. Bond Funds	-	47,096,969	-	-	47,096,969
Hedge Funds	-	-	-	754,979,975	754,979,975
Real Estate Funds	-	-	-	112,894,275	112,894,275
<b>Total Commingled Funds</b>	-	<b>539,886,731</b>	-	<b>867,874,250</b>	<b>1,407,760,981</b>
<b>Total Fund Investments</b>	<b>285,642,507</b>	<b>606,865,266</b>	-	<b>867,874,250</b>	<b>1,760,382,023</b>
<b>Total Fund Assets</b>	<b>285,642,507</b>	<b>606,865,266</b>	-	<b>867,874,250</b>	<b>1,762,753,909</b>
<b>Total Fund Liabilities</b>					(378,908)
<b>Affiliated Entity Investments</b>					(119,531,938)
<b>Total Net Asset Value</b>	<b>\$285,642,507</b>	<b>\$606,865,266</b>	<b>\$-</b>	<b>\$867,874,250</b>	<b>\$1,642,843,063</b>

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

SHORT TERM LIQUIDITY POOL					
2017					
	LEVEL 1	LEVEL 2	LEVEL 3	NAV	TOTAL
Receivables:					
Accrued Income Receivables	\$-	\$-	\$-	\$-	\$3,222,354
<b>Total Receivables</b>	-	-	-	-	<b>3,222,354</b>
Cash Equivalents:					
Money Market Funds	100,227,735	-	-	-	100,227,735
<b>Total Cash Equivalents</b>	<b>100,227,735</b>	-	-	-	<b>100,227,735</b>
Fixed Income Securities:					
U.S. Government Obligations	-	244,194,221	-	-	244,194,221
Mortgage Backed Securities	-	149,207,687	-	-	149,207,687
Collateralized Mortgage Obligations	-	11,990,320	-	-	11,990,320
Corporate Bonds	-	165,646,257	-	-	165,646,257
Non-U.S. Bonds	-	61,129,470	-	-	61,129,470
<b>Total Fixed Income Securities</b>	-	<b>632,167,955</b>	-	-	<b>632,167,955</b>
Commingled Funds:					
U.S. Bond Funds	-	205,630,016	-	-	205,630,016
<b>Total Commingled Funds</b>	-	<b>205,630,016</b>	-	-	<b>205,630,016</b>
<b>Total Fund Investments</b>	<b>100,227,735</b>	<b>837,797,971</b>	-	-	<b>938,025,706</b>
<b>Total Fund Assets</b>	<b>100,227,735</b>	<b>837,797,971</b>	-	-	<b>941,248,060</b>
<b>Total Fund Liabilities</b>					(243,098)
<b>Affiliated Entity Investments</b>					(62,963,316)
<b>Total Net Asset Value</b>	<b>\$100,227,735</b>	<b>\$837,797,971</b>	<b>\$-</b>	<b>\$-</b>	<b>\$878,041,646</b>

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

## 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.

The investment policy recognizes that credit risk is appropriate in balanced investment pools such as the Endowment Fund and Long Term Reserve Pool, which are tracked against the Barclays U.S. High Yield Index for U.S. investments and the J.P. Morgan Non-U.S. GBI Index for international investments benchmarks for the fixed income portion of these pools. Fixed income investments within the Endowment Fund and Long Term Reserve Pool include corporate, mortgage backed, asset backed and U.S. treasury and/or agency

bonds. In addition, approximately \$18.0 million and \$1.2 million in the Endowment Fund and Long Term Reserve Pool, at September 30, 2017 and 2016, respectively, is invested in unrated fixed income securities, excluding fixed income commingled funds. Fixed income commingled funds were approximately \$339.7 million and \$279.2 million in the Endowment Fund and Long Term Reserve Pool, at September 30, 2017 and 2016, respectively.

The Short Term Liquidity Pool is benchmarked against the 1-3 Year Barclays Government Credit Index with funds invested with four separate fund managers. Fixed income investments include corporate, mortgage backed, asset backed, collateralized mortgage and U.S. treasury and/or agency bonds. For September 30, 2017 and 2016, approximately \$79.4 million and \$78.1 million, respectively, was invested by the Short Term Liquidity Pool in unrated fixed income securities, excluding commingled bond funds, money market funds and commercial paper. Fixed income commingled funds and money market funds totaled approximately \$305.9 million and \$310.2 million at September 30, 2017 and 2016, respectively.

The credit risk for fixed and variable income securities, for the System Pools, at September 30, 2017 and 2016 is as follows:

## September 30, 2017 and 2016

	ENDOWMENT FUND		LONG TERM RESERVE POOL		SHORT TERM LIQUIDITY POOL	
	2017	2016	2017	2016	2017	2016
Fixed or Variable Income Securities						
U.S. Government Obligations	\$ 8,498,567	\$ 11,635,633	\$ 14,142,677	\$ 13,315,542	\$ 244,194,221	\$ 206,021,290
Other U.S. Denominated:						
AAA	-	-	-	-	57,770,342	66,722,557
AA	2,827,897	4,935,622	4,895,316	5,902,771	45,669,400	62,277,161
A	8,297,086	11,351,391	14,267,929	13,602,107	98,995,277	94,456,013
BBB	9,469,093	9,710,555	15,722,458	11,642,153	94,842,218	96,922,375
BB	2,472,128	396,563	4,358,741	581,625	3,200,172	12,178,203
B	1,013,505	-	1,751,103	-	5,216,578	6,109,639
C and < C	-	-	-	-	2,868,608	3,388,143
Unrated	6,136,259	549,764	11,840,312	674,710	79,411,138	78,100,343
Commingled Funds:						
U.S. Bond Funds: Unrated	58,363,636	59,563,636	67,342,316	65,616,121	205,630,016	199,067,054
Non-U.S. Bond Funds: Unrated	29,063,500	26,423,526	47,096,969	42,818,930	-	-
Money Market Funds: Unrated	79,594,084	37,501,965	58,259,515	47,260,189	100,227,735	111,156,636
<b>TOTAL</b>	<b>\$ 205,735,755</b>	<b>\$ 162,068,655</b>	<b>\$ 239,677,336</b>	<b>\$ 201,414,148</b>	<b>\$ 938,025,705</b>	<b>\$ 936,399,414</b>

The credit risk for fixed and variable income securities of UAB's separately held investments at September 30, 2017 and 2016 is as follows:

	2017	2016
Fixed or Variable Income Securities		
U.S. Government Obligations	\$ 44,725,185	\$ -
Other U.S. and Non U.S. Denominated:		
AAA	13,900,104	15,975,630
AA	-	-
A	-	-
BBB	-	-
BB	-	-
B	-	-
CCC	-	-
CC	-	-
Unrated	-	-
Commingled Funds:		
U.S. Bond Funds: Unrated	-	-
Non-U.S. Bond Funds: Unrated	-	-
Money Market Funds: Unrated	-	-
Commercial Paper: Unrated	100,000	100,000
<b>TOTAL</b>	<b>\$ 58,725,289</b>	<b>\$ 16,075,630</b>

### Custodial Credit Risk

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

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

### Concentration of Credit Risk

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

As previously mentioned, credit risk in each investment pool and UAB's separately held portfolio is managed primarily by diversifying across issuers and limiting the amount of portfolio assets that can be invested in non-investment grade securities. As of September 30, 2017 and 2016, there was no investment in a single issuer that represents 5% or more of total investments held by any single

investment manager of the System Pools or UAB's separately held investment portfolio except for investments issued by the U.S. government and money market fund investments.

### Interest Rate Risk

Interest rate risk is the risk that the value of fixed income securities will decline because of changing interest rates. The prices of fixed income securities with a longer time to maturity, measured by effective duration, tend to be more sensitive to changes in interest rates and, therefore, more volatile than those with shorter durations. Effective duration is the approximate change in price of a security resulting from a 100

basis point (1 percentage point) change in the level of interest rates. It is not a measure of time. The Board does not have a specific policy relative to interest rate risk. As such, there are no restrictions on weighted average maturity for each portfolio as they are managed relative to the investment objectives and liquidity demands of the investors.

The information presented does not take into account the relative weighting of the portfolio components to the total portfolio. The effective durations for fixed or variable income securities, for the System Pools at September 30, 2017 and 2016 are as follows:

	ENDOWMENT FUND		LONG TERM RESERVE POOL		SHORT TERM LIQUIDITY POOL	
	2017	2016	2017	2016	2017	2016
U.S. Government Obligations	8.7	8.1	8.4	8.4	1.9	1.9
Corporate Bonds	4.8	4.7	5.0	4.6	1.9	2.1
Commingled Bond Funds	2.4	1.8	2.1	1.5	2.8	2.8
Non-U.S. Bonds	4.8	4.7	5.0	4.6	1.9	2.1

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, 2017 and 2016 are as follows:

	2017	2016
Commingled Bond Funds	0.4	-

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, 2017 and 2016, the fair market values of these investments in the System Pools are as follows:

	ENDOWMENT FUND		LONG TERM RESERVE POOL		SHORT TERM LIQUIDITY POOL	
	2017	2016	2017	2016	2017	2016
Mortgage Backed Securities	\$ 6,136,259	\$ -	\$ 11,840,312	\$ -	\$ 149,207,687	\$ 166,643,153
Collateralized Mortgage Obligations	-	-	-	-	11,990,320	12,035,018
<b>TOTAL FIXED</b>	<b>\$ 6,136,259</b>	<b>\$ -</b>	<b>\$ 11,840,312</b>	<b>\$ -</b>	<b>\$ 161,198,007</b>	<b>\$ 178,678,171</b>

**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.

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

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

At September 30, 2017 and 2016, the effective durations for these securities held in the System Pools are as follows:

	ENDOWMENT FUND		LONG TERM RESERVE POOL		SHORT TERM LIQUIDITY POOL	
	2017	2016	2017	2016	2017	2016
Mortgage Backed Securities	3.5	-	3.3	-	1.0	0.9
Collateralized Mortgage Obligations	-	-	-	-	2.2	1.7

There are no mortgage backed securities or CMOs in UAB's separately held investments at September 30, 2017 and 2016.

## Foreign Currency Risk

The strategic asset allocation policy for the Endowment Fund, the Long Term Reserve Pool, and UAB's separately held investments includes an allocation to non-United States equity and fixed income securities. Currency hedging of foreign bonds and stocks is allowed under System policy. As of September 30, 2017 and 2016, 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 \$61.1 million and \$64.9 million of foreign bonds denominated in U.S. dollars and held by the Short Term Liquidity Pool at September 30, 2017 and 2016, respectively.

## Securities Lending

The System permits 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, 2017 and 2016, 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 \$69,402,000 and \$60,460,000 at September 30, 2017 and 2016, respectively. See Note 8 for further discussion of the PLTF.

# (5) Receivables

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

The composition of accounts receivable at September 30, 2017 and 2016 is summarized as follows:

ACCOUNTS RECEIVABLE:	2017	2016
Patient care	\$ 344,429,760	\$ 324,690,408
Receivables from sponsoring agencies	64,140,454	62,549,691
Student accounts	38,254,264	30,626,030
Other	46,701,725	63,075,552
	<b>\$ 493,526,203</b>	<b>\$ 480,941,681</b>
Less: Provision for doubtful accounts from patient care	142,942,605	123,345,316
Less: Provision for doubtful accounts from student accounts	1,743,907	1,524,987
Less: Provision for doubtful accounts other	2,256,015	1,820,169
<b>Total accounts receivable</b>	<b>\$ 346,583,676</b>	<b>\$ 354,251,209</b>

Loans receivable represent all amounts owed on promissory notes from debtors, including student loans made under the Federal Perkins Loan Program and other loan programs. 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 receivable represent unconditional promises to give from third party donors. 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.

The composition of loans and pledges receivable at September 30, 2017 and 2016 is summarized in the following table.

LOANS RECEIVABLE:	2017	2016
Federal loan program	\$ 16,124,186	\$ 15,840,627
University loan funds	2,222,638	2,152,542
Other	603,805	729,745
Total loans receivable	18,950,629	18,722,914
Less allowance for doubtful accounts	3,100,398	2,954,639
Total loans receivable, net	15,850,231	15,768,275
Less: current portion	2,812,768	2,669,457
<b>Total loans receivable outstanding, noncurrent</b>	<b>\$ 13,037,463</b>	<b>\$ 13,098,818</b>
<b>GIFT PLEDGES OUTSTANDING:</b>		
Operations	\$ 48,997,484	\$ 50,051,898
Capital	16,381,446	8,082,240
Total gift pledges	65,378,930	58,134,138
Less: current portion	14,526,204	14,134,117
<b>Total gift pledges, noncurrent</b>	<b>\$ 50,852,726</b>	<b>\$ 44,000,021</b>

# (6) Capital Assets

Capital assets as of September 30, 2017 and 2016 are summarized as follows:

Net interest costs capitalized for the University and component units in 2017 were approximately \$3,547,000 (net of \$408,000 investment earnings). There were no net interest costs capitalized in 2016 for the University and component units. There were no net interest costs capitalized in 2017 or 2016 for the Hospital.

## September 30, 2017

	BEGINNING BALANCE		ADDITIONS		SALES/RETIREMENTS/ TRANSFERS		ENDING BALANCE
<b>UNIVERSITY AND BLENDED COMPONENT UNITS</b>							
Capital assets not being depreciated							
Land	\$	80,662,960	\$	4,119,076	\$	-	\$ 84,782,036
Construction in progress		13,127,279		40,265,147		(7,605,944)	45,786,482
		<b>93,790,239</b>		<b>44,384,223</b>		<b>(7,605,944)</b>	<b>130,568,518</b>
Capital assets being depreciated							
Land Improvements		34,029,939		6,159,705		(153,976)	40,035,668
Buildings		1,452,479,798		56,264,236		-	1,508,744,034
Fixed Equipment Systems		86,959,797		524,656		-	87,484,453
Equipment		378,718,981		16,510,463		(1,766,399)	383,463,045
Library Materials		109,297,766		5,102,731		-	114,400,497
		<b>2,061,486,281</b>		<b>84,561,791</b>		<b>(11,920,375)</b>	<b>2,134,127,697</b>
Total Capital Assets		2,155,276,520		128,946,014		(19,526,319)	2,264,696,215
Less: Accumulated Depreciation		1,203,828,526		71,197,559		(11,436,956)	1,263,589,129
Total Net Capital Assets	\$	<b>951,447,994</b>	\$	<b>57,748,455</b>	\$	<b>(8,089,363)</b>	\$ <b>1,001,107,086</b>
<b>HOSPITAL</b>							
Capital assets not being depreciated							
Land	\$	19,044,954	\$	1,817,314	\$	-	\$ 20,862,268
Construction in progress		6,564,789		4,246,465		(3,961,093)	6,850,161
		<b>25,609,743</b>		<b>6,063,779</b>		<b>(3,961,093)</b>	<b>27,712,429</b>
Capital assets being depreciated							
Land Improvements		656,874		-		-	656,874
Buildings		886,906,240		34,877,976		-	921,784,216
Fixed Equipment Systems		10,002,839		215,003		-	10,217,842
Equipment		438,384,437		40,903,359		(6,293,109)	472,994,687
		<b>1,335,950,390</b>		<b>75,996,338</b>		<b>(6,293,109)</b>	<b>1,405,653,619</b>
Total Capital Assets		1,361,560,133		82,060,117		(10,254,202)	1,433,366,048
Less: Accumulated Depreciation		773,113,561		66,234,191		(5,814,659)	833,533,093
Total Net Capital Assets	\$	<b>588,446,572</b>	\$	<b>15,825,926</b>	\$	<b>(4,439,543)</b>	\$ <b>599,832,955</b>
<b>TOTAL UAB</b>							
Capital assets not being depreciated							
Land	\$	99,707,914	\$	5,936,390	\$	-	\$ 105,644,304
Construction in progress		19,692,068		44,511,612		(11,567,037)	52,636,643
		<b>119,399,982</b>		<b>50,448,002</b>		<b>(11,567,037)</b>	<b>158,280,947</b>
Capital assets being depreciated							
Land Improvements		34,686,813		6,159,705		(153,976)	40,692,542
Buildings		2,339,386,038		91,142,212		-	2,430,528,250
Fixed Equipment Systems		96,962,636		739,659		-	97,702,295
Equipment		817,103,418		57,413,822		(18,059,508)	856,457,732
Library Materials		109,297,766		5,102,731		-	114,400,497
		<b>3,397,436,671</b>		<b>160,558,129</b>		<b>(18,213,484)</b>	<b>3,539,781,316</b>
Total Capital Assets		3,516,836,653		211,006,131		(29,780,521)	3,698,062,263
Less: Accumulated Depreciation		1,976,942,087		137,431,750		(17,251,615)	2,097,122,222
Total Net Capital Assets	\$	<b>1,539,894,566</b>	\$	<b>73,574,381</b>	\$	<b>(12,528,906)</b>	\$ <b>1,600,940,041</b>



## September 30, 2016

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

# (7) Long-Term Debt

During fiscal year 2017, Standard & Poor's Ratings Services reaffirmed its AA rating on UAB's general revenue bonds. The outlook is stable.

Long-term debt activity for the years ended September 30, 2017 and 2016 is summarized as follows:

## September 30, 2017

	BEGINNING BALANCE	NEW DEBT	PRINCIPAL REPAYMENT	ENDING BALANCE
<b>UNIVERSITY</b>				
Leases Payable, 3.19% due annually through 2019 and 4.47% due monthly through 2020	\$ 404,994	\$ -	\$ 117,200	\$ 287,794
Birmingham General Revenue Bonds Series 2005A, 3.0% to 5.0% due annually from 2007 through 2021	15,475,000	-	2,810,000	12,665,000
Birmingham General Revenue Bonds Series 2010A, 2.0% to 5.0% due annually through 2041	49,615,000	-	1,555,000	48,060,000
Birmingham General Revenue Bonds Series 2010B, 1.0% to 5.8% due annually through 2041	49,570,000	-	1,470,000	48,100,000
Birmingham General Revenue Bonds Series 2010C, 2.0% to 5.0% due annually through 2028	18,608,557	-	3,140,661	15,467,896
Birmingham General Revenue Bonds Series 2013A-1, 1.1% due annually through 2020	16,060,000	-	3,135,000	12,925,000
Birmingham General Revenue Bonds Series 2013A-2, 2.25% to 5.0% due annually through 2043	72,595,000	-	-	72,595,000
Birmingham General Revenue Bonds Series 2013B, 1.99% due annually through 2029	39,445,000	-	2,960,000	36,485,000
Birmingham General Revenue Bonds Series 2013C, 1.0% to 1.45% due annually through 2019	2,015,000	-	490,000	1,525,000
Birmingham General Revenue Bonds Series 2013D-1, 1.97% due annually through 2023	18,125,000	-	2,115,000	16,010,000
Birmingham General Revenue Bonds Series 2013D-2, 4.0% to 5.0% due annually through 2043	78,325,000	-	-	78,325,000
Birmingham General Revenue Bonds Series 2015A, 2.0% to 5.0% due annually through 2028	32,025,000	-	2,430,000	29,595,000
Birmingham General Revenue Bonds Series 2016A, 1.94% due annually through 2027	-	24,495,000	-	24,495,000
Birmingham General Revenue Bonds Series 2016B, 4.0% to 5.0% due annually through 2044	-	95,585,000	-	95,585,000
	<b>\$ 392,263,551</b>	<b>\$ 120,080,000</b>	<b>\$ 20,222,861</b>	<b>\$ 492,120,690</b>
Less (Plus): unamortized bond discount (premium)				(9,801,899)
<b>TOTAL UNIVERSITY DEBT</b>				<b>\$ 501,922,589</b>
Less: current portion				20,889,423
<b>TOTAL UNIVERSITY DEBT, NONCURRENT</b>				<b>\$ 481,033,166</b>

<b>HOSPITAL</b>				
Lease Payable, 2.0% to 3.75% due monthly through 2020	\$ 12,440,766	\$ 3,464,436	\$ 3,875,582	\$ 12,029,620
Birmingham Hospital Revenue Bonds Series 2006A, 4% due annually through 2041	232,940,000	-	232,940,000	-
Birmingham Hospital Revenue Bonds Series 2008A, 4% to 5.75% due annually through 2025	86,870,000	-	86,870,000	-
Birmingham General Revenue Bonds Series 2010C, 2.0% to 4.0% due annually through 2018	511,443	-	249,339	262,104
Birmingham Hospital Revenue Bonds Series 2012A, 2.57% due annually through 2027	15,868,000	-	1,259,000	14,609,000
Birmingham Hospital Revenue Bonds Series 2012B, variable interest rate (0.84% at September 30, 2016), due annually through 2042	65,000,000	-	65,000,000	-
Birmingham Hospital Revenue Bonds Series 2012C, variable interest rate (0.91% at September 30, 2016), due annually through 2042	65,000,000	-	65,000,000	-
UAB Medicine Financing Authority Revenue Bonds Series 2016A, 1.2% due annually through 2022	-	65,215,000	9,835,000	55,380,000
UAB Medicine Financing Authority Revenue Bonds Series 2016B, 3.125% to 5.0% due annually through 2041	-	302,530,000	-	302,530,000
UAB Medicine Financing Authority Revenue Bonds Series 2017A, 2.13% due annually through 2027	-	18,385,000	-	18,385,000
UAB Medicine Financing Authority Revenue Bonds Series 2017B, 3.0% to 5.0% due annually through 2042	-	44,810,000	-	44,810,000
	<b>\$ 478,630,209</b>	<b>\$ 434,404,436</b>	<b>\$ 465,028,921</b>	<b>\$ 448,005,724</b>
Less (Plus): unamortized bond discount (premium)				(26,939,900)
<b>TOTAL HOSPITAL DEBT</b>				<b>\$ 474,945,624</b>
Less: current portion				16,831,127
<b>TOTAL HOSPITAL DEBT, NONCURRENT</b>				<b>\$ 458,114,497</b>

<b>TOTAL UAB</b>	<b>\$ 870,893,760</b>	<b>\$ 554,484,436</b>	<b>\$ 485,251,782</b>	<b>\$ 940,126,414</b>
Less (Plus): unamortized bond discount (premium)				(36,741,799)
<b>TOTAL UAB DEBT</b>				<b>\$ 976,868,213</b>
Less: current portion				37,720,550
<b>TOTAL UAB DEBT, NONCURRENT</b>				<b>\$ 939,147,663</b>

## September 30, 2016

	BEGINNING BALANCE	NEW DEBT	PRINCIPAL REPAYMENT	ENDING BALANCE
<b>UNIVERSITY</b>				
Leases Payable, 3.19% due annually through 2019 and 4.47% due monthly through 2020	\$ 518,034	\$ -	\$ 113,040	\$ 404,994
Birmingham General Revenue Bonds Series 2005A, 3.0% to 5.0% due annually from 2007 through 2021	20,830,000	-	5,355,000	15,475,000
Birmingham General Revenue Bonds Series 2005B, 3.0% to 4.5% due annually through 2028	2,550,000	-	2,550,000	-
Birmingham General Revenue Bonds Series 2010A, 2.0% to 5.0% due annually through 2041	51,125,000	-	1,510,000	49,615,000
Birmingham General Revenue Bonds Series 2010B, 1.0% to 5.8% due annually through 2041	51,010,000	-	1,440,000	49,570,000
Birmingham General Revenue Bonds Series 2010C, 2.0% to 5.0% due annually through 2028	21,601,011	-	2,992,454	18,608,557
Birmingham General Revenue Bonds Series 2013A-1, 1.1% due annually through 2020	17,645,000	-	1,585,000	16,060,000
Birmingham General Revenue Bonds Series 2013A-2, 2.25% to 5.0% due annually through 2043	72,595,000	-	-	72,595,000
Birmingham General Revenue Bonds Series 2013B, 1.99% due annually through 2029	42,350,000	-	2,905,000	39,445,000
Birmingham General Revenue Bonds Series 2013C, 1.0% to 1.45% due annually through 2019	2,555,000	-	540,000	2,015,000
Birmingham General Revenue Bonds Series 2013D-1, 1.97% due annually through 2023	19,395,000	-	1,270,000	18,125,000
Birmingham General Revenue Bonds Series 2013D-2, 4.0% to 5.0% due annually through 2043	78,325,000	-	-	78,325,000
Birmingham General Revenue Bonds Series 2015A, 2.0% to 5.0% due annually through 2028	32,560,000	-	535,000	32,025,000
	<b>\$ 413,059,045</b>	<b>\$ -</b>	<b>\$ 20,795,494</b>	<b>\$ 392,263,551</b>
Less (Plus): unamortized bond discount (premium)				(4,030,311)
<b>TOTAL UNIVERSITY DEBT</b>				<b>\$ 396,293,862</b>
Less: current portion				20,222,865
<b>TOTAL UNIVERSITY DEBT, NONCURRENT</b>				<b>\$ 376,070,997</b>
<b>HOSPITAL</b>				
Lease Payable, 2.0% to 3.75% due monthly through 2020	\$ 10,251,811	\$ 5,746,261	\$ 3,557,306	\$ 12,440,766
Birmingham Hospital Revenue Bonds Series 2006A, 4% due annually through 2041	234,070,000	-	1,130,000	232,940,000
Birmingham Hospital Revenue Bonds Series 2008A, 4% to 5.75% due annually through 2025	94,720,000	-	7,850,000	86,870,000
Birmingham General Revenue Bonds Series 2010C, 2.0% to 4.0% due annually through 2018	748,989	-	237,546	511,443
Birmingham Hospital Revenue Bonds Series 2012A, 2.57% due annually through 2027	17,092,000	-	1,224,000	15,868,000
Birmingham Hospital Revenue Bonds Series 2012B, variable interest rate (0.84% at September 30, 2016), due annually through 2042	65,000,000	-	-	65,000,000
Birmingham Hospital Revenue Bonds Series 2012C, variable interest rate (0.91% at September 30, 2016), due annually through 2042	65,000,000	-	-	65,000,000
	<b>\$ 486,882,800</b>	<b>\$ 5,746,261</b>	<b>\$ 13,998,852</b>	<b>\$ 478,630,209</b>
Less (Plus): unamortized bond discount (premium)				(3,606,676)
<b>TOTAL HOSPITAL DEBT</b>				<b>\$ 482,236,885</b>
Less: current portion				14,624,370
<b>TOTAL HOSPITAL DEBT, NONCURRENT</b>				<b>\$ 467,612,515</b>
<b>TOTAL UAB</b>	<b>\$ 899,941,845</b>	<b>\$ 5,746,261</b>	<b>\$ 34,794,346</b>	<b>\$ 870,893,760</b>
Less (Plus): unamortized bond discount (premium)				(7,636,987)
<b>TOTAL UAB DEBT</b>				<b>\$ 878,530,747</b>
Less: current portion				34,847,235
<b>TOTAL UAB DEBT, NONCURRENT</b>				<b>\$ 843,683,512</b>

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

<b>UNIVERSITY</b>				
FISCAL YEAR	PRINCIPAL	INTEREST	TOTAL	
2018	\$ 20,889,423	\$ 18,428,082	\$ 39,317,505	
2019	19,601,008	17,767,224	37,368,232	
2020	20,150,259	17,119,927	37,270,186	
2021	23,525,000	16,467,620	39,992,620	
2022	20,660,000	15,797,338	36,457,338	
2023-2027	103,015,000	68,872,343	171,887,343	
2028-2032	89,050,000	51,441,682	140,491,682	
2033-2037	82,855,000	33,490,847	116,345,847	
2038-2042	82,810,000	14,957,413	97,767,413	
2043-2044	29,565,000	1,235,550	30,800,550	
<b>TOTAL UNIVERSITY</b>	<b>\$ 492,120,690</b>	<b>\$ 255,578,026</b>	<b>\$ 747,698,716</b>	

<b>HOSPITAL</b>				
FISCAL YEAR	PRINCIPAL	INTEREST	TOTAL	
2018	\$ 16,831,127	\$ 16,721,221	\$ 33,552,348	
2019	15,264,534	16,445,146	31,709,680	
2020	14,028,374	16,230,155	30,258,529	
2021	14,129,750	16,024,151	30,153,901	
2022	14,163,567	15,816,459	29,980,026	
2023-2027	60,928,372	74,628,384	135,556,756	
2028-2032	83,495,000	59,274,326	142,769,326	
2033-2037	108,310,000	39,260,263	147,570,263	
2038-2042	120,855,000	14,193,138	135,048,138	
2043-2044	-	-	-	
<b>TOTAL HOSPITAL</b>	<b>\$ 448,005,724</b>	<b>\$ 268,593,243</b>	<b>\$ 716,598,967</b>	

<b>TOTAL UAB</b>				
FISCAL YEAR	PRINCIPAL	INTEREST	TOTAL	
2018	\$ 37,720,550	\$ 35,149,303	\$ 72,869,853	
2019	34,865,542	34,212,370	69,077,912	
2020	34,178,633	33,350,082	67,528,715	
2021	37,654,750	32,491,771	70,146,521	
2022	34,823,567	31,613,797	66,437,364	
2023-2027	163,943,372	143,500,727	307,444,099	
2028-2032	172,545,000	110,716,008	283,261,008	
2033-2037	191,165,000	72,751,110	263,916,110	
2038-2042	203,665,000	29,150,551	232,815,551	
2043-2044	29,565,000	1,235,550	30,800,550	
<b>TOTAL UAB</b>	<b>\$ 940,126,414</b>	<b>\$ 524,171,269</b>	<b>\$ 1,464,297,683</b>	

Pledged revenues for 2017 and 2016, as defined by the Series 2012A Hospital Revenue Trust Indenture, are as follows:

HOSPITAL BONDS	2017	2016
Total pledged revenues	\$ 1,739,106,161	\$ 1,676,362,964

Pledged revenues for 2017 and 2016, as defined by the Series 2005A, 2010A, 2010B, 2010C, 2013A, 2013B, 2013C, 2013D, 2015A, 2016A and 2016B General Revenue Trust Indentures, are as follows:

UNIVERSITY BONDS	2017	2016
Tuition fees	\$ 273,334,364	\$ 241,529,320
Indirect cost recovery	86,706,678	80,832,348
Sales and service of educational activities	69,216,946	68,415,573
Auxiliary sales and service	37,832,436	36,210,145
Endowment and investment income	40,973,689	34,506,803
Other sources	53,443,796	58,437,463
<b>TOTAL PLEDGED REVENUES</b>	<b>\$ 561,507,909</b>	<b>\$ 519,931,652</b>

In October 2016, the Hospital joined three other affiliated entities (Callahan Eye Hospital Health Care Authority, UAB-HS and HSF) in the formation of an obligated group through a master trust indenture. Under the terms of the indenture, each of the participating entities can issue its own debt through a conduit entity, the UAB Medicine Financing Authority, but all members of the obligated group are jointly and severally liable for the debt of each entity issued through the obligated group.

In October 2016, the Hospital defeased certain indebtedness through the issuance of \$65,215,000 in Series 2016A Bonds and \$302,530,000 in Series 2016B Bonds through the obligated group. For this defeasance, funds were deposited in escrow trust accounts sufficient to provide for the subsequent payment of principal and interest on the defeased indebtedness. The funds from the debt issued were utilized to refund the Hospital Revenue Bonds Series 2006A Bonds and Series 2008A Bonds, as well as the Series 2012C Bonds. The undiscounted cash flows required to service principal and interest under the old bonds would have been \$652,176,000 compared to undiscounted cash flow requirements of \$612,087,000 under the new bonds. The economic gain to the Hospital from the bond refunding was \$30,030,000 using an effective interest rate of 3.56% applied to the old and new bond cash flow requirements.

In May 2017, the Hospital refunded certain indebtedness through the issuance of \$18,385,000 in Series 2017A Bonds and \$44,810,000 in Series 2017B Bonds through the obligated group. The funds from the debt issued were used to refund the Hospital Revenue Bonds Series 2012B bonds. The undiscounted cash flows required to service principal and interest under the old bonds would have been \$73,351,000 compared to undiscounted cash flow requirements of \$97,179,000 under the new bonds. The economic loss to the Hospital from the bond refunding was \$18,116,000 using an effective interest rate of 3.38% applied to the old and new bond cash flow requirements.

In November 2016, the University issued \$24,495,000 in Series 2016A General Revenue Bonds. The bonds pay interest at a rate of 2.94% with principal due annually through October 1, 2026. In November 2016, the University issued \$95,585,000 in Series 2016B General Revenue Bonds. The bonds pay interest at varying rates of 4.0% to 5.0% with principal due annually through October 1, 2043. The proceeds of both the Series 2016A and 2016B bonds will be used for the purposes of financing a portion of the cost of certain capital improvements to the UAB campus, as well as paying costs and expenses associated with this issue. These bonds were issued at a premium of \$6,855,700 resulting in total cash received of \$126,935,700.

The UAB general revenue bonds and the Hospital Revenue Trust Indentures are subject to certain covenants with the most restrictive being those on the Hospital's 2012A series issuance. These covenants, among other things, require the Hospital to ensure pledged revenues are sufficient for debt service coverage by a ratio of 1.1 times. UAB and the Hospital are in compliance with all financial covenants as of September 30, 2017.

The UAB Medicine Financing Authority's Revenue Trust Indentures are also subject to certain covenants. These covenants require the obligated group to ensure pledged revenues are sufficient for debt service coverage by a ratio of 1.1 times. The obligated group is in compliance with all financial covenants as of September 30, 2017.

## (8) 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 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 2017 and 2016 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, 2017 and 2016, the liquid assets of the PLTF, as defined by the agreement, were in compliance with the agreement.

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

General liability is subject to various claims and aggregate limits, with excess liability coverage provided by an independent insurer. General liability and employee health care claims and expenses are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Those losses include an estimate of claims that have been incurred but not reported and the future costs of handling claims. The general liability liabilities are generally based on actuarial valuations and are reported at present value. The discount rate used for the general liability was 2% in both 2017 and 2016.

Changes in the total self-insured liabilities for the years ended September 30, 2017 and 2016 are presented as follows for UAB:

<b>SELF INSURED LIABILITIES</b>	<b>2017</b>		<b>2016</b>	
Balance, beginning of year	\$	9,204,161	\$	6,594,264
Claims incurred and changes in estimates		64,863,071		67,811,018
Claim payments		(64,288,197)		(65,201,121)
<b>BALANCE, END OF YEAR</b>	<b>\$</b>	<b>9,779,035</b>	<b>\$</b>	<b>9,204,161</b>

# (9)

## Employee Benefits

### Retirement and Pension Plans

Most employees of the University, the Hospital, and UABRF participate in the Teachers' Retirement System of Alabama (TRS), a cost-sharing, multiple-employer public retirement system. Certain employees also participate in an optional 403(b) plan (403(b) Plan). TRS is a defined benefit plan and the 403(b) Plan is a defined contribution plan.

### General Information about the Pension Plan

**Plan Description.** The Teachers' Retirement System of Alabama, a cost-sharing multiple-employer public employee retirement plan, was established as of September 15, 1939, under the provisions of Act 419 of the Legislature of 1939 for the purpose of providing retirement allowances and other specified benefits for qualified persons employed by State-supported educational institutions. The responsibility for the general administration and operation of the TRS is vested in its Board of Control. The TRS Board of Control consists of 15 trustees. The plan is administered by the Retirement Systems of Alabama (RSA). Title 16-Chapter 25 of the Code of Alabama grants the authority to establish and amend the benefit terms to the TRS Board of Control. The Plan issues a publicly available financial report that can be obtained at [www.rsa-al.gov](http://www.rsa-al.gov).

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

Act 377 of the Legislature of 2012 established a new tier of benefits (Tier 2) for members hired on or after January 1, 2013. Tier 2 TRS members are eligible for retirement after age 62 with 10 years or more of creditable service and are entitled to an annual retirement benefit, payable monthly for life unless there is a return to full-time employment with a TRS or ERS agency, or to temporary employment in excess of specified limits. Service and disability retirement benefits are based on a guaranteed minimum or a formula method, with the member receiving payment under the method that yields the highest

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

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

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

UAB's contractually required contribution rate for the year ended September 30, 2017 was 12.01% of annual pay for Tier 1 members and 10.82% of annual pay for Tier 2 members. UAB's contribution rate for the year ended September 30, 2016 was 11.94% of annual pay for Tier 1 members and 10.84% of annual pay for Tier 2 members. These required contribution rates are a percent of annual payroll, actuarially determined as an amount that, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, with an additional amount to finance any unfunded accrued liability. The contribution requirements for fiscal years 2017, 2016 and 2015, respectively, were approximately \$147,311,000, \$144,624,000 and \$143,414,000, which consisted of \$91,311,000, \$89,326,000 and \$87,868,000 from UAB and \$56,000,000, \$55,298,000 and \$55,546,000 from employees.

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions.** At September 30, 2017 and September 30, 2016, UAB reported a liability of \$1,284,396,000 and \$1,247,128,000, respectively, for its proportionate share of the collective net pension liability. At September 30, 2017, the collec-

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

30, 2016, UAB's proportion was 11.86%, which was a decrease of 0.05% from its proportion measured as of September 30, 2015. At September 30, 2015, UAB's proportion was 11.91%, which was a decrease of 0.27% from its proportion measured as of September 30, 2014.

For the years ended September 30, 2017 and September 30, 2016, UAB recognized pension expense of \$117,135,000 and \$84,171,000, respectively. At September 30, 2017 and 2016, UAB reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<b>2017</b>		Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$	-	\$ 33,080,000
Changes of assumptions		90,683,000	-
Net difference between projected and actual earnings on pension plan investments		18,564,000	-
Changes in proportion and differences between Employer contributions and proportionate share of contributions		-	36,975,000
Employer contributions subsequent to the measurement date		88,660,000	-
<b>Total</b>	<b>\$</b>	<b>197,907,000</b>	<b>\$ 70,055,000</b>

<b>2016</b>		Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$	-	\$ 6,762,000
Changes of assumptions		-	-
Net difference between projected and actual earnings on pension plan investments		81,647,000	-
Changes in proportion and differences between Employer contributions and proportionate share of contributions		-	45,013,000
Employer contributions subsequent to the measurement date		86,334,000	-
<b>Total</b>	<b>\$</b>	<b>167,981,000</b>	<b>\$ 51,775,000</b>

\$88,660,000 reported as deferred outflows of resources related to pensions resulting from UAB contributions subsequent to the measurement date as of September 30, 2017 will be recognized as a reduction of the net pension liability in the year ended September 30, 2018. \$86,334,000 reported as deferred outflows of resources related to pensions resulting from UAB contributions subsequent to the measurement date as of September 30, 2016 is recognized as a reduction of the net pension liability in the year ended September 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year ended September 30:</b>	
2018	\$ 3,166,000
2019	3,165,000
2020	28,382,000
2021	409,000
2022	4,070,000
Thereafter	-

**Actuarial assumptions.** The total pension liability was determined by an actuarial valuation as of September 30, 2015 using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Investment rate of return*	7.75%
Projected salary increases	3.25% - 5.0%

\*Net of pension plan investment expense

The actuarial assumptions used in the actuarial valuation as of September 30, 2015, were based on the results of an actuarial experience study for the period October 1, 2010 – September 30, 2015.

Post-Retirement mortality rates for service retirements and dependent beneficiaries were based on the RP-2000 White Collar Mortality Table projected to 2020 using scale BB and adjusted 115% for all ages for males and 112% for ages 78 and over for females. The rates of disabled mortality were based on the RP-2000 Disabled Mortality Table projected to 2020 using scale BB and adjusted 105% for males and 120% for females.

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



expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimates of geometric real rates of return for each major asset class are as follows:

	Target Allocation	Long-Term Expected Rate of Return*
Fixed Income	18.0%	4.4%
U.S. Large Stocks	32.0%	8.0%
U.S. Mid Stocks	9.0%	10.0%
U.S. Small Stocks	4.0%	11.0%
International Developed Market Stocks	12.0%	9.5%
International Emerging Market Stocks	3.0%	11.0%
Alternatives	10.0%	10.1%
Real Estate	10.0%	7.5%
Cash	2.0%	1.5%
<b>Total</b>	<b>100.00%</b>	

\*Includes assumed rate of inflation of 2.50%.

**Discount rate.** The discount rate used to measure the total pension liability was 7.75%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that the employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, components of the pension plan's fiduciary net position were projected to be available to make all projected future benefit payments of current pan members. Therefore, the long-term expected rate of return on pension plan

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

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

The following table presents UAB's proportionate share of the net pension liability calculated using the discount rate of 7.75%, as well as what UAB's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.75%) or 1-percentage-point higher (8.75%) than the current rate:

		1% Decrease (6.75%)	Current Rate (7.75%)	1% Increase (8.75%)
UAB's proportionate share of collective net pension liability	\$	1,711,101,000	\$ 1,284,396,000	\$ 923,144,000

**Pension plan fiduciary net position.** Detailed information about the pension plan's fiduciary net position is available in the separately issued RSA Comprehensive Annual Report for the fiscal year ended September 30, 2016. The supporting actuarial information is included in the GASB Statement No. 67 Report for the TRS prepared as of September 30, 2016. The auditor's report dated September 22, 2017 on the total pension liability, total deferred outflows of resources, total deferred inflows of resources, total pension expense for the sum of all participating entities as of September 30, 2016 along with supporting schedules is also available. The additional financial and actuarial information is available at [www.rsa-al.gov](http://www.rsa-al.gov).

and \$45,680,000 which included approximately \$25,791,000 and \$22,840,000 each from UAB and its employees.

The University, the Hospital, LLC and UABRF total salaries and wages for fiscal years 2017 and 2016, respectively, were approximately \$1,170,362,000 and \$1,099,285,000. Total salaries and wages during fiscal years 2017 and 2016 for covered employees participating in TRS were approximately \$774,349,000 and \$757,941,000, respectively. Total salaries and wages during fiscal years 2017 and 2016 for covered employees participating in the 403(b) Plan were approximately \$550,761,000 and \$484,800,000, respectively.

**Other Retirement Plans**

Certain employees also participate in an optional 403(b) plan (403(b) Plan), which is a defined contribution plan. In defined contribution plans, benefits depend solely on amounts contributed plus investment earnings. All full-time regular monthly employees are eligible to participate from the date of employment. UAB contributes a matching amount of up to 5% of total salaries for participating employees. UAB's contribution is funded as it accrues and, along with that of the employee, is immediately and fully vested. The contributions for 2017 and 2016, respectively, excluding employee amounts not eligible for matching, were approximately \$51,582,000

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

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

## Compensated Absences

Certain UAB employees accumulate vacation and sick leave at varying rates depending upon their years of continuous service and their payroll classification, subject to maximum limitations. Upon termination of employment, employees are paid all unused accrued vacation at their regular rate of pay up to a designated maximum number of days. In accordance with GASB Statement No. 16, *Accounting for Compensated Absences*, the financial statements include accruals of approximately \$70,956,000 and \$68,975,000 as of September 30, 2017 and 2016, 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.

## (10) Postemployment Benefits

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

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

PEEHIP is a cost-sharing multiple-employer defined benefit OPEB plan administered by the Public Education Employees Health Insurance Board. PEEHIP offers a basic hospital/medical plan that provides basic medical coverage for up to 365 days of care during each hospital confinement. The basic hospital/medical plan also provides for physicians' benefits, outpatient care, prescription drugs, and mental health benefits. Major medical benefits under the basic hospital/medical plan are subject to a lifetime contract maximum of \$1,000,000 for each covered individual. The financial report for PEEHIP can be obtained by contacting TRS. The

Code of Alabama 1975, Section 16-25-A-8 provides authority to set the contribution requirements for retirees and employers. The required contribution rates of retirees are as follows as of September 30, 2017 and 2016:

### Retired Member Rates

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

The required contribution rates of the employer were \$373 and \$399 per employee per month in the years ended September 30, 2017 and 2016, respectively. 100% of 2017 and 2016 contributions were paid in 2017. UAB contributed \$21,051,000 and \$22,248,000 to PEEHIP in 2017 and 2016, 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 UAB Benefits Committee. The portion of the UAB plan related to the life insurance may be amended by the System.

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

In accordance with GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, UAB accrued an additional \$4,804,927 and \$4,511,358 in retiree healthcare and benefit expense during the years ended September 30, 2017 and 2016, 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, 2017 and 2016 is as follows:

	2017	2016	2015
Annual required contributions	\$ 9,667,361	\$ 8,471,374	\$ 8,052,020
Interest on obligations for retiree benefits	1,294,739	1,114,284	1,642,495
Adjustment to annual required contribution	(1,195,988)	(1,029,297)	(1,251,505)
Annual retiree benefit costs	9,766,112	8,556,361	8,443,010
UAB Contributions	(4,961,185)	(4,045,001)	(4,050,112)
Increase in obligations for retiree benefits	4,804,927	4,511,360	4,392,898
Obligations for retiree benefits, beginning of year	32,368,470	27,857,110	23,464,212
<b>Total obligations for retiree benefits, end of year</b>	<b>\$ 37,173,397</b>	<b>\$ 32,368,470</b>	<b>\$ 27,857,110</b>

The annual retiree benefit cost, percentage of the annual retiree benefit cost contributed to the retiree benefit plan and the net obligation for retiree benefits for UAB for the years ended September 30, 2017 and 2016 are as follows:

	2017	2016	2015
Annual retiree benefit cost	\$ 9,766,112	\$ 8,556,361	\$ 8,443,010
Percentage of annual cost contributed	50.80%	47.27%	47.97%
Net obligation to the retiree benefit plan	\$ 37,173,397	\$ 32,368,470	\$ 27,857,110

### Funded Status

Actuarial valuations represent a long-term perspective and involve estimates of the value of reported 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, 2016, 2015 and 2014 was as follows:

	2017	2016	2015
Actuarial accrued liability	\$ 61,583,129	\$ 59,143,976	\$ 49,061,930
Actuarial value of plan assets	-	-	-
Unfunded actuarial accrued liability	\$ 61,583,129	\$ 59,143,976	\$ 49,061,930
Funding ratio	Zero	Zero	Zero
Covered payroll	\$ 908,352,962	\$ 885,142,710	\$ 873,791,461
Unfunded actuarial accrued liability as a percentage of covered payroll	6.78%	6.68%	5.61%

### Actuarial Methods and Assumptions

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

Significant actuarial methods and assumptions used in the valuation were:

- actuarial valuation date, October 1, 2015
- actuarial cost method-projected unit cost method;
- assumed return on investment of 4% per year, based on the estimated return on UAB's assets expected to be used to finance benefits;
- health care cost trend rate 7.75% and 7.5% for the years ended September 30, 2016 and September 30, 2015, respectively, reduced by increments to an ultimate rate of 5.0% over years through 2022;
- amortization of the initial unfunded actuarial liability over 30 years on a level percent of pay method with payroll growth rate of 3.25%

## **(11) Federal Direct Student Loan Program**

The Federal Direct Student Loan Program (FDSLPL) was established under the Higher Education Act of 1965, as amended in the Student Loan Reform Act of 1993. The FDSLPL enables an eligible student or parent to obtain a loan to pay for the student's cost of attendance directly through the university rather than through private lenders. UAB began participation in the FDSLPL on July 1, 1994. As a university qualified to originate loans, UAB is responsible for handling the complete loan process, including funds management, as well as promissory note functions. UAB is not responsible for collection of these loans. During the years ended September 30, 2017 and 2016, respectively, UAB disbursed approximately \$162,961,000 and \$148,930,000 under the FDSLPL.

## **(12) Grants and Contracts**

At September 30, 2017 and 2016, respectively, UAB had been awarded approximately \$472,428,000 and \$447,545,000 in grants and contracts which had not been expended. These awards, which represent commitments of sponsors to provide funds for specific research, training, and service projects, have not been reflected in the financial statements.

# (13) Operating Expenses by Function

Total operating expenses by functional classification for the years ended September 30, 2017 and 2016 are as follows for UAB:

<b>September 30, 2017</b>	<b>SALARIES, WAGES, AND BENEFITS</b>	<b>SUPPLIES AND SERVICES</b>	<b>DEPRECIATION</b>	<b>SCHOLARSHIPS AND FELLOWSHIPS</b>	<b>TOTAL</b>
Instruction	\$ 243,398,100	\$ 35,656,697	\$ -	\$ -	\$ 279,054,797
Research	165,315,160	111,762,125	-	-	277,077,285
Public service	108,204,084	35,489,272	-	-	143,693,356
Academic support	150,709,076	26,587,070	-	-	177,296,146
Student services	26,252,778	18,975,356	-	-	45,228,134
Institutional support	73,647,104	59,822,827	-	-	133,469,931
Operations and maintenance of plant	29,984,411	31,168,555	-	-	61,152,966
Scholarships and fellowships	-	-	-	26,559,327	26,559,327
Hospital	741,618,224	755,107,074	-	-	1,496,725,298
Auxiliary	59,570,209	516,338,637	-	-	575,908,846
Depreciation	-	-	137,431,750	-	137,431,750
<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 1,598,699,146</b>	<b>\$ 1,590,907,613</b>	<b>\$ 137,431,750</b>	<b>\$ 26,559,327</b>	<b>\$ 3,353,597,836</b>

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

## (14) Contingencies and Commitments

UAB has sovereign immunity and is, therefore, in the opinion of UAB counsel, immune to ordinary tort actions including those based on medical malpractice or general injury to patients. Consequently, while UAB is sometimes named as defendant in malpractice actions and other actions for injuries arising in the Hospital, it has consistently been dismissed from those lawsuits on the basis of the sovereign immunity doctrine. That doctrine also protects UAB from vicarious liability arising from the negligence of its employees. To the extent that UAB employees are sued in their individual capacity for actions related to their official duties within the line and scope of their employment, UAB has defended those actions and paid for any resulting costs through its self-insured trust fund. While UAB is not aware of any impending threat to this doctrine, UAB is a named insured under the terms of the PLTF and excess insurance purchased from commercial companies (Note 8). 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.

UAB has contracted for the construction and renovation of several facilities. At September 30, 2017 and 2016, the estimated remaining cost to complete the construction and renovation of these facilities was approximately \$222,936,000 and \$177,652,000, respectively, which is expected to be financed from private gifts, grants, bond proceeds, and UAB reserves.

## (15) Health Care Services Net Patient Service Revenue

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

**Medicare**—Substantially all acute-care services rendered to Medicare program beneficiaries are paid at prospectively determined rates. These rates vary according to patient classification systems that are based on clinical, diagnostic and other factors. Additionally, the Hospital is reimbursed for both its direct and indirect medical education costs (as defined), principally based on per-resident prospective payment amounts and certain adjustments to prospective rate-per-discharge operating reimbursement payments. The Hospital generally is reimbursed for certain retroactively settled items at tentative rates with final settlement determined after submission of annual cost reports by the Hospital and audits by the Medicare fiscal intermediary. The Hospital's cost reports have been audited and settled for all fiscal years through 2009. Revenue from the Medicare program accounted for approximately 23% and 25% of the Hospital's net patient service revenue for the years ended September 30, 2017 and 2016, respectively.

Section 302 of the Tax Relief and Health Care Act of 2006 authorized a permanent program involving the use of third-party recovery audit contractors (RACs) to identify Medicare overpayments and underpayments made to providers. As of September 30, 2017, the Hospital reported claims in various stages of review based on the requests received by the RACs during the fiscal year. Payment recoveries resulting from RAC reviews are appealable through administrative and judicial processes, and the Hospital intends to pursue the reversal of adverse determinations where appropriate. The Hospital cannot predict with certainty the impact of the Medicare RAC program on future results of operations or cash flows.

**Blue Cross**—Inpatient services rendered to Blue Cross subscribers are paid at a prospectively determined per diem rate. Outpatient services are reimbursed at a prospectively determined rate or under a cost reimbursement methodology. The method of reimbursement is determined by the procedures that are performed. For outpatient services reimbursed under a cost reimbursement methodology, the Hospital is reimbursed at a tentative rate with a final settlement

determined after submission of annual cost reports by the Hospital and audits thereof by Blue Cross. The Hospital's Blue Cross cost reports have been audited and settled for all fiscal years through 2014. Effective December 1, 2016, Blue Cross outpatient services began being reimbursed under the Enhanced Ambulatory Payment Group (EAPG) methodology. This is a prospective payment methodology with no retroactive settlement. Revenue from the Blue Cross program accounted for approximately 33% of the Hospital's net patient service revenue for each of the years ended September 30, 2017 and 2016.

**Medicaid**—Inpatient services rendered to Medicaid program beneficiaries are reimbursed at all-inclusive prospectively determined per diem rates. Outpatient services are reimbursed based on an established fee schedule. The Hospital is designated as a Disproportionate Share Hospital (DSH) and received payments under the Medicaid DSH program. The Hospital participates in the Alabama Medicaid Plan and therefore, also receives supplemental payments based on formulas established by the Alabama Medicaid Agency. The net benefit associated with the Hospital's essential provider designation, totaling approximately

\$52,032,000 and \$51,667,000 in 2017 and 2016, respectively, is included in net patient service revenue in the accompanying statements of revenues, expenses, and changes in net position. There can be no assurance that the Hospital will continue to qualify for future participation in this program or that the program will not ultimately be discontinued or materially modified.

Revenue from the Medicaid program accounted for approximately 14% of the Hospital's net patient service revenue for each of the years ended September 30, 2017 and 2016.

**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:

	2017	2016
Gross Patient Service Revenue	\$ 6,462,059,140	\$ 6,017,301,912
Less Provision for Contractual and Other Adjustments	(4,846,599,442)	(4,436,084,563)
Less Provision for Bad Debts	(158,675,228)	(149,661,519)
Net Patient Service Revenue	\$ 1,456,784,470	\$ 1,431,555,830
Capitation Revenue	74,050,122	67,194,959
Other Operating Revenue	178,032,036	154,825,870
<b>TOTAL HOSPITAL SALES REVENUE</b>	<b>\$ 1,708,866,628</b>	<b>\$ 1,653,576,659</b>

### 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, 2017 and 2016:

	2017	2016
Approximate charges foregone, based on established rates	\$128,332,000	\$125,881,000
Percentage of charity charges to total charges	2.0%	2.1%

### 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, 2017 and 2016 follows:

	2017	2016
Other	44%	48%
Blue Cross	34%	29%
Medicare	15%	16%
Medicaid	7%	7%
	<b>100%</b>	<b>100%</b>

## Related Parties

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 \$26,983,000 and \$33,701,000 of funding from HSF in 2017 and 2016, 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 \$12,912,000 and \$11,155,000 in 2017 and 2016, respectively, and the Hospital purchases various services from HSF, aggregating approximately \$63,033,000 and \$54,050,000 for the years ended September 30, 2017 and 2016, respectively. As a result of these transactions, the Hospital had a net payable to HSF of approximately \$443,000 and \$6,856,000, respectively, at September 30, 2017 and September 30, 2016.

During 2009, the Hospital entered into an operating agreement with HSF whereby HSF began leasing two floors of the UAB Women and Infants' Facility when construction was completed in February 2010. HSF reimbursed the Hospital for construction costs of this space as they were incurred on a square-footage basis. Total reimbursements are being amortized as rent revenue on a straight-line basis over a period equal to the 90 year total lease term, commencing on February 20, 2010 when the building was placed into service. The Hospital had received reimbursements from HSF totaling approximately \$13,256,000 and \$13,453,000, which is included in the accompanying statement of net position as unearned revenue-other for the years ended September 30, 2017 and 2016, respectively. Approximately \$163,000 and \$147,000 was recognized as rent revenue during the years ended September 30, 2017 and 2016, 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, 2017 and 2016, respectively, UAB contributed approximately \$12,258,000 and \$11,325,000 to the UAB Health System Board to support Health System administrative functions. In addition, the Health System periodically makes payments on behalf of the Hospital for which it is reimbursed. The Hospital had a net payable to the Health System of approximately \$5,397,000 and \$965,000 for the years ended September 30, 2017 and 2016, respectively.

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

VF's primary purpose is to provide a group medical practice for physicians who are faculty members in the UAB School of Medicine Huntsville program. It is governed by a 17-member board of directors, consisting of three nonvoting members and 14 voting members, of whom seven are affiliated with UAB. VF's total assets were approximately \$10,985,000 and \$10,281,000 and total liabilities were approximately \$1,204,000 and \$922,000 at September 30, 2017 and 2016, respectively.

The Hospital received premium revenue (capitation fees) of approximately \$74,050,000 and \$67,195,000 from Triton during the years ended September 30, 2017 and 2016.

The Hospital purchased \$317,749,000 and \$262,561,000 in management, administrative, and staffing services from the LLC during the years ended September 30, 2017 and 2016, respectively. Payment for contract labor as reported on the Statements of Cash Flows includes amounts paid to employees of the LLC and HSF.



# (16) 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, 2017 and 2016 is as follows:

<b>UNIVERSITY</b>	<b>2017</b>	<b>2016</b>
<b>CONDENSED STATEMENT OF NET POSITION</b>		
Current assets	\$ 654,511,456	\$ 610,277,428
Capital assets, net	996,737,989	945,862,131
Other assets	852,896,146	691,304,093
<b>TOTAL ASSETS</b>	<b>\$ 2,504,145,591</b>	<b>\$ 2,247,443,652</b>
<b>DEFERRED OUTFLOW OF RESOURCES</b>	<b>\$ 140,903,826</b>	<b>\$ 119,112,500</b>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 2,645,049,417</b>	<b>\$ 2,366,556,152</b>
Current liabilities	322,891,887	284,736,684
Long-term debt	481,033,166	376,070,997
Other noncurrent liabilities	867,805,130	842,743,312
<b>TOTAL LIABILITIES</b>	<b>\$ 1,671,730,183</b>	<b>\$ 1,503,550,993</b>
<b>DEFERRED INFLOW OF RESOURCES</b>	<b>\$ 45,223,653</b>	<b>\$ 32,726,496</b>
Net investment in capital assets	562,669,870	565,195,592
Restricted nonexpendable	358,622,881	320,737,392
Restricted expendable	290,946,246	275,678,757
Unrestricted	(284,143,416)	(331,333,078)
<b>TOTAL NET POSITION</b>	<b>\$ 928,095,581</b>	<b>\$ 830,278,663</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION</b>	<b>\$ 2,645,049,417</b>	<b>\$ 2,366,556,152</b>
<b>CONDENSED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION</b>		
Tuition and fees, net	\$ 208,481,228	\$ 182,483,417
Grant and contract revenue	439,678,012	414,788,777
Sales and services, educational	69,216,946	68,415,573
Other operating revenues	91,276,232	94,647,608
Salaries, wages, and benefits	(818,442,321)	(752,103,864)
Supplies and services	(350,080,517)	(325,591,133)
Depreciation	(69,879,432)	(68,787,776)
Scholarships and fellowships	(26,558,508)	(24,831,560)
<b>OPERATING LOSS</b>	<b>(456,308,360)</b>	<b>(410,978,958)</b>
State appropriations	238,760,005	234,298,327
Investment income	81,842,390	68,554,657
Interest expense	(15,961,516)	(13,053,229)
Gifts	33,948,981	30,243,769
Other nonoperating revenues	33,761,571	29,235,348
<b>LOSS BEFORE OTHER CHANGES IN NET POSITION</b>	<b>(83,956,929)</b>	<b>(61,700,086)</b>
Capital gifts and grants	16,542,061	3,346,445
Endowment gifts	18,855,445	19,431,880
Intergovernmental transfers	146,376,341	146,300,061
<b>INCREASE IN NET POSITION</b>	<b>97,816,918</b>	<b>107,378,300</b>
Net position, beginning of year	830,278,663	722,900,363
<b>NET POSITION, END OF YEAR</b>	<b>\$ 928,095,581</b>	<b>\$ 830,278,663</b>
<b>CONDENSED STATEMENT OF CASH FLOWS</b>		
Net cash provided by (used in):		
Operating activities	\$ (353,031,634)	\$ (332,928,036)
Noncapital financing activities	473,699,206	492,340,116
Investing activities	(125,203,629)	(107,574,023)
Capital and related financing activities	(11,958,767)	(23,808,596)
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(16,494,824)</b>	<b>28,029,461</b>
Cash and cash equivalents, beginning of year	113,311,325	85,281,864
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b>\$ 96,816,501</b>	<b>\$ 113,311,325</b>

<b>HOSPITAL</b>	<b>2017</b>	<b>2016</b>
<b>CONDENSED STATEMENT OF NET POSITION</b>		
Current assets	\$ 725,418,022	\$ 656,520,801
Capital assets, net	599,832,955	588,466,572
Other assets	638,422,501	599,814,961
<b>TOTAL ASSETS</b>	<b>\$ 1,963,673,478</b>	<b>\$ 1,844,802,334</b>
<b>DEFERRED OUTFLOW OF RESOURCES</b>		
	<b>\$ 71,241,671</b>	<b>\$ 59,996,719</b>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 2,034,915,149</b>	<b>\$ 1,904,799,053</b>
Current liabilities	130,137,334	118,288,840
Long-term debt	458,114,497	467,612,515
Other noncurrent liabilities	443,385,379	431,813,217
<b>TOTAL LIABILITIES</b>	<b>\$ 1,031,637,210</b>	<b>\$ 1,017,714,572</b>
<b>DEFERRED INFLOW OF RESOURCES</b>		
	<b>\$ 24,901,000</b>	<b>\$ 19,138,000</b>
Net investment in capital assets	137,753,002	115,622,407
Restricted nonexpendable	1,121,797	128,099
Restricted expendable	35,030,572	29,807,577
Unrestricted	804,471,568	722,388,398
<b>TOTAL NET POSITION</b>	<b>\$ 978,376,939</b>	<b>\$ 867,946,481</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION</b>	<b>\$ 2,034,915,149</b>	<b>\$ 1,904,799,053</b>
<b>CONDENSED STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION</b>		
Operating revenues	\$ 1,708,866,627	\$ 1,653,576,659
Operating expenses	(1,496,826,117)	(1,377,972,424)
Depreciation expense	(66,234,191)	(61,659,947)
<b>OPERATING INCOME</b>	<b>145,806,319</b>	<b>213,944,288</b>
State appropriations	33,406,248	33,031,401
Investment income	75,486,788	55,241,302
Interest expense	(17,511,375)	(18,976,982)
Gifts	57,113	1,586,529
Other nonoperating revenues	2,922,073	(323,364)
<b>INCOME BEFORE OTHER CHANGES IN NET POSITION</b>	<b>240,167,166</b>	<b>284,503,174</b>
Capital gifts and grants	1,012,172	720
Intergovernmental transfers	(130,748,880)	(134,082,645)
<b>INCREASE IN NET POSITION</b>	<b>110,430,458</b>	<b>150,421,249</b>
Net position, beginning of year	867,946,481	717,525,232
<b>NET POSITION, END OF YEAR</b>	<b>\$ 978,376,939</b>	<b>\$ 867,946,481</b>
<b>CONDENSED STATEMENT OF CASH FLOWS</b>		
Net cash provided by (used in):		
Operating activities	\$ 211,541,194	\$ 274,429,056
Noncapital financing activities	(92,902,717)	(119,464,715)
Investing activities	(27,716,582)	(21,930,024)
Capital and related financing activities	(102,113,228)	(85,948,010)
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(11,191,333)</b>	<b>47,086,307</b>
Cash and cash equivalents, beginning of year	48,397,840	1,311,533
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b>\$ 37,206,507</b>	<b>\$ 48,397,840</b>

## (17) Recently Issued Pronouncements

The GASB issued Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans* (“GASB 74”), in June 2015. The objective of this Statement is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or “OPEB”) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability. This Statement is effective for financial statements for fiscal years beginning after June 15, 2016. UAB has determined there was no material impact from its adoption of GASB 74.

The GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, (“GASB 75”), in June 2015. The objective of this Statement is to improve accounting and financial reporting by state and local governments for OPEB. This Statement is effective for fiscal years beginning after June 15, 2017. UAB is currently evaluating the impact that GASB 75 will have on its financial statements, but notes that the adoption of this standard will likely result in the recognition of a material liability and a corresponding material reduction of UAB’s unrestricted net position.

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

The GASB issued Statement No. 81, *Irrevocable Split-Interest Agreements*, in March 2016. The objective of this Statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. This statement is effective for financial statements for periods beginning after December 15, 2016, and should be applied retroactively. UAB has determined that there will be no material impact from its adoption of GASB 81.

The GASB issued Statement No. 82, *Pension Issues— an amendment of GASB Statements No. 67, No. 68, and No. 73*, in March 2016. The objective of this Statement is to address certain issues that have been raised with respect to Statements No. 67, *Financial Reporting for Pension Plans*, No. 68, *Accounting and Financial Reporting for Pensions*, and No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. Specifically, this Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. This Statement is effective for reporting periods beginning after June 15, 2016, except for the requirements of this Statement for the selection of assumptions in a circumstance in which an employer’s pension liability is measured as of a date other than the employer’s most recent fiscal year-end. In that circumstance, the requirements for the selection of assumptions are effective for that employer in the first reporting period in which the measurement date of the pension liability is on or after June 15, 2017. UAB has determined that there was no material impact from its adoption of GASB 82.

The GASB issued Statement No. 83, *Certain Asset Retirement Obligations*, in November 2016. This Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). This Statement is effective for reporting periods beginning after June 15, 2018. UAB is evaluating whether there will be any material impact from its adoption of GASB 83.

The GASB issued Statement No. 84, *Fiduciary Activities*, in January 2017. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement is effective for reporting periods beginning after December 15, 2018. UAB is evaluating whether there will be any material impact from its adoption of GASB 84.

The GASB issued Statement No. 85, *Omnibus 2017*, in March 2017. The objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a

variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits [OPEB]). This statement is effective for reporting periods beginning after June 15, 2017. UAB is evaluating whether there will be any material impact from its adoption of GASB 85.

The GASB issued Statement No. 86, *Certain Debt Extinguishment Issues*, in May 2017. The primary objective of this Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources—resources other than the proceeds of refunding debt—are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. This statement is effective for reporting periods beginning after June 15, 2017. UAB is evaluating whether there will be any material impact from its adoption of GASB 86.

The GASB issued Statement No. 87, *Leases*, in June 2017. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement is effective for reporting periods beginning after December 15, 2019. UAB is evaluating whether there will be any material impact from its adoption of GASB 87.

**The University of Alabama at Birmingham**  
**Required Supplementary Information (Unaudited)**

### Required Supplementary Information (Unaudited)

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

#### Actuarial Methods and Assumptions

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

Significant actuarial methods and assumptions used in the valuation were :

- actuarial valuation date, October 1, 2015;
- actuarial cost method-projected unit cost method;
- assumed return on investment of 4% per year, based on the estimated return on UAB's assets expected to be used to finance benefits;
- health care cost trend rate 7.75% and 7.5% for the years ended September 30, 2016 and 2015, respectively, reduced by increments to an ultimate rate of 5.0% over years through 2022;
- amortization of the initial unfunded actuarial liability over 30 years on a level percent of pay method with payroll growth rate of 3.25%;

#### Schedule of Funding Progress

RETIREE HEALTH AND LIFE INSURANCE PLAN							
Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	(Deficit)	Funded Ratio	Annual Covered Payroll	(Deficit)/Covered Payroll	
October 1, 2016	None	\$ 61,583,129	\$ (61,583,129)	Zero	\$ 908,352,962	-6.8%	
October 1, 2015	None	\$ 59,143,976	\$ (59,143,976)	Zero	\$ 885,142,710	-6.7%	
October 1, 2014	None	\$ 49,061,030	\$ (49,061,030)	Zero	\$ 873,791,461	-5.6%	
October 1, 2013	None	\$ 47,438,259	\$ (47,438,259)	Zero	\$ 889,980,309	-5.3%	
October 1, 2012	None	\$ 46,446,404	\$ (46,446,404)	Zero	\$ 967,667,454	-4.8%	
October 1, 2011	None	\$ 44,358,077	\$ (44,358,077)	Zero	\$ 921,253,387	-4.8%	
October 1, 2010	None	\$ 52,061,639	\$ (52,061,639)	Zero	\$ 887,356,263	-5.9%	
October 1, 2009	None	\$ 51,649,871	\$ (51,649,871)	Zero	\$ 838,331,004	-6.2%	
October 1, 2008	None	\$ 53,920,021	\$ (53,920,021)	Zero	\$ 838,658,508	-6.4%	

### Required Supplementary Information (Unaudited)

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

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

	2017	2016	2015
Proportion of the net pension liability	11.863961%	11.916376%	12.188512%
Proportionate share of the net pension liability	\$1,284,396,000	\$1,247,128,000	\$1,107,275,000
Covered payroll during the measurement period	\$876,899,000	\$864,300,000	\$880,666,000
Proportionate share of the net pension liability as a percentage of covered payroll	146.47%	144.29%	125.73%
Plan fiduciary net position as a percentage of the total pension liability	67.93%	67.51%	71.01%

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

	2017	2016	2015
Contractually required contribution	\$88,660,000	\$86,334,000	\$84,999,000
Contributions in relation to the contractually required contribution	\$88,660,000	\$86,334,000	\$84,999,000
Contribution deficiency (excess)	0	0	0
Covered payroll	\$901,338,000	\$876,899,000	\$864,300,000
Contributions as a percentage of covered payroll	9.84%	9.85%	9.83%

#### Notes to Schedules

Covered payroll: The payroll on which contributions to a pension plan are based.

Measurement period: For fiscal year 2017, the measurement period is October 1, 2015 - September 30, 2016. For fiscal year 2016, the measurement period is October 1, 2014 - September 30, 2015. For fiscal year 2015, the measurement period is October 1, 2013 - September 30, 2014.

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