INDEX
SEPTEMBER 30, 2012

Financial Report Highlights
September 30, 2012

Introduction

This Financial Report presents the financial position and financial activity of the University of South Alabama utilizing the fund basis of accounting. The report presents the assets, liabilities and fund balances of each fund including the current funds (unrestricted and restricted), loan funds, endowment funds, and plant funds (renewals and replacements, retirement of indebtedness and investment in plant). The financial reporting requirements of the Governmental Accounting Standard Board, by which the University reports its quarterly financial statements, are not utilized in this monthly financial report.

Financial Highlights

Financial report highlights at, and for the year ended, September 30, 2012 and 2011 are as follows (in thousands):

	At and for the year ended 9-30-12	At and for the year ended 9-30-11
Total assets		
Current	$ 121,271	$ 148,950
Loan	5,511	4,876
Endowment	141,264	126,659
Plant	715,009	654,666
Fund Balances		
Current	$ 6,170	$ 5,703
Loan	876	345
Endowment	110,497	99,219
Plant	337,741	654,666
Other balance sheet highlights		
Cash and investments	$ 295,433	$ 265,099
Receivables, primary patient care	66,195	77,083
Bonds payable	352,541	326,365

	For the year ended 9-30-12	For the year ended 9-30-11
Selected operating highlights (current funds)		
Tuition and fees	$ 118,673	$ 110,589
State appropriations	105,371	96,949
Hospital revenues	333,929	296,534
Gifts, grants and contracts	113,684	131,733
Instruction and academic support	135,912	135,795
Research and public service	77,038	79,269
Hospital expenses	329,868	306,159
Net current fund increase (decrease)	467	(5,167)

Financial Analysis

This report should be read in conjunction with the University's monthly financial reports and with the understanding of the cyclical nature of the University's operations. Certain revenues (tuition and fees, auxiliary enterprises, etc.) are received at specific times in the University's fiscal year while certain other revenue streams (hospital, state appropriations) are received throughout the year. Additionally, certain revenue and expense items fluctuate with changes in enrollment while others do not. As a result of these items, significant fluctuations of cash and investments along with other balance sheet items are normal.

Economic Outlook

While enrollment and tuition have increased in recent years, the University has experienced a significant decline in state appropriations over the past 5 years. Additionally, the University is subject to the uncertainties of the general economic conditions in the United States and the State of Alabama. Administration is not aware of any other conditions that are expected to have a significant impact on the University's financial position in 2013 or beyond.

UNIVERSITY OF SOUTH ALABAMA
BALANCE SHEETS
SEPTEMBER 2012 AND 2011

ASSETS	2012	2011
CURRENT FUNDS:		
UNRESTRICTED:		
CASH AND CASH EQUIVALENTS	$ 135,598.84	$ 134,803.84
INVESTMENTS	5,333,753.18	40,520,853.48
ACCOUNTS RECEIVABLE - PATIENTS (LESS ALLOWANCE FOR DOUBTFUL ACCOUNTS OF $53,946,769.71 FOR 2012 AND $48,952,348.12 FOR 2011)	66,194,529.74	77,082,519.97
DEPOSITS	35,000.00	35,000.00
INVENTORIES AT COST	5,486,178.34	4,843,723.68
PREPAID EXPENSES	34,071,637.68	20,289,794.84
TOTAL UNRESTRICTED	111,256,697.78	142,906,695.81
RESTRICTED FUNDS:		
INVESTMENTS	8,647.20	3,999.33
UNBILLED COSTS AND ACCOUNTS RECEIVABLE	10,005,453.92	6,039,694.21
TOTAL RESTRICTED	10,014,101.12	6,043,693.54
TOTAL CURRENT FUNDS	121,270,798.90	148,950,389.35
LOAN FUNDS:		
CASH AND CASH EQUIVALENTS	1,165,850.16	1,260,057.30
NOTES RECEIVABLE (LESS ALLOWANCE FOR DOUBTFUL ACCOUNTS OF $722,025.21 FOR 2012 AND $446,174.34 FOR 2011)	4,344,937.07	3,615,690.72
TOTAL LOAN FUNDS	5,510,787.23	4,875,748.02
ENDOWMENT FUNDS:		
CASH AND CASH EQUIVALENTS	43,345,325.44	35,857,842.44
INVESTMENTS	86,973,612.82	79,120,274.52
ACCOUNTS RECEIVABLE	4,184,699.32	5,475,519.44
REAL ESTATE HELD FOR RESALE	3,162,768.00	2,649,768.00
PREPAID-LIFE ESTATE	3,597,553.00	3,555,370.00
TOTAL ENDOWMENT FUNDS	141,263,958.58	126,658,774.40
PLANT FUNDS:		
CASH AND CASH EQUIVALENTS	131,419,567.33	48,860,226.98
INVESTMENTS	23,887,416.66	56,691,453.45
ACCOUNTS RECEIVABLE	2,444,316.67	3,112,261.65
DUE FROM OTHER FUNDS	18,335,988.99	51,618,468.37
PREPAID EXPENSES	5,427,362.54	4,542,959.38
CAPITAL LEASE RECEIVABLE	295,204.13	809,900.81
INVESTMENT IN PLANT:		
LAND	22,242,549.92	22,056,047.66
LAND IMPROVEMENTS	14,641,224.10	11,712,622.26
BUILDINGS , ACCUM DEPREC AND IMPROVEMENTS	319,089,577.63	305,592,163.22
OTHER EQUIPMENT, BOOKS AND FILMS	57,462,244.40	61,542,190.80
CONSTRUCTION IN PROGRESS	119,763,169.69	88,128,110.04
TOTAL PLANT FUNDS	715,008,622.06	654,666,404.62
TOTAL ASSETS	$ 983,054,166.77	$ 935,151,316.39

LIABILITIES AND FUND BALANCES	2012	2011
CURRENT FUNDS:		
UNRESTRICTED:		
ACCOUNTS PAYABLE AND ACCRUED LIABILITIES	$ 43,129,724.37	$ 44,503,118.82
DEFERRED REVENUES	44,519,540.81	44,080,478.87
DUE TO OTHER FUNDS	16,990,947.73	49,859,237.11
DEPOSITS HELD IN CUSTODY	963,791.08	0.00
OTHER DEPOSITS	817,681.03	849,936.54
FUND BALANCES:		
ALLOCATED FOR:		
HOSPITALS	(38,441,401.73)	(37,775,594.27)
AUXILIARY ENTERPRISES	2,978,800.50	2,333,648.70
ENCUMBRANCES	3,854,949.58	3,626,924.79
SELF-SUPPORTING ACTIVITIES	45,873,432.31	45,699,415.04
UNALLOCATED	(9,430,767.90)	(10,270,469.79)
TOTAL FUND BALANCES	4,835,012.76	3,613,924.47
TOTAL UNRESTRICTED	111,256,697.78	142,906,695.81
RESTRICTED FUNDS:		
ACCOUNTS PAYABLE AND ACCRUED LIABILITIES	3,796,612.42	1,265,456.33
DEFERRED REVENUES	3,537,363.76	930,137.31
DUE TO OTHER FUNDS	1,345,041.26	1,759,231.26
FUND BALANCES	1,335,083.68	2,088,868.64
TOTAL RESTRICTED	10,014,101.12	6,043,693.54
TOTAL CURRENT FUNDS	121,270,798.90	148,950,389.35
LOAN FUNDS:		
ACCOUNTS PAYABLE AND ACCRUED LIABILITIES	6,000.00	0.00
REFUNDABLE GOVERNMENT ADVANCES	4,628,943.38	4,530,636.86
FUND BALANCES:		
UNIVERSITY FUNDS, UNRESTRICTED	875,843.85	345,111.16
TOTAL FUND BALANCES	875,843.85	345,111.16
TOTAL LOAN FUNDS	5,510,787.23	4,875,748.02
ENDOWMENT FUNDS:		
ACCOUNTS PAYABLE AND ACCRUED LIABILITIES	23,609,000.00	20,660,600.00
BONDS PAYABLE	7,158,022.00	6,779,590.00
FUND BALANCES:		
RESTRICTED NONEXPENDABLE	33,825,008.46	31,254,927.31
UNRESTRICTED EXPENDABLE	76,671,928.12	67,963,657.09
TOTAL FUND BALANCES	110,496,936.58	99,218,584.40
TOTAL ENDOWMENT FUNDS	141,263,958.58	126,658,774.40
PLANT FUNDS:		
ACCOUNTS PAYABLE AND ACCRUED LIABILITIES	16,442,653.52	9,175,267.35
DEFERRED REVENUES	7,232,463.08	7,471,130.48
CAPITALIZED LEASE OBLIGATIONS	1,025,040.46	0.00
OTHER DEPOSITS	25,791.63	25,791.63
BONDS PAYABLE	352,541,195.24	326,364,503.50
FUND BALANCES:		
RENEWALS AND REPLACEMENTS	40,187,188.07	64,246,266.12
RETIREMENT OF INDEBTEDNESS	4,927,666.90	4,634,676.48
INVESTMENT IN PLANT	292,626,623.16	242,748,769.06
TOTAL FUND BALANCES	337,741,478.13	311,629,711.66
TOTAL PLANT FUNDS	715,008,622.06	654,666,404.62
TOTAL LIABILITIES AND FUND BALANCES	$ 983,054,166.77	$ 935,151,316.39

UNIVERSITY OF SOUTH ALABAMA
STATEMENT OF CHANGES IN FUND BALANCES
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	CURRENT FUNDS				PLANT FUNDS		
	UNRESTRICTED	RESTRICTED	LOAN FUNDS	ENDOWMENT FUNDS	RENEWALS AND REPLACEMENTS	RETIREMENT OF INDEBTEDNESS	INVESTMENT IN PLANT
REVENUES AND OTHER ADDITIONS:							
EDUCATIONAL AND GENERAL REVENUES	302,085,321.43						
HOSPITALS REVENUES	342,742,785.30						
AUXILIARY ENTERPRISES REVENUES	18,233,147.05						
GRANTS AND CONTRACTS:							
FEDERAL		53,206,286.99					
STATE AND LOCAL		6,370,999.06					
PRIVATE		5,087,672.33					
GOVERNMENT APPROPRIATIONS:							
FEDERAL			95,098.00				
STATE					238,700.00		
INVESTMENT INCOME,GAINS/LOSS			4,737.23	8,783,937.36	308,704.81	84,209.94	
INSURANCE PROCEEDS							
INTEREST ON LOANS RECEIVABLE			139,462.29			18,834.43	
GIFTS AND BEQUESTS				3,754,809.44			
EXPENDED FOR PLANT FACILITIES (INCLUDING $20,856,150.87 CURRENT FUNDS EXPENDITURES)							74,701,741.55
RETIREMENT OF INDEBTEDNESS							8,033,000.00
PROCEEDS FROM SALE OF CAPITAL ASSETS							
OTHER SOURCES		3,268,188.38		3,700.00	6,779,823.37		
TOTAL REVENUES AND OTHER ADDITIONS	663,061,253.78	67,933,146.76	239,297.52	12,542,446.80	7,327,228.18	103,044.37	82,734,741.55
EXPENDITURES AND OTHER DEDUCTIONS:							
EDUCATIONAL AND GENERAL EXPENDITURES	277,589,205.89	64,255,215.64					
HOSPITALS EXPENDITURES	323,976,988.11	750,462.00					
AUXILIARY ENTERPRISES EXPENDITURES	13,249,858.21						
INDIRECT COSTS RECOVERED		4,710,884.03					
REFUNDED TO GRANTORS		245,721.39	772.20				
RETIREMENT OF INDEBTEDNESS						8,033,000.00	
ADMINISTRATIVE AND COLLECTION COSTS			939.18				
EXPENDED FOR PLANT FACILITIES (INCLUDING $4,134,024.68 FOR NON-CAPITALIZED EXPENDITURES)					57,979,615.36		
INTEREST ON INDEBTEDNESS						13,388,090.77	8,860.42
DEPRECIATION EXPENSES OF PLANT FACILITIES							30,182,684.08
DISPOSAL OF PLANT							
OTHER DEDUCTIONS			(282,666.35)	386,961.66		241,182.71	835,228.99
TOTAL EXPENDITURES AND OTHER DEDUCTIONS	614,816,052.21	69,962,283.06	(280,954.97)	386,961.66	57,979,615.36	21,662,273.48	31,026,773.49
TRANSFERS AMONG FUNDS-ADDITIONS(DEDUCTIONS):							
MANDATORY:							
PRINCIPAL AND INTEREST	(22,173,938.57)				73,169.00	22,320,923.41	(220,153.84)
FINANCIAL AID MATCHING	(147,875.00)	137,309.00	10,566.00				
NON-MANDATORY:							
FUNDED DEPRECIATION	(11,505,521.30)				11,505,521.30		
MOBILE RACING COMMMISSION	(403,396.32)				403,396.32		
PLANT ADDITIONS AND REPLACEMENTS	(5,337,000.00)				5,259,900.00	77,100.00	
ENDOWMENT FUND	(2,548,372.08)	1,514,712.11		1,437,056.29	(403,396.32)		
OTHER TRANSFERS	(4,908,010.01)	(376,669.77)	(85.80)	(2,314,189.25)	9,754,718.83	(545,803.88)	(1,609,960.12)
TOTAL TRANSFERS	(47,024,113.28)	1,275,351.34	10,480.20	(877,132.96)	26,593,309.13	21,852,219.53	(1,830,113.96)
NET INCREASE (DECREASE) FOR THE PERIOD	1,221,088.29	(753,784.96)	530,732.69	11,278,352.18	(24,059,078.05)	292,990.42	49,877,854.10
FUND BALANCES AT OCTOBER 1, 2011	3,613,924.47	2,088,868.64	345,111.16	99,218,584.40	64,246,266.12	4,634,676.48	242,748,769.06
FUND BALANCES AT SEPTEMBER 30, 2012	$ 4,835,012.76	$ 1,335,083.68	$ 875,843.85	$ 110,496,936.58	$ 40,187,188.07	$ 4,927,666.90	$ 292,626,623.16

*HOSPITALS REVENUES AND HOSPITAL FUNDED DEPRECIATION TRANSFERS INCLUDE $11,505,521.30 IN MEDICAID DISPROPORTIONATE SHARE PAYMENTS.

UNIVERSITY OF SOUTH ALABAMA
STATEMENT OF CURRENT FUNDS REVENUES, EXPENDITURES AND OTHER CHANGES
FOR THE YEAR ENDED SEPTEMBER 30, 2012
WITH COMPARATIVE FIGURES FOR 2011

	YEAR ENDED SEPTEMBER 30, 2012			SEPTEMBER 30,
	UNRESTRICTED	RESTRICTED	TOTAL	2011
REVENUES:				
TUITION AND FEES	$ 118,672,519.39	$	$ 118,672,519.39	$ 110,588,703.21
STATE APPROPRIATIONS	96,556,892.00		96,556,892.00	88,612,804.00
MOBILE RACING COMMISSION	403,396.32		403,396.32	100,805.09
FEDERAL GRANTS AND CONTRACTS	3,921,909.00	48,372,681.62	52,294,590.62	70,313,358.15
STATE GRANTS AND CONTRACTS (INCLUDING INDIRECT COST RECOVERED OF $275,723.70)	731,204.89	5,745,578.81	6,476,783.70	6,097,544.41
PRIVATE GIFTS, GRANTS, AND CONTRACTS (INCLUDING INDIRECT COSTS RECOVERED OF $513,251.33)	50,356,487.63	4,555,687.12	54,912,174.75	55,321,658.35
INVESTMENT INCOME	77,966.50		77,966.50	145,161.91
SALES AND SERVICES OF EDUCATIONAL ACTIVITIES	4,307,480.30		4,307,480.30	5,238,003.19
HOSPITALS - SALES AND SERVICES	333,929,006.30		333,929,006.30 *	296,533,917.36
- STATE APPROPRIATIONS	8,813,779.00		8,813,779.00	8,336,013.00
AUXILIARY ENTERPRISES - SALES AND SERVICES	18,233,147.05		18,233,147.05	16,330,025.63
OTHER SOURCES	27,057,465.40	6,331,730.09	33,389,195.49	32,076,886.16
TOTAL CURRENT REVENUES	663,061,253.78	65,005,677.64	728,066,931.42	689,694,880.46
EXPENDITURES AND TRANSFERS:				
EDUCATIONAL AND GENERAL:				
INSTRUCTION	106,477,908.55	10,160,788.97	116,638,697.52	116,791,240.18
RESEARCH	9,711,347.92	12,038,854.58	21,750,202.50	23,444,347.07
PUBLIC SERVICE	49,933,532.16	5,354,325.28	55,287,857.44	55,824,404.69
ACADEMIC SUPPORT	19,267,689.21	5,905.57	19,273,594.78	19,004,197.71
STUDENT SERVICES	30,362,599.28	877,585.16	31,240,184.44	28,737,885.08
INSTITUTIONAL SUPPORT	26,144,255.82	1,179,591.35	27,323,847.17	27,400,271.83
OPERATION AND MAINTENANCE OF PLANT	26,342,677.86	13,671,622.18	40,014,300.04	42,899,612.38
SCHOLARSHIPS	9,349,195.09	20,967,004.55	30,316,199.64	30,224,122.97
EDUCATIONAL AND GENERAL	277,589,205.89	64,255,677.64	341,844,883.53	344,326,081.91
MANDATORY TRANSFERS FOR:				
PRINCIPAL AND INTEREST	14,014,482.40		14,014,482.40	14,402,565.68
FINANCIAL AID MATCHING	147,875.00		147,875.00	66,533.56
TOTAL EDUCATIONAL AND GENERAL	291,751,563.29	64,255,677.64	356,007,240.93	358,795,181.15
HOSPITALS (INCLUDING DEBT SERVICE OF $5,141,319.13)	329,118,307.24	750,000.00	329,868,307.24	306,159,379.22
AUXILIARY ENTERPRISES:				
EXPENDITURES	13,249,858.21		13,249,858.21	13,997,898.10
MANDATORY TRANSFERS FOR:				
PRINCIPAL AND INTEREST	3,018,137.04		3,018,137.04	1,559,315.16
NON-MANDATORY TRANSFERS FOR:				
RENEWALS AND REPLACEMENTS	1,320,000.00		1,320,000.00	418,772.52
TOTAL AUXILIARIES	17,587,995.25	0.00	17,587,995.25	15,975,985.78
TOTAL EXPENDITURES AND TRANSFERS	638,457,865.78	65,005,677.64	703,463,543.42	680,930,546.15
OTHER TRANSFERS AND ADDITIONS/(DEDUCTIONS):				
EXCESS OF RESTRICTED RECEIPTS OVER TRANSFERS TO REVENUES		(1,783,414.91)	(1,783,414.91)	244,111.80
REFUNDED TO GRANTORS		(245,721.39)	(245,721.39)	(228,151.24)
FUNDED DEPRECIATION	(11,505,521.30)		(11,505,521.30) *	(4,700,000.28)
MOBILE RACING COMMISSION	(403,396.32)		(403,396.32)	(100,805.09)
PLANT ADDITIONS AND REPLACEMENTS	(4,017,000.00)		(4,017,000.00)	(13,913,512.18)
ENDOWMENT FUND	(2,548,372.08)	1,514,712.11	(1,033,659.97)	(995,685.35)
OTHER TRANSFERS	(4,908,010.01)	(239,360.77)	(5,147,370.78)	5,763,069.50
TOTAL TRANSFERS	(23,382,299.71)	(753,784.96)	(24,136,084.67)	(13,930,972.84)
NET INCREASE/(DECREASE) IN FUND BALANCES	$ 1,221,088.29	$ (753,784.96)	$ 467,303.33	$ (5,166,638.53)

*HOSPITALS REVENUES AND HOSPITAL FUNDED DEPRECIATION TRANSFERS INCLUDE $11,505,521.30 IN MEDICAID DISPROPORTIONATE SHARE PAYMENTS.

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTS

The accompanying financial reports are the responsibility of management of the University of South Alabama. Management is responsible for adopting sound accounting policies, for maintaining an adequate and effective system of accounts, for the safeguarding of assets and for devising a system of internal control that will, among other things, help assure the production of proper financial statements. The transactions which should be reflected in the accounts and in the financial reports are matters within the direct knowledge and control of management.

BASIS OF PRESENTATION

The financial reports of the University of South Alabama (the University) are prepared on the accrual basis. The statement of current funds revenues, expenditures and other changes is a statement of financial activities of current funds related to the current reporting period. It does not purport to present the results of operations as would a statement of income or a statement of revenues and expenses.

To the extent that current funds are used to finance plant assets, the amounts so provided are accounted for as (1) expenditures, in the case of normal replacement of movable equipment and library books; (2) mandatory transfers, in the case of required provisions for debt amortization and interest and equipment renewal and replacement; and, (3) transfers of a nonmandatory nature in all other cases.

FUND ACCOUNTING

In order to observe limitations and restrictions placed on the use of resources available to the University, the accounts of the University are maintained in accordance with the principles of fund accounting. Resources for various purposes are classified for accounting and reporting purposes into funds which may be used for specified activities or objectives. Separate accounts are maintained for each fund; however, in the accompanying financial statements funds that have similar characteristics have been combined into fund groups. Accordingly, all financial transactions have been recorded and reported by fund group.

Within each fund group, funds restricted by outside sources are so indicated and are distinguished from funds designated for specific purposes by authority of the Board of Trustees.

USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires that management make estimates and assumptions affecting the reported amounts of assets and liabilities, revenues and expenses, as well as disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

CURRENT FUNDS

Current fund balances are separated into those which are unrestricted and those which are restricted by donors and grantors. Restricted funds may only be expended for the purpose indicated by the donor or grantor, whereas unrestricted funds are under the control of the University to use in achieving its educational purposes.

PLANT FUNDS

Plant funds include the transactions related to investment in institutional properties and related indebtedness.

Plant assets consisting of land, buildings, equipment and library books are stated at cost or, if contributed, at fair market value at the time of receipt. Investment in plant is reduced for disposals of plant assets.

Some equipment purchases are made from current funds and are presented under the appropriate functional classification of expenditures, while other additions are funded by transfers from unrestricted current funds to the plant funds. All such expenditures in excess of $5,000 having a life of two years or more are capitalized as investment in plant.

INVESTMENT IN POOLED FUNDS

Investments are stated at cost, except those received by gift which are stated at fair market value at date of receipt. Endowment investments of the University are maintained and administered in a common pool. Separate accounts are maintained for each fund, as applicable. Depositories and other financial institutions that held investments for the University have pledged securities of various governmental agencies to secure funds held on deposit.

UNRESTRICTED GIFTS

Except for pledged operating and capital gifts, unrestricted gifts are recognized as revenue when received. Certain operating and capital pledges are recorded as a receivable, along with the corresponding revenue, when such pledges are made.

GRANTS AND CONTRACTS

The University has been awarded grants and contracts for current funds operations for which the funds have not been received nor have expenditures been made for the purpose specified in the grant or contract. These awards have not been reflected in the financial reports, but represent commitments of sponsors to provide funds for specific research and training projects.

SCHOLARSHIPS AND FELLOWSHIPS

The University receives funds which are restricted by donors and grantors for assistance to qualified students. When these funds are granted to students, the University records the expenditure for scholarships and fellowships along with the corresponding revenue.

INCOME TAXES

The Internal Revenue Service has determined that the University is a tax-exempt organization; accordingly, no provision for income taxes has been made in the accompanying financial statements.

DEFERRED REVENUES AND EXPENDITURES

Dormitory rentals, student tuition and other fees, together with related expenditures, are deferred and amortized over the applicable academic semester.

EMPLOYEE BENEFITS

Employees of the University are covered by two pension plans, a defined contribution pension plan and a pension plan administered by the Teachers' Retirement System of the State of Alabama (the Retirement Plan).

The defined contribution pension plan covers certain academic and administrative employees and contributions under this plan are funded as accrued.

Permanent employees of the University participate in the Teachers' Retirement System of Alabama. The Retirement Plan is fully funded by the State and by contributions from participating employees. The University contributes 12.07% of each employee's gross earnings to the Retirement Plan and is reflected in current funds expenditures. All covered employees must contribute 5% of their gross earnings to the Retirement Plan. Benefits fully vest after 10 years of full-time, permanent employment.

LIABILITY INSURANCE

The University and certain of its affiliates participate in professional and general liability trust funds. These trust funds are irrevocable and use contributions by the University and its affiliates, together with earnings thereon, to pay liabilities arising from the performance of its employees. Contributions to the trusts are recorded as expenditures upon payment and are determined by independent actuaries. If the trust funds are ever terminated, appropriate provision for payment of reported claims will be made and any remaining balance will be distributed to the University and its affiliates in proportion to contributions made.

BONDS PAYABLE

Bonds payable consist of the following:

- University Tuition Revenue Refunding and Capital Improvements Bonds, Series 1996, 3.80% to 5.00%, payable through November 2015 (refunded in January 2007)
- University Tuition Revenue Bonds, Series 1999, 3.70% to 5.25%, payable through November 2018.
- University Tuition Revenue Refunding and Capital Improvement Bonds, Series 2004, 2.00% to 5.00%, payable through March 2024.
- University Tuition Revenue Refunding and Capital Improvement Bonds, Series 2006, 5.00% payable through June 2037.
- University Facilities Revenue Capital Improvement Bonds, Series 2008, 3.00% to 5.00%, payable through August 2038.
- University Facilities Revenue Capital Improvement Bond, Series 2010, 3.81% payable through August 2030.
- University Facilities Revenue Capital Improvement Bond, Series 2012A, 2.92% payable through August 2032.
- University Facilities Revenue Capital Improvement Bond, Series 2012B, 2.14% payable through February 2018.

LITIGATION

Various other claims have been filed against the University alleging discriminatory employment practices and other matters. University administration and legal counsel are of the opinion that the resolution of these matters will not have a material effect on the financial position or results of operations of the University.

MEDICAID DISPROPORTIONATE SHARE PAYMENTS

Hospitals revenues include funds received from the Alabama Medicaid Agency for services provided to a disproportionately high number of low income patients.

SUPPLEMENTAL SCHEDULES

SUMMARY SCHEDULE OF AUXILIARY ENTERPRISES
REVENUES, EXPENDITURES AND OTHER CHANGES
FOR THE YEAR ENDED SEPTEMBER 30, 2012
WITH COMPARATIVE FIGURES FOR 2011

				EXCESS REVENUES OVER EXPENDITURES AND OTHER CHANGES (DEFICIT)	
	REVENUES	EXPENDITURES	TRANSFERS	09/30/12	09/30/11
BOOKSTORE	$ 9,046,388.85	$ 8,355,965.86	$ (236,532.00)	$ 453,890.99	$ 0.00
BROOKLEY CENTER	0.00	0.00	0.00	0.00	(969,137.59)
FOOD SERVICES-CAMPUS	914,590.31	271,580.77	(570,685.04)	72,324.50	64,169.02
HOUSING	8,272,167.89	4,622,311.58	(3,530,920.00)	118,936.31	1,259,008.42
TOTAL	$ 18,233,147.05	$ 13,249,858.21	$ (4,338,137.04)	$ 645,151.80	$ 354,039.85

BOOKSTORE
STATEMENT OF REVENUES, EXPENDITURES AND OTHER CHANGES
FOR THE YEAR ENDED SEPTEMBER 30, 2012
WITH COMPARATIVE FIGURES FOR 2011

	09/30/12	09/30/11
REVENUES:		
SALES	$ 8,886,272.60	$ 8,743,215.45
LESS: DEPARTMENTAL DISCOUNTS	7,733.47	5,998.73
COST OF GOODS SOLD	6,486,284.32	6,483,309.97
GROSS PROFIT	2,392,254.81	2,253,906.75
CASH OVER/(SHORT)	(1,522.72)	(5,180.81)
GRADUATION (NET)	63,125.65	51,609.50
TEXTBOOK RENTAL INCOME	32,276.87	0.00
OTHER	66,236.45	53,960.72
NET REVENUES:	2,552,371.06	2,354,296.16
EXPENDITURES:		
SALARIES	795,300.08	772,546.04
EMPLOYEE BENEFITS	253,373.34	257,538.45
SUPPLIES	29,120.99	30,633.45
TRAVEL	8,547.39	2,258.42
EQUIPMENT	14,606.39	32,092.53
EQUIPMENT MAINTENANCE AND REPAIR	42,542.56	48,782.62
BUILDING & EQUIPMENT RENTAL	27,172.24	23,779.73
ADVERTISING	24,629.26	43,028.22
UTILITIES	75,000.00	75,000.00
TELEPHONE	24,741.42	13,771.91
INSURANCE AND BONDS	3,997.00	3,800.00
CONTRACT SERVICES	193,302.98	176,554.99
BAD DEBT EXPENSE	0.00	0.00
RENT	3,885.00	0.00
OBSOLETE INVENTORY	1,263.12	0.00
GENERAL EXPENSES	40,757.96	58,209.99
CHARGE CARD AND FACULTY STAFF DISCOUNTS	89,455.38	104,021.33
INSTITUTIONAL COST ALLOCATION	234,252.96	293,505.96
TOTAL EXPENDITURES	1,861,948.07	1,935,523.64
TRANSFERS AMONG FUNDS-ADDITIONS/(DEDUCTIONS):		
MANDATORY:		
PRINCIPAL AND INTEREST	(236,532.00)	0.00
NON-MANDATORY:		
OTHER TRANSFERS	0.00	0.00
RENEWAL AND REPLACEMENT	0.00	(418,772.52)
RETIREMENT REIMBURSEMENT	0.00	0.00
TOTAL TRANSFERS	(236,532.00)	(418,772.52)
EXCESS REVENUES OVER EXPENDITURES AND MANDATORY TRANSFERS	$ 453,890.99	$ (0.00)

BROOKLEY CENTER
STATEMENT OF REVENUES, EXPENDITURES AND OTHER CHANGES
FOR THE YEAR ENDED SEPTEMBER 30, 2012
WITH COMPARATIVE FIGURES FOR 2011

	ADMINISTRATION	INVESTMENT HOUSING	GOLF SHOP	FOOD SERVICE	TOTAL AUXILIARY SERVICES
REVENUES:					
SALES-FOOD & MERCHANDISE	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00
LESS: COST OF GOODS SOLD	0.00	0.00	0.00	0.00	0.00
DISCOUNTS	0.00	0.00	0.00	0.00	0.00
GROSS PROFIT	0.00	0.00	0.00	0.00	0.00
FEES	0.00	0.00	0.00	0.00	0.00
RENTALS	0.00	0.00	0.00	0.00	0.00
OTHER	0.00	0.00	0.00	0.00	0.00
FACILITY ASSESSMENT FEE	0.00	0.00	0.00	0.00	0.00
NET REVENUES	0.00	0.00	0.00	0.00	0.00
EXPENDITURES:					
OPERATING EXPENDITURES:					
SALARIES	0.00	0.00	0.00	0.00	0.00
EMPLOYEE BENEFITS	0.00	0.00	0.00	0.00	0.00
SUPPLIES	0.00	0.00	0.00	0.00	0.00
TRAVEL	0.00	0.00	0.00	0.00	0.00
CONTRACT SERVICE	0.00	0.00	0.00	0.00	0.00
BUILDING MAINTENANCE & REPAIR	0.00	0.00	0.00	0.00	0.00
GROUNDS MAINTENANCE	0.00	0.00	0.00	0.00	0.00
UTILITIES	0.00	0.00	0.00	0.00	0.00
EQUIPMENT MAINTENANCE & REPAIR	0.00	0.00	0.00	0.00	0.00
BUILDING & EQUIPMENT RENTAL	0.00	0.00	0.00	0.00	0.00
TELEPHONE	0.00	0.00	0.00	0.00	0.00
INSURANCE AND BONDS	0.00	0.00	0.00	0.00	0.00
RECEPTIONS	0.00	0.00	0.00	0.00	0.00
ADVERTISING	0.00	0.00	0.00	0.00	0.00
BAD DEBT EXPENSE	0.00	0.00	0.00	0.00	0.00
GENERAL EXPENSES	0.00	0.00	0.00	0.00	0.00
EXPENSE OFFSET	0.00	0.00	0.00	0.00	0.00
EDUCATIONAL SUPPORT ALLOCATIONS	0.00	0.00	0.00	0.00	0.00
OPERATING COST ALLOCATIONS	0.00	0.00	0.00	0.00	0.00
TOTAL OPERATING EXPENDITURES	0.00	0.00	0.00	0.00	0.00
EXCESS REVENUES OVER EXPENDITURES	0.00	0.00	0.00	0.00	0.00
OTHER EXPENDITURES:					
EQUIPMENT	0.00	0.00	0.00	0.00	0.00
OTHER COST ALLOCATIONS	0.00	0.00	0.00	0.00	0.00
TOTAL OTHER EXPENDITURES	0.00	0.00	0.00	0.00	0.00
TRANSFERS AMONG FUNDS -					
ADDITIONS/(DEDUCTIONS):					
MANDATORY:					
PRINCIPAL AND INTEREST	0.00	0.00	0.00	0.00	0.00
NON-MANDATORY:					
OTHER NON-MANDATORY TRANSFERS	0.00	0.00	0.00	0.00	0.00
TOTAL TRANSFERS	0.00	0.00	0.00	0.00	0.00
EXCESS REVENUES OVER				0.00	
EXPENDITURES (DEFICIT)	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00

BROOKLEY CENTER
STATEMENT OF REVENUES, EXPENDITURES AND OTHER CHANGES
FOR THE YEAR ENDED SEPTEMBER 30, 2012
WITH COMPARATIVE FIGURES FOR 2011

	CONTINUING EDUCATION	EDUCATIONAL LEASING	UNIVERSITY SERVICE	TOTAL EDUCATIONAL SERVICES	BROOKLEY CENTER TOTAL 09/30/12	BROOKLEY CENTER TOTAL 09/30/11
REVENUES:						
SALES-FOOD & MERCHANDISE	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 5,005.63
LESS: COST OF GOODS SOLD	0.00	0.00	0.00	0.00	0.00	0.00
DISCOUNTS	0.00	0.00	0.00	0.00	0.00	2,100.43
GROSS PROFIT	0.00	0.00	0.00	0.00	0.00	2,905.20
FEES	0.00	0.00	0.00	0.00	0.00	192,672.58
RENTALS	0.00	0.00	0.00	0.00	0.00	16,753.16
OTHER	0.00	0.00	0.00	0.00	0.00	16,879.31
FACILITY ASSESSMENT FEE	0.00	0.00	0.00	0.00	0.00	0.00
NET REVENUES	0.00	0.00	0.00	0.00	0.00	229,210.25
EXPENDITURES:						
OPERATING EXPENDITURES:						
SALARIES	0.00	0.00	0.00	0.00	0.00	146,525.19
EMPLOYEE BENEFITS	0.00	0.00	0.00	0.00	0.00	72,281.87
SUPPLIES	0.00	0.00	0.00	0.00	0.00	4,827.17
TRAVEL	0.00	0.00	0.00	0.00	0.00	1,191.10
CONTRACT SERVICE	0.00	0.00	0.00	0.00	0.00	87,475.58
BUILDING MAINTENANCE & REPAIR	0.00	0.00	0.00	0.00	0.00	13,115.44
GROUNDS MAINTENANCE	0.00	0.00	0.00	0.00	0.00	11,872.52
UTILITIES	0.00	0.00	0.00	0.00	0.00	338,154.94
EQUIPMENT MAINTENANCE & REPAIR	0.00	0.00	0.00	0.00	0.00	6,848.17
BUILDING & EQUIPMENT RENTAL	0.00	0.00	0.00	0.00	0.00	97,829.20
TELEPHONE	0.00	0.00	0.00	0.00	0.00	12,685.99
INSURANCE AND BONDS	0.00	0.00	0.00	0.00	0.00	46,034.00
RECEPTIONS	0.00	0.00	0.00	0.00	0.00	0.00
ADVERTISING	0.00	0.00	0.00	0.00	0.00	1,670.27
BAD DEBT EXPENSE	0.00	0.00	0.00	0.00	0.00	139,012.01
GENERAL EXPENSES	0.00	0.00	0.00	0.00	0.00	218,273.14
EXPENSE OFFSET	0.00	0.00	0.00	0.00	0.00	0.00
EDUCATIONAL SUPPORT ALLOCATIONS	0.00	0.00	0.00	0.00	0.00	0.00
OPERATING COST ALLOCATIONS	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL OPERATING EXPENDITURES	0.00	0.00	0.00	0.00	0.00	1,197,796.59
EXCESS REVENUES OVER EXPENDITURES	0.00	0.00	0.00	0.00	0.00	(968,586.34)
OTHER EXPENDITURES:						
EQUIPMENT	0.00	0.00	0.00	0.00	0.00	551.25
OTHER COST ALLOCATIONS	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL OTHER EXPENDITURES	0.00	0.00	0.00	0.00	0.00	551.25
TRANSFERS AMONG FUNDS - ADDITIONS/(DEDUCTIONS):						
MANDATORY:						
PRINCIPAL AND INTEREST	0.00	0.00	0.00	0.00	0.00	0.00
NON-MANDATORY:						
OTHER NON-MANDATORY TRANSFERS	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL TRANSFERS	0.00	0.00	0.00	0.00	0.00	0.00
EXCESS REVENUES OVER EXPENDITURES (DEFICIT)	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ (969,137.59)

FOOD SERVICE
STATEMENT OF REVENUES, EXPENDITURES AND OTHER CHANGES
FOR THE YEAR ENDED SEPTEMBER 30, 2012
WITH COMPARATIVE FIGURES FOR 2011

	09/30/12	09/30/11
REVENUES:		
COMMISSION INCOME	$ 914,590.31	$ 715,666.46
TOTAL REVENUES	914,590.31	715,666.46
EXPENDITURES:		
SALARIES	0.00	0.00
EMPLOYEE BENEFITS	0.00	0.00
SUPPLIES	214.24	556.11
EQUIPMENT MAINTENANCE AND REPAIR	46,250.50	27,456.21
UTILITIES	125,000.04	99,999.96
TELEPHONE	639.92	374.56
MEMBERSHIPS AND DUES	0.00	0.00
CONTRACT SERVICES	37,088.45	22,131.89
INSURANCE AND BONDS	9,537.00	8,505.00
EQUIPMENT	2,519.97	2,795.87
BUILDING MAINTENANCE AND REPAIR	2,905.00	3,546.00
INDIRECT COST	24,999.96	24,999.96
GENERAL EXPENSE	22,425.69	10,445.36
TOTAL EXPENDITURES	271,580.77	200,810.92
TRANSFERS AMONG FUNDS-		
ADDITIONS/(DEDUCTIONS):	(450,685.04)	(450,686.52)
NON-MANDATORY:		
OTHER TRANSFERS	(120,000.00)	
TOTAL TRANSFERS	(570,685.04)	(450,686.52)
EXCESS REVENUES OVER		
EXPENDITURES AND MANDATORY		
TRANSFERS (DEFICIT)	$ 72,324.50	$ 64,169.02

HOUSING
STATEMENT OF REVENUES, EXPENDITURES, AND OTHER CHANGES
FOR THE YEAR ENDED SEPTEMBER 30, 2012
WITH COMPARATIVE FIGURES FOR 2011

	CENTRAL HOUSING	HOUSING PROGRAMMING	WASHERS AND DRYERS	CAMPS AND CONFERENCES	STOKES HALL	HILLSDALE MARRIED STUDENT	SMALL GROUP HOUSING
REVENUES:							
RENTAL INCOME	$ 0.00	$ 0.00	$ 162,650.00	$ 127,572.00	$ 1,517,365.95	$ 47,547.10	$ 399,238.20
BAD DEBT RECOVERY	3,553.50	0.00	0.00	0.00	0.00	1,330.87	0.00
OTHER	108,383.00	0.00	0.00	0.00	13,351.49	1,575.00	114,090.50
TOTAL REVENUES	111,936.50	0.00	162,650.00	127,572.00	1,530,717.44	50,452.97	513,328.70
EXPENDITURES:							
SALARIES	368,174.18	2,544.75	0.00	14,893.31	109,576.61	0.00	70,610.46
EMPLOYEE BENEFITS	107,794.70	42.16	0.00	554.63	7,063.82	(39.29)	0.00
CONTRACT LABOR	0.00	0.00	0.00	0.00	0.00	0.00	0.00
CONTRACT SERVICES	776.32	0.00	68,178.00	20,649.96	39,137.17	0.00	3,880.00
TRAVEL	6,758.77	2,841.00	0.00	0.00	0.00	0.00	0.00
RECEPTIONS	1,099.08	26,743.61	0.00	8.46	283.50	0.00	0.00
SUPPLIES	24,477.72	11,946.82	0.00	564.58	18,611.28	(157.92)	1,139.68
CABLE	154,893.04	0.00	0.00	0.00	0.00	0.00	0.00
TELEPHONE	837.64	0.00	0.00	0.00	207.09	0.00	293.54
UTILITIES	0.00	0.00	0.00	0.00	0.00	(118.50)	2,044.48
INSURANCE AND BONDS	732.00	0.00	0.00	0.00	9,059.00	786.00	6,310.00
BAD DEBT EXPENSE	0.00	0.00	0.00	0.00	0.00	0.00	2,015.59
BUILDING MAINTENANCE AND REPAIR	0.00	0.00	0.00	0.00	0.00	0.00	0.00
EQUIPMENT	1,274.21	1,119.04	0.00	0.00	33,771.45	0.00	0.00
EQUIPMENT RENTAL	1,321.46	0.00	0.00	0.00	0.00	0.00	0.00
EQUIPMENT MAINTENANCE AND REPAIR	814.45	0.00	0.00	0.00	1,895.70	0.00	0.00
GROUNDS MAINTENANCE	0.00	0.00	0.00	0.00	0.00	0.00	0.00
MAJOR RENOVATIONS	0.00	0.00	0.00	0.00	0.00	0.00	0.00
GENERAL EXPENSES	111,533.05	18,612.15	0.00	(15,231.84)	78,963.36	3,397.38	103,405.40
ADMINISTRATIVE OVERHEAD	288,282.00	0.00	0.00	0.00	162,076.00	0.00	54,466.00
ADMINISTRATIVE EXPENSES	(956,832.12)	(63,849.53)	32,661.80	0.00	156,164.31	0.00	82,675.21
TOTAL EXPENDITURES	111,936.50	0.00	100,839.80	21,439.10	616,809.29	3,867.67	326,840.36
TRANSFERS AMONG FUNDS -							
ADDITIONS/(DEDUCTIONS):							
MANDATORY:							
PRINCIPAL AND INTEREST	0.00	0.00	0.00	0.00	(1,232,032.00)	0.00	(307,040.00)
TOTAL MANDATORY TRANSFERS	0.00	0.00	0.00	0.00	(1,232,032.00)	0.00	(307,040.00)
NON-MANDATORY:							
RENEWALS AND REPLACEMENTS	0.00	0.00	(61,810.20)	(106,132.90)	318,123.85	(46,585.30)	120,551.66
OTHER NON-MANDATORY TRANSFERS	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL NON-MANDATORY TRANSFERS	0.00	0.00	(61,810.20)	(106,132.90)	318,123.85	(46,585.30)	120,551.66
TOTAL TRANSFERS	0.00	0.00	(61,810.20)	(106,132.90)	(913,908.15)	(46,585.30)	(186,488.34)
EXCESS REVENUES OVER EXPENDITURES AND TRANSFERS (DEFICIT)	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00

HOUSING
STATEMENT OF REVENUES, EXPENDITURES, AND OTHER CHANGES
FOR THE YEAR ENDED SEPTEMBER 30, 2012
WITH COMPARATIVE FIGURES FOR 2011

	GAMMA DORMS	BETA DORMS	DELTA DORMS	EPSILON DORMS	TOTAL HOUSING 09/30/12	TOTAL HOUSING 09/30/11
REVENUES:						
RENTAL INCOME	$ 1,494,448.58	$ 701,385.10	$ 2,595,635.33	$ 933,862.32	$ 7,979,704.58	$ 6,322,454.22
BAD DEBT RECOVERY	0.00	0.00	0.00	0.00	4,884.37	2,443.19
OTHER	6,644.25	10,549.50	21,383.98	11,601.22	287,578.94	214,546.22
TOTAL REVENUES	1,501,092.83	711,934.60	2,617,019.31	945,463.54	8,272,167.89	6,539,443.63
EXPENDITURES:						
SALARIES	177,551.18	63,535.97	244,533.30	110,835.41	1,162,255.17	893,135.24
EMPLOYEE BENEFITS	24,985.38	6,431.76	37,960.38	6,121.60	190,915.14	168,087.42
CONTRACT LABOR	804.01	0.00	28,325.43	4,534.00	33,663.44	12,792.46
CONTRACT SERVICES	7,208.62	7,616.14	140,728.77	12,300.94	300,475.92	231,745.77
TRAVEL	0.00	0.00	0.00	0.00	9,599.77	4,529.82
RECEPTIONS	0.00	0.00	125.00	0.00	28,259.65	19,697.39
SUPPLIES	2,416.60	362.90	6,813.89	1,462.25	67,637.80	164,766.23
CABLE	0.00	0.00	0.00	0.00	154,893.04	140,850.34
TELEPHONE	108.46	277.48	684.79	429.42	2,838.42	148,389.52
UTILITIES	0.00	0.00	0.00	0.00	1,925.98	7,256.18
INSURANCE AND BONDS	9,409.00	4,530.00	16,017.00	5,726.00	52,569.00	38,850.00
BAD DEBT EXPENSE	10,909.09	9,334.35	41,306.85	8,936.19	72,502.07	59,728.00
BUILDING MAINTENANCE AND REPAIR	0.00	0.00	0.00	0.00	0.00	10,137.00
EQUIPMENT	6,961.70	0.00	32,292.00	0.00	75,418.40	6,431.41
EQUIPMENT RENTAL	0.00	0.00	1,497.64	0.00	2,819.10	5,248.84
EQUIPMENT MAINTENANCE AND REPAIR	0.00	0.00	2,120.00	0.00	4,830.15	270.00
GROUNDS MAINTENANCE	0.00	0.00	0.00	0.00	0.00	0.00
MAJOR RENOVATIONS	0.00	0.00	0.00	0.00	0.00	0.00
GENERAL EXPENSES	125,903.70	69,290.42	283,154.42	128,213.37	907,241.41	849,743.83
ADMINISTRATIVE OVERHEAD	309,541.04	146,132.00	445,351.04	148,619.04	1,554,467.12	1,410,147.12
ADMINISTRATIVE EXPENSES	168,412.47	94,923.39	364,383.34	121,461.13	0.00	0.00
TOTAL EXPENDITURES	844,211.25	402,434.41	1,645,293.85	548,639.35	4,622,311.58	4,171,806.57
TRANSFERS AMONG FUNDS -						
ADDITIONS/(DEDUCTIONS):						
MANDATORY:						
PRINCIPAL AND INTEREST	(153,152.00)	(45,760.00)	(344,344.00)	(248,592.00)	(2,330,920.00)	(1,108,628.64)
TOTAL MANDATORY TRANSFERS	(153,152.00)	(45,760.00)	(344,344.00)	(248,592.00)	(2,330,920.00)	(1,108,628.64)
NON-MANDATORY:						
RENEWALS AND REPLACEMENTS	(503,729.58)	(263,740.19)	(508,445.15)	(148,232.19)	(1,200,000.00)	0.00
OTHER NON-MANDATORY TRANSFERS	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL NON-MANDATORY TRANSFERS	(503,729.58)	(263,740.19)	(508,445.15)	(148,232.19)	(1,200,000.00)	0.00
TOTAL TRANSFERS	(656,881.58)	(309,500.19)	(852,789.15)	(396,824.19)	(3,530,920.00)	(1,108,628.64)
EXCESS REVENUES OVER EXPENDITURES AND TRANSFERS (DEFICIT)	$ 0.00	$ 0.00	$ 118,936.31	$ (0.00)	$ 118,936.31	$ 1,259,008.42