

**THE UNIVERSITY OF SOUTHERN MISSISSIPPI  
RESEARCH FOUNDATION, INC.**

**CONSOLIDATED FINANCIAL STATEMENTS  
AND SUPPLEMENTARY INFORMATION**

**Years Ended December 31, 2016 and 2015**

# THE UNIVERSITY OF SOUTHERN MISSISSIPPI RESEARCH FOUNDATION, INC.

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
The University of Southern Mississippi Research Foundation, Inc.  
Hattiesburg, Mississippi

We have audited the accompanying consolidated financial statements of The University of Southern Mississippi Research Foundation, Inc. (a nonprofit organization) and its subsidiary, which comprise the consolidated statements of financial position as of December 31, 2016 and 2015, and the related consolidated statements of activities and cash flows for the years then ended, and the related notes to the consolidated financial statements.

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

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

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

To the Board of Directors  
The University of Southern Mississippi Research Foundation, Inc.  
Hattiesburg, Mississippi

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Foundation's preparation and fair presentation of the consolidated 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 the Foundation'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 consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

***Opinion***

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of The University of Southern Mississippi Research Foundation, Inc. and its subsidiary as of December 31, 2016 and 2015, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

***Report on Supplementary Information***

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating schedule of financial position, the consolidating statement of activities, and the consolidated schedule of functional expenses on pages 13 through 15, are presented for purposes of additional analysis and are not a required part of the consolidated 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

To the Board of Directors  
The University of Southern Mississippi Research Foundation, Inc.  
Hattiesburg, Mississippi

prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

*Topp McWhorter Harvey, PLLC*

Hattiesburg, Mississippi  
March 24, 2017

EXHIBIT A

**THE UNIVERSITY OF SOUTHERN MISSISSIPPI RESEARCH FOUNDATION, INC.**

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
DECEMBER 31, 2016 AND 2015**

**ASSETS**

<b>ASSETS</b>	<b>December 31,</b>	
	<b>2016</b>	<b>2015</b>
Cash and cash equivalents	\$ 1,157,537	\$ 469,689
Accounts receivable	21,991	20,985
Research contracts receivable	20	46,699
Rent receivable	-	18,012
Property, plant and equipment, net	19,232	6,759,056
Loan origination fees, net	-	17,547
Deposits	1,200	-
<b>Total assets</b>	<b>\$ 1,199,980</b>	<b>\$ 7,331,988</b>

**LIABILITIES AND NET ASSETS**

<b>LIABILITIES</b>		
Accounts payable	\$ 46,590	\$ 41,314
Research contracts payable	-	84,655
Accrued interest	-	5,531
Refundable security deposits	-	119,809
Deferred revenue	170,678	183,240
Notes payable	-	2,164,313
Total liabilities	<u>217,268</u>	<u>2,598,862</u>
<b>NET ASSETS, UNRESTRICTED</b>	<u>982,712</u>	<u>4,733,126</u>
<b>Total liabilities and net assets</b>	<b>\$ 1,199,980</b>	<b>\$ 7,331,988</b>

EXHIBIT B

**THE UNIVERSITY OF SOUTHERN MISSISSIPPI RESEARCH FOUNDATION, INC.**

**CONSOLIDATED STATEMENTS OF ACTIVITIES  
YEARS ENDED DECEMBER 31, 2016 AND 2015**

<b>REVENUES, GAINS AND OTHER SUPPORT</b>	<b>December 31,</b>	
	<b>2016</b>	<b>2015</b>
Rental revenues	\$ 154,126	\$ 1,295,735
Research contracts revenue	1,659,462	84,676
Contributed support	135,398	140,464
Interest income	1,676	294
Loss on sale of Pinion Properties	(3,534,448)	-
Other income	302,668	356,709
Total revenues, gains and other support	<u>(1,281,118)</u>	<u>1,877,878</u>
<b>EXPENSES</b>		
Program services:		
Research contracts, The University of Southern Mississippi	1,515,427	74,065
Scholarships, grants, and awards	18,014	32,946
Waterborne symposium	208,450	307,722
Total program services	<u>1,741,891</u>	<u>414,733</u>
Supporting services:		
Management and general	264,423	192,885
Rental expenses	462,982	1,160,024
Total supporting services	<u>727,405</u>	<u>1,352,909</u>
Total expenses	<u>2,469,296</u>	<u>1,767,642</u>
<b>CHANGE IN NET ASSETS</b>	(3,750,414)	110,236
<b>NET ASSETS</b>		
Beginning of year	<u>4,733,126</u>	<u>4,622,890</u>
End of year	<u>\$ 982,712</u>	<u>\$ 4,733,126</u>

See accompanying notes to consolidated financial statements.

EXHIBIT C

**THE UNIVERSITY OF SOUTHERN MISSISSIPPI RESEARCH FOUNDATION, INC.**

**CONSOLIDATED STATEMENTS OF CASH FLOWS  
YEARS ENDED DECEMBER 31, 2016 AND 2015**

	<b>December 31,</b>	
	<b>2016</b>	<b>2015</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in net assets	\$ (3,750,414)	\$ 110,236
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation and amortization	61,087	254,289
Loss on sale of buildings and land	3,534,448	-
(Increase) decrease in:		
Accounts receivable	(1,006)	(9,640)
Research contracts receivable	46,679	89,730
Rent receivable	18,012	48,129
Other assets	(1,200)	-
Increase (decrease) in:		
Accounts payable	5,276	(295)
Research contracts payable	(84,655)	(67,221)
Accrued interest	(5,531)	(2,791)
Refundable security deposits	(119,809)	(8,850)
Deferred revenue	(12,562)	75,435
Net cash provided (used) by operating activities	<u>(309,675)</u>	<u>489,022</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchases of equipment	(3,164)	-
Cash proceeds from sale of buildings and land	3,165,000	(20,105)
Net cash provided (used) by investing activities	<u>3,161,836</u>	<u>(20,105)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Repayment of notes payable	(2,164,313)	(445,285)
Loan origination fees	-	(17,946)
Net cash (used) by financing activities	<u>(2,164,313)</u>	<u>(463,231)</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	687,848	5,686
<b>CASH AND CASH EQUIVALENTS</b>		
Beginning of year	<u>469,689</u>	<u>464,003</u>
End of year	<u>\$ 1,157,537</u>	<u>\$ 469,689</u>
<b>SUPPLEMENTARY INFORMATION</b>		
Interest paid	<u>\$ 29,441</u>	<u>\$ 106,868</u>

See accompanying notes to consolidated financial statements.



***NOTES TO CONSOLIDATED FINANCIAL STATEMENTS***

**THE UNIVERSITY OF SOUTHERN MISSISSIPPI RESEARCH FOUNDATION, INC.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2016 AND 2015**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Operations** - The University of Southern Mississippi Research Foundation, Inc. (the Foundation) oversees gifts, contributions, and grants provided for sponsored research for individuals, industries, private organizations, and government agencies, throughout the United States, and assists with transferring technology developed through the Foundation to benefit the University of Southern Mississippi and the public. The Foundation bridges the intellectual resources of the academic community to the private sector to ensure technology transfer and commercialization of viable ideas.

The Foundation has an infinite life expectancy and anticipates significant gifts and donations of technology each year. The licensing and marketing activities of the Foundation operate on a continual basis.

**Principles of Consolidation** - The consolidated financial statements include the accounts of the Foundation and its wholly owned subsidiary, Pinion Properties, LLC (Pinion). Pinion was formed on January 10, 2005, as a limited liability company whereby certain real property held by the Foundation was transferred to the newly formed entity to manage and maintain the property. During 2016, the majority of the assets of Pinion were sold. Significant intercompany transactions and balances have been eliminated in consolidation.

During 2012, the Foundation began maintaining the records for the Waterborne Symposium. The amounts are consolidated with the Foundation's.

**Basis of Accounting and Financial Statement Presentation** - The consolidated financial statements of the Foundation have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to non-profit entities. The financial transactions of the Foundation are recorded on an accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

The Foundation has adopted FASB ASC 958-205, *Financial Statements of Not-for-Profit Organizations*. Under FASB ASC 958, the Foundation is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets based on the existence or absence of donor-imposed restrictions. In addition, the Foundation is required to present a statement of cash flows. At December 31, 2016 and 2015, all of the Foundation's net assets were unrestricted.

**Unrestricted** - These net assets represent resources generated from operations or that are not subject to donor-imposed restrictions.

**Use of Estimates** - The preparation of consolidated 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 amounts reported and disclosures made in the consolidated financial statements and accompanying notes. Accordingly, actual results could differ from those estimates.

**THE UNIVERSITY OF SOUTHERN MISSISSIPPI RESEARCH FOUNDATION, INC.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

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**YEARS ENDED DECEMBER 31, 2016 AND 2015**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)**

**Income Tax** - The Foundation is exempt from federal income taxes on related income under Code section 501(c)(3) of the Internal Revenue Code of 1954.

**Cash and Cash Equivalents** - For the purposes of the Statement of Financial Position and the Statement of Cash Flows, the Foundation considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

**Accounts Receivable** - Accounts receivable are stated at unpaid balances less amounts deemed uncollectable by management. Receivables are written off on a case-by-case basis and upon evaluation of specific circumstances. At December 31, 2016 and 2015, all accounts were considered collectable by management. The Foundation does not accrue interest on accounts receivable.

**Property, Plant and Equipment** - Property, plant and equipment are stated at cost if purchased or at fair market value on the date of gift if donated. Depreciation is provided over the estimated useful life of depreciable assets, which is three to fifteen years for furniture and equipment and five to thirty-nine years for buildings and improvements, and is computed using the straight line method. Property costing in excess of \$500 and having a useful life in excess of one year is capitalized.

Maintenance and repairs are expensed as incurred. Replacements and betterments are capitalized. The costs and related accumulated depreciation of assets sold or retired are removed from the accounts and any resulting gain or loss is reflected in the accompanying statements of activities.

Long-lived assets to be held and used are reviewed for impairment whenever events or changes in circumstances indicate that the related carrying amount may not be recoverable. When required, impairment losses on assets to be held and used are recognized based on the fair value of the asset, and impairments of long-lived assets to be disposed of are reported at the lower of carrying amount or fair value less cost to sell.

**Revenue Recognition** - The Foundation recognizes all contributed support received as income in the period received or unconditionally pledged. Contributed support is reported as unrestricted or restricted depending on the existence of donor stipulations that limit the use of the support. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, the restricted net asset is reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Gifts of long-lived assets that do not have stipulations regarding the length of time that the asset must be used are reported as unrestricted support.

**THE UNIVERSITY OF SOUTHERN MISSISSIPPI RESEARCH FOUNDATION, INC.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
PAGE THREE  
YEARS ENDED DECEMBER 31, 2016 AND 2015**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)**

Research contracts revenue is recognized as income in the period the service is provided. Such income is derived in part from separate contracts ("Subcontracts") with The University of Southern Mississippi (the University) which provide for research to be performed by certain faculty.

The Foundation has received various contributions of valuable intellectual property that have been patented. However, the ultimate value of the patented property is highly subjective and dependent upon successful commercialization by the Foundation. When intellectual property is successfully marketed or patents are licensed to third parties, royalty fees will be recognized as earned, over the period of the license agreement.

Rental revenue is recognized as it is earned.

**Functional Expenses** - Functional expenses are allocated between program services and supporting services. Supporting services include general and administrative activities and rental expenses. General and administrative expenses include those expenses that are not directly identifiable with any other specific function but provide overall support and direction of the Foundation. Rental expenses relate directly to Pinion operating properties.

**NOTE 2 - PROPERTY, PLANT AND EQUIPMENT**

Property, plant and equipment consist of the following:

	<b>December 31,</b>	
	<b>2016</b>	<b>2015</b>
Land and improvements	\$ -	\$ 2,820,489
Buildings and improvements	3,725	5,271,250
Furniture and equipment	113,596	216,826
	<u>117,321</u>	<u>8,308,565</u>
Less: accumulated depreciation	(98,089)	(1,549,509)
<b>Total</b>	<u><u>\$ 19,232</u></u>	<u><u>\$ 6,759,056</u></u>

**THE UNIVERSITY OF SOUTHERN MISSISSIPPI RESEARCH FOUNDATION, INC.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
PAGE FOUR  
YEAR ENDED DECEMBER 31, 2016**

**NOTE 2 - PROPERTY, PLANT AND EQUIPMENT (Cont.)**

Depreciation expense for the years ended December 31, 2016 and 2015 was \$43,540 and \$228,438, respectively.

**NOTE 3 - NOTES PAYABLE**

Notes payable consist of the following:

	<b>December 31,</b>	
	<b>2016</b>	<b>2015</b>
Note payable to a commercial bank with 59 monthly installments of \$22,906 and a balloon payment estimated at \$1,246,684, with an interest rate of 4.600%. Maturity date is September 11, 2020 and is secured by real property.	<u>\$ -</u>	<u>\$ 2,164,313</u>

**NOTE 4 - OPERATING LEASE COMMITMENTS**

During the year ended December 31, 2016, the Foundation entered into leases for office space. One lease expired on May 31, 2016, and one lease will expire on May 31, 2018. Rent expense for both leases totaled \$14,677 and \$-0- for the years ended December 31, 2016 and 2015, respectively.

The following is a schedule, by year, of the future minimal rental payments under the office space lease:

<b>Year Ending December 31,</b>	<b>Amount</b>
2017	\$ 15,800
2018	7,000
	<u>\$ 22,800</u>

The Foundation leased office space to tenants under noncancelable operating lease agreements with terms of one to five years. The leases were transferred with the sale of the buildings of Pinion during 2016.

**THE UNIVERSITY OF SOUTHERN MISSISSIPPI RESEARCH FOUNDATION, INC.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

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**YEARS ENDED DECEMBER 31, 2016 AND 2015**

**NOTE 4 - OPERATING LEASE COMMITMENTS (Cont.)**

The following schedule provides an analysis of the Foundation's investment in property held for lease by major classes as of:

	<b>December 31,</b>	
	<b>2016</b>	<b>2015</b>
Land and improvements	\$ -	\$ 45,901
Buildings and improvements	-	1,975,012
	-	2,020,913
Less accumulated depreciation	-	(505,255)
Net property and equipment held for lease	<u>\$ -</u>	<u>\$ 1,515,658</u>

**NOTE 5 - INTANGIBLE ASSETS**

Intangible assets consisted of the following as of:

	<b>December 31,</b>	
	<b>2015</b>	<b>2014</b>
Loan origination fees	\$ -	\$ 17,946
Less: accumulated amortization	-	(399)
	<u>\$ -</u>	<u>\$ 17,547</u>
Amortization expense	<u>\$ 17,547</u>	<u>\$ 25,851</u>

Amortization expense for fiscal year 2016 includes \$17,547 to fully amortize the loan origination fees due to the related note being paid in full.

**NOTE 6 - CONCENTRATION OF CREDIT RISK**

Financial instruments that potentially subject the Foundation to concentrations of credit risk consist principally of bank deposit accounts. The Foundation maintains its cash balances in financial institutions that are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At December 31, 2016 and 2015, the Foundation had \$774,776 and \$196,191 respectively, of cash deposits in excess of the FDIC limits.

**THE UNIVERSITY OF SOUTHERN MISSISSIPPI RESEARCH FOUNDATION, INC.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

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**YEARS ENDED DECEMBER 31, 2016 AND 2015**

***NOTE 7 - CONCENTRATION OF GRANTS***

During 2016, approximately 72% of the Foundation's funding was provided from grants from one source.

***NOTE 8 - RELATED PARTY TRANSACTIONS***

The University contributes salaries for certain Foundation employees. For the years ended December 31, 2016 and 2015, salaries and related benefits totaling \$131,828 and \$140,464, respectively, have been recorded in the statement of activities as unrestricted contributed support and unrestricted expenses.

Payments were made to the University under research contracts in the amount of \$1,515,427 and \$74,065 as of December 31, 2016 and 2015, respectively.

***NOTE 9 - SUBSEQUENT EVENT***

Management of the Foundation has evaluated subsequent events through March 24, 2017, which is the date the Consolidated Financial statements were available to be issued.

The Foundation received compensation from the Deepwater Horizon Economic & Property Damages Settlement Program in the amount of \$706,995.

***SUPPLEMENTARY INFORMATION***



SCHEDULE 1

**THE UNIVERSITY OF SOUTHERN MISSISSIPPI RESEARCH FOUNDATION, INC.**

**CONSOLIDATING STATEMENT OF FINANCIAL POSITION  
DECEMBER 31, 2016**

	<b>University of Southern Mississippi Research Foundation, Inc.</b>	<b>Pinion Properties, LLC</b>	<b>Waterborne</b>	<b>Eliminations</b>	<b>Consolidated</b>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 992,166	\$ 10,634	\$ 154,737	\$ -	\$ 1,157,537
Accounts receivable	-	-	21,991	-	21,991
Research contracts receivable	20	-	-	-	20
Property, plant and equipment, net	5,164	14,068	-	-	19,232
Deposits	1,200	-	-	-	1,200
Investment in Pinion	24,702	-	-	(24,702)	-
<b>Total assets</b>	<b>\$ 1,023,252</b>	<b>\$ 24,702</b>	<b>\$ 176,728</b>	<b>\$ (24,702)</b>	<b>\$ 1,199,980</b>
<b>LIABILITIES</b>					
Accounts payable	\$ 257	\$ -	\$ 46,333	\$ -	\$ 46,590
Deferred revenue	-	-	170,678	-	170,678
Total liabilities	257	-	217,011	-	217,268
<b>NET ASSETS, UNRESTRICTED</b>	<b>1,022,995</b>	<b>24,702</b>	<b>(40,283)</b>	<b>(24,702)</b>	<b>982,712</b>
<b>Total liabilities and net assets</b>	<b>\$ 1,023,252</b>	<b>\$ 24,702</b>	<b>\$ 176,728</b>	<b>\$ (24,702)</b>	<b>\$ 1,199,980</b>

SCHEDULE 2

**THE UNIVERSITY OF SOUTHERN MISSISSIPPI RESEARCH FOUNDATION, INC.**

**CONSOLIDATING STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2016**

	<b>University of Southern Mississippi Research Foundation, Inc.</b>	<b>Pinion Properties, LLC</b>	<b>Waterborne</b>	<b>Eliminations</b>	<b>Consolidated</b>
<b>REVENUES, GAINS AND OTHER SUPPORT</b>					
Rental revenues	\$ -	\$ 154,126	\$ -	\$ -	\$ 154,126
Research contracts revenue	1,659,462	-	-	-	1,659,462
Contributed support	135,398	-	-	-	135,398
Interest income	1,676	-	-	-	1,676
Loss on sale of Pinion Properties	-	(3,534,448)	-	-	(3,534,448)
Loss on investment	(100,307)	-	-	100,307	-
Other income	500	14,925	287,243	-	302,668
Total revenues, gains and other support	<u>1,696,729</u>	<u>(3,365,397)</u>	<u>287,243</u>	<u>100,307</u>	<u>(1,281,118)</u>
<b>EXPENSES</b>					
Program services:					
Research contracts, The University of Southern					
Mississippi	1,515,427	-	-	-	1,515,427
Scholarships, grants, and awards	6,939	-	11,075	-	18,014
Waterborne symposium	-	-	208,450	-	208,450
Supporting services:					
Management and general	241,660	9,731	13,032	-	264,423
Rental expenses	1,500	461,482	-	-	462,982
Total expenses	<u>1,765,526</u>	<u>471,213</u>	<u>232,557</u>	<u>-</u>	<u>2,469,296</u>
<b>CHANGE IN NET ASSETS</b>	(68,797)	(3,836,610)	54,686	100,307	(3,750,414)
<b>NET ASSETS</b>					
Beginning of year	1,091,792	4,736,312	(94,969)	(1,000,009)	4,733,126
Member Distributions	-	(875,000)	-	875,000	-
End of year	<u>\$ 1,022,995</u>	<u>\$ 24,702</u>	<u>\$ (40,283)</u>	<u>\$ (24,702)</u>	<u>\$ 982,712</u>

SCHEDULE 3

**THE UNIVERSITY OF SOUTHERN MISSISSIPPI RESEARCH FOUNDATION, INC.**

**CONSOLIDATED SCHEDULE OF FUNCTIONAL EXPENSES  
YEAR ENDED DECEMBER 31, 2016**

	Program Services	Supporting Services		Total
		Management and General	Rental	
Accounting	\$ -	\$ 19,750	\$ -	\$ 19,750
Bank charges	-	8,226	-	8,226
Computer and internet	-	-	1,652	1,652
Consulting fees	-	-	24,954	24,954
Depreciation and amortization	-	4,467	56,620	61,087
Insurance	-	5,840	2,318	8,158
Interest expense	-	-	23,910	23,910
Legal and professional fees	-	19,018	2,343	21,361
Meals and entertainment	-	151	112	263
Miscellaneous	-	510	156,458	156,968
Office expense	-	2,601	1,590	4,191
Pest control	-	-	1,045	1,045
Postage	-	32	127	159
Rental expense	-	27,877	-	27,877
Repairs and maintenance	-	-	30,619	30,619
Research contracts	1,515,427	-	-	1,515,427
Salaries	-	131,828	32,655	164,483
Scholarships and awards	18,014	-	-	18,014
Symposium	208,450	-	-	208,450
Taxes, payroll	-	-	2,551	2,551
Taxes, property	-	-	15,876	15,876
Travel and meetings expense	-	44,123	-	44,123
Uniforms	-	-	893	893
Utilities	-	-	109,259	109,259
	<u>\$ 1,741,891</u>	<u>\$ 264,423</u>	<u>\$ 462,982</u>	<u>\$ 2,469,296</u>