

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

**AUDITED FINANCIAL STATEMENTS  
AND SUPPLEMENTARY INFORMATION**

**Year Ended December 31, 2009**

**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.  
118 College Drive #5177  
Hattiesburg, Mississippi 39406-0001

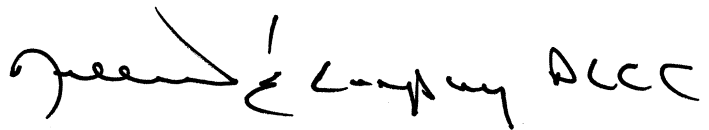
We have audited the accompanying consolidated statement of financial position of The University of Southern Mississippi Research Foundation, Inc. (a nonprofit organization) as of December 31, 2009, and the related consolidated statement of activities and cash flows for the year then ended. These consolidated financial statements are the responsibility of The University of Southern Mississippi Research Foundation, Inc.'s management. 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 financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

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

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. as of December 31, 2009, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The consolidated schedule of functional expenses and additional consolidating information on pages 13 through 15 are presented for purposes of additional analysis and are not a required part of the basic consolidated financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

A handwritten signature in black ink, appearing to read "James E. Campbell ACCA". The signature is written in a cursive style with a large initial "J" and "E".

Hattiesburg, Mississippi  
December 22, 2010

EXHIBIT A

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

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
DECEMBER 31, 2009**

**ASSETS**

**ASSETS**

Cash and cash equivalents	\$ 595,501
Research contracts receivable	1,303,045
Prepaid expenses	65,000
Property, plant and equipment, net of accumulated depreciation of \$377,521	7,041,423
Other assets	<u>15,973</u>
<b>Total assets</b>	<b><u><u>\$ 9,020,942</u></u></b>

**LIABILITIES AND NET ASSETS**

**LIABILITIES**

Accounts payable	\$ 23,021
Research contracts payable	1,307,477
Refundable security deposits	88,060
Notes payable	<u>6,339,077</u>
Total liabilities	<u>7,757,635</u>

**NET ASSETS, UNRESTRICTED**

1,263,307

**Total liabilities and net assets**

**\$ 9,020,942**

See accompanying notes.

EXHIBIT B

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

**CONSOLIDATED STATEMENT OF ACTIVITIES**

**YEAR ENDED DECEMBER 31, 2009**

***REVENUES, GAINS AND OTHER SUPPORT***

Rental revenues	\$ 2,200,891
Research contracts revenue	2,754,860
Donations	184,734
Management fees	750,000
Unrealized loss on investments	(100,000)
Interest income	3,214
Total revenues, gains and other support	<u>5,793,699</u>

***EXPENSES***

Program services:	
Research contracts, The University of Southern Mississippi	2,612,058
Scholarships, grants, and awards	80,037
Supporting services:	
Management and general	1,396,061
Rental expenses	1,215,041
Total expenses	<u>5,303,197</u>

***CHANGE IN NET ASSETS***

490,502

***NET ASSETS, UNRESTRICTED***

Beginning of year, as restated	<u>772,805</u>
End of year	<u>\$ 1,263,307</u>

See accompanying notes.

EXHIBIT C

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

**CONSOLIDATED STATEMENT OF CASH FLOWS  
YEAR ENDED DECEMBER 31, 2009**

<b><i>CASH FLOWS FROM OPERATING ACTIVITIES:</i></b>	
Change in net assets	\$ 490,502
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:	
Depreciation	122,153
Donated equipment included in contributions	(40,000)
Increase (decrease) from changes in operating assets and liabilities:	
Research contracts receivable	(1,204,664)
Prepaid expenses	(65,000)
Accounts payable	310,734
Research contracts payable	809,174
Net cash provided (used) by operating activities	<u>422,899</u>
<b><i>CASH FLOWS FROM INVESTING ACTIVITIES:</i></b>	
Purchases of property, plant and equipment	<u>(245,391)</u>
Net cash provided (used) by investing activities	<u>(245,391)</u>
<b><i>CASH FLOWS FROM FINANCING ACTIVITIES:</i></b>	
Repayment of notes payable	<u>(549,045)</u>
Net cash provided (used) by financing activities	<u>(549,045)</u>
<b><i>NET DECREASE IN CASH AND CASH EQUIVALENTS</i></b>	<b>(371,537)</b>
<b><i>CASH AND CASH EQUIVALENTS</i></b>	
Beginning of year	<u>967,038</u>
End of year	<u>\$ 595,501</u>
<b><i>SUPPLEMENTARY INFORMATION</i></b>	
In-kind donations of equipment	<u>\$ 40,000</u>
Interest paid	<u>\$ 175,804</u>

See accompanying notes.

***NOTES TO CONSOLIDATED FINANCIAL STATEMENTS***



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

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2009**

**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. Significant intercompany transactions and balances have been eliminated in consolidation.

**Basis of Presentation** - The consolidated financial statements of the Foundation have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America. Financial statement presentation follows the recommendation of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958-205, *Presentation of Financial Statements of Not-for-Profit Entities*. FASB ASC 958-205 requires the reporting of total assets, liabilities and net assets in a statement of financial position; reporting the change in net assets in a statement of activities; and reporting the sources and uses of cash and cash equivalents in a statement of cash flows. FASB ASC 958-205 also requires that net assets, revenues, gains, expenses and losses be classified as unrestricted, temporarily restricted, or permanently restricted based on the existence or absence of donor-imposed restrictions. Unrestricted net assets are not subject to donor-imposed restrictions. Unrestricted net assets may be designated for specific purposes by action of the Board of Trustees, and accordingly includes "quasi" endowment investments. At December 31, 2009, all of the Foundation's net assets were unrestricted.

**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. Actual results could differ from those estimates.

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

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**PAGE TWO**

**YEAR ENDED DECEMBER 31, 2009**

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

**Income Tax** - The Internal Revenue Service has determined that the Foundation is exempt from federal income tax under Section 501(c)(3) of the Code and is not a private foundation.

**Cash and Cash Equivalents** - For financial statement purposes, the Foundation considers all highly liquid investments with an original maturity of three (3) months or less to be cash equivalents.

**Research Contracts Receivable** - Research contracts receivable are stated at unpaid balances less amounts deemed uncollectable by management. Receivables are written off based on a case-by-case basis and upon evaluation of specific circumstances. At December 31, 2009, all accounts were considered collectable by management.

**Property, Plant and Equipment** - Property, plant and equipment acquisitions are recorded at cost or, if donated, fair market value when received. Depreciation is provided over the estimated useful life of depreciable assets, which is five (5) or seven (7) years for furniture and equipment and 39 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 (1) year is capitalized. Depreciation expense for the year ended December 31, 2009 was \$122,153.

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**

**YEAR ENDED DECEMBER 31, 2009**

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

Research contract revenue is recognized as income in the period the service is provided. Such income is derived in part from separate contracts with The University of Southern Mississippi (the University) which provide for research to be performed by certain faculty. Payments to the University under research contracts aggregated \$2,612,058 as of December 31, 2009.

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 of viable ideas. 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.

**Subsequent Events** - In connection with the preparation of the consolidated financial statements and in accordance with recently issued ACS 855, *Subsequent Events*, the Foundation has evaluated subsequent events after the statement of financial position through December 22, 2010, which is the date the financial statements were available to be issued. See Note 10 for such disclosures.

**Recently Issued Accounting Standards** - In July 2009, the Financial Accounting Standards Board (FASB) approved the FASB Accounting Standards Codification (ASC) as the official source of authoritative, nongovernmental U.S. Generally Accepted Accounting Principles (GAAP), superseding existing FASB and related literature. The FASB Accounting Standards Codification is effective for financial statements issued for interim and annual periods ending after September 15, 2009. The Foundation adopted FASB ASC 105-10-65 for the year ended December 31, 2009.

For the year ended December 31, 2009, the Foundation adopted the provisions of FASB ASC 740, Income Taxes. FASB ASC 740 clarifies the accounting for uncertainty in tax positions and the recognition of such income tax positions taken or expected to be taken in the Foundation's income tax returns. The Foundation's income tax returns are subject to examination by the IRS, generally for three years after they are filed. In evaluating the Foundation's tax positions, the Foundation believes their estimates are appropriate based on current facts and circumstances and that no uncertain positions were taken.

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

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
PAGE FOUR  
YEAR ENDED DECEMBER 31, 2009**

**NOTE 2 - NOTES PAYABLE**

Notes payable as of December 31, 2009 consisted of the following:

Note payable to a commercial bank, due in monthly installments of \$6,200, at the 1-month LIBOR rate plus 2.25%, 2.485% at December 31, 2009, maturity date is May 10, 2013, secured by real property.	\$ 782,178
Note payable to a commercial bank due in monthly installments of \$54,183, at the LIBOR Market Index Rate rate plus 2.25%, 2.485% at December 31, 2009, maturity date is July 14, 2011, secured by real property.	<u>5,556,899</u>
<b>Total notes payable</b>	<b><u><u>\$ 6,339,077</u></u></b>

Maturities of notes payable at December 31, 2009 for each of the five (5) subsequent years and thereafter are as follows:

2010	\$ 573,624
2011	5,095,859
2012	58,423
2013	611,171
2014	-
Thereafter	<u>-</u>
	<b><u><u>\$ 6,339,077</u></u></b>

The \$5,556,899 note payable agreement requires a debt service coverage ratio of 1.30 to 1.00 to be maintained. At December 31, 2009, the Foundation was not in compliance with this provision of the loan agreement.

**NOTE 3 - RISK, UNCERTAINTIES, AND CONCENTRATIONS**

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, 2009, the Foundation had \$395,529 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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**YEAR ENDED DECEMBER 31, 2009**

***NOTE 3 - RISK, UNCERTAINTIES, AND CONCENTRATIONS (Cont.)***

Concentrations of credit risk with respect to Research Contracts Receivable are limited due to the size and diversity of the current donor base.

Approximately 58% of the Foundation's rental revenues were derived from renewable operating leases entered into with the Gulf Park Campus of the University of Southern Mississippi (USM Gulf Park Campus).

***NOTE 4 - RELATED PARTY TRANSACTIONS***

The Foundation leases certain real property to USM Gulf Park Campus. At December 31, 2009, these leases expire on September 30, 2010 and June 30, 2012. The leases provide for renewal periods of up to one year each. Total lease revenue for 2009 was \$1,290,670.

All Foundation's staff are employed by the University. Salaries totaling \$95,000 have been recorded in the statement of activities as unrestricted contributed support and unrestricted expenses.

***NOTE 5 - NET ASSETS***

Net assets at the beginning of the year, as reflected on the statement of activities, have been restated to report an understatement of previously reported grants payable, totaling \$1,688,937.

***NOTE 6 - COMMITMENTS***

The Foundation entered into a consulting agreement to manage, promote, market, license and commercialize its intellectual property developed and owned by the Foundation. The agreement provides for annual payments of \$750,000 and expires September 1, 2012.

Concurrently, the Foundation entered into an agreement with the University to negotiate and manage the University's private and industrial research projects. The Foundation will be compensated \$750,000 annually until the agreement expires on August 31, 2012.

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

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

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**YEAR ENDED DECEMBER 31, 2009**

**NOTE 7 - OPERATING LEASE COMMITMENTS**

The Foundation leases office space to tenants under noncancelable operating lease agreements with terms of one to ten years. The following is a schedule by years of future minimum rentals under the leases at December 31, 2009.

2010	\$ 2,146,852
2011	1,948,786
2012	1,356,226
2013	780,800
2014	780,800
Thereafter	<u>1,106,135</u>
	<u>\$ 8,119,599</u>

The following schedule provides an analysis of the Foundation's investment in property held for lease by major classes as of December 31, 2009:

Land and improvements	\$ 1,165,747
Buildings and improvements	<u>4,270,237</u>
	5,435,984
Less accumulated depreciation	<u>(328,561)</u>
Net property and equipment held for lease	<u>\$ 5,107,423</u>

**NOTE 8 - PROPERTY, PLANT AND EQUIPMENT**

Property, plant and equipment consist of the following:

Land and improvements	\$ 2,774,387
Buildings and improvements	4,550,085
Furniture and equipment	<u>94,472</u>
	7,418,944
Less: accumulated depreciation	<u>(377,521)</u>
<b>Total</b>	<u>\$ 7,041,423</u>

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

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**PAGE SEVEN**

**YEAR ENDED DECEMBER 31, 2009**

***NOTE 9 - INVESTMENTS***

In September 2009, the Foundation purchased 1,000 shares of common stock of a closely held corporation for \$100,000. Based on management's review of the financial position of the closely held corporation, an unrealized loss has been recorded to reduce the basis of the investment to estimated net realizable value of \$-0- at December 31, 2009.

***NOTE 10 - SUBSEQUENT EVENTS***

In connection with the preparation of the financial statements, management of the Foundation has evaluated subsequent events through December 22, 2010, which is the date the financial statements were available to be issued.

In 2010, the Foundation entered into a lawsuit against a former consultant and employee of the University. The lawsuit was settled in favor of the Foundation in 2010, resulting in net settlement proceeds of \$576,000, net of attorney fees. Additional related litigation is being pursued by the Foundation. There are no known claims or threatened litigation against the Foundation as of the date of this report.

***SUPPLEMENTARY INFORMATION***



SCHEDULE 1

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

**CONSOLIDATED SCHEDULE OF FUNCTIONAL EXPENSES  
YEAR ENDED DECEMBER 31, 2009**

	<b>Program Services</b>	<b>Supporting Services</b>		<b>Total</b>
		<b>General and Administrative</b>	<b>Rental</b>	
Accounting	\$ -	\$ 14,500	\$ -	\$ 14,500
Advertising	-	166	-	166
Bank charges	-	2,521	-	2,521
Computer and internet	-	6,436	-	6,436
Consulting fees	-	1,038,507	-	1,038,507
Depreciation	-	8,144	114,009	122,153
Dues and subscriptions	-	1,063	-	1,063
Insurance	-	2,478	195,122	197,600
Interest expense	-	-	175,804	175,804
Legal and professional fees	-	34,712	-	34,712
Meals and entertainment	-	1,181	-	1,181
Miscellaneous	-	4,830	-	4,830
Office expense	-	9,818	-	9,818
Pest control	-	-	8,094	8,094
Postage	-	830	-	830
Rental expense	-	14,771	-	14,771
Repairs and maintenance	-	-	266,179	266,179
Reproduction	-	624	-	624
Research contracts	2,612,058	-	-	2,612,058
Salaries	-	182,939	-	182,939
Scholarships and awards	80,037	-	-	80,037
Taxes	-	10,160	100,383	110,543
Taxes, payroll	-	33,793	-	33,793
Travel and meetings expense	-	28,588	-	28,588
Uniforms	-	-	2,658	2,658
Utilities	-	-	352,792	352,792
	<u>\$ 2,692,095</u>	<u>\$ 1,396,061</u>	<u>\$ 1,215,041</u>	<u>\$ 5,303,197</u>

SCHEDULE 2

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

**DETAILS OF CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
YEAR ENDED DECEMBER 31, 2009**

	University of Southern Mississippi Research Foundation, Inc.	Pinion Properties, LLC	Consolidating and Eliminating Entries	Consolidated Balance
<b>ASSETS</b>				
Cash and cash equivalents	\$ 406,721	\$ 188,780	\$ -	\$ 595,501
Research contracts receivable	1,301,853	1,192	-	1,303,045
Prepaid expenses	-	65,000	-	65,000
Property, plant and equipment, net of accumulated depreciation of \$377,521	67,250	6,974,173	-	7,041,423
Other assets	-	15,973	-	15,973
Investment in Pinion	1,000,009	-	(1,000,009)	-
	<u>\$ 2,775,833</u>	<u>\$ 7,245,118</u>	<u>\$ (1,000,009)</u>	<u>\$ 9,020,942</u>
<b>Total assets</b>				
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ 23,021	\$ -	\$ 23,021
Research contracts payable	1,307,477	-	-	1,307,477
Refundable security deposits	-	88,060	-	88,060
Notes payable	-	6,339,077	-	6,339,077
Total liabilities	1,307,477	6,450,158	-	7,757,635
	<u>1,468,356</u>	<u>2,312,040</u>	<u>(1,000,009)</u>	<u>2,780,387</u>
<b>NET ASSETS, UNRESTRICTED</b>				
	<u>\$ 2,775,833</u>	<u>\$ 8,762,198</u>	<u>\$ (1,000,009)</u>	<u>\$ 10,538,022</u>
<b>Total liabilities and net assets</b>				

SCHEDULE 3

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

**DETAILS OF CONSOLIDATED STATEMENTS OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2009**

	<b>University of Southern Mississippi Research Foundation, Inc.</b>	<b>Pinion Properties, LLC</b>	<b>Consolidating and Eliminating Entries</b>	<b>Consolidated Balance</b>
<b>REVENUES, GAINS AND OTHER SUPPORT</b>				
Rental revenues	\$ 1,286,972	\$ 2,198,289	\$ (1,284,370)	\$ 2,200,891
Research contract revenue	2,812,380	-	(57,520)	2,754,860
Donations	184,734	-	-	184,734
Management fees	750,000	-	-	750,000
Unrealized loss on investments	(100,000)	-	-	(100,000)
Interest income	1,245	1,969	-	3,214
Total revenues, gains and other support	<u>4,935,331</u>	<u>2,200,258</u>	<u>(1,341,890)</u>	<u>5,793,699</u>
<b>EXPENSES</b>				
Program services:				
Research contracts, The University of Southern Mississippi	2,612,158	-	(57,520)	2,554,638
Scholarships, grants, and awards	79,937	-	-	79,937
Supporting services:				
Management and general	2,260,108	(1,039,237)	(1,284,370)	(63,499)
Rental	-	1,215,041	-	1,215,041
Total expenses	<u>4,952,203</u>	<u>175,804</u>	<u>(1,341,890)</u>	<u>3,786,117</u>
<b>CHANGE IN NET ASSETS</b>	(16,872)	2,024,454	-	2,007,582
<b>NET ASSETS</b>				
Beginning of year, as restated	<u>1,485,228</u>	<u>287,586</u>	<u>(1,000,009)</u>	<u>772,805</u>
End of year	<u>\$ 1,468,356</u>	<u>\$ 2,312,040</u>	<u>\$ (1,000,009)</u>	<u>\$ 2,780,387</u>