



# South Carolina Research Foundation

Financial Statements, Supplementary  
Financial Information, and Reports and  
Schedules Related to the Uniform Guidance  
Years Ended June 30, 2017 and 2016

## South Carolina Research Foundation

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Financial Statements, Supplementary Financial Information,  
and Reports and Schedules Related to the Uniform Guidance  
Years Ended June 30, 2017 and 2016

# South Carolina Research Foundation

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## Independent Auditor's Report

The Board of Directors  
South Carolina Research Foundation

### Report on the Financial Statements

We have audited the accompanying financial statements of South Carolina Research Foundation (the "Foundation") as of and for the years ended June 30, 2017 and 2016, and the related notes to the financial statements, which collectively comprise the Foundation's basic financial statements as listed in the table of contents.

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

Management is responsible for the preparation and fair presentation of these 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 financial statements based on our audits. 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.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's 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, the auditor considers internal control relevant to the entity'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 the entity'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 opinion.

#### *Opinion*

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Foundation as of June 30, 2017 and 2016, and the respective changes in its net position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

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## *Other Matters*

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis information on pages 7 through 12 be presented 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 audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Foundation's basic financial statements. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations ("CRF") Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* is presented for purposes of additional analysis and are not a required part of the basic financial statements.

The schedule of expenditures of federal awards 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. Such 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.



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

In accordance with *Governmental Auditing Standards*, we have also issued our report dated September 13, 2017 on our consideration of the Foundation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. 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 Foundation's internal control over financial reporting and compliance.

*BDO USA, LLP*

September 13, 2017

## **Management's Discussion and Analysis (Unaudited)**

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# South Carolina Research Foundation

## Management's Discussion and Analysis (Unaudited)

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### Overview of the Financial Statements and Financial Analysis

The South Carolina Research Foundation (the "Foundation") is pleased to present its basic financial statements for fiscal years 2017 and 2016. The emphasis of discussions about these financial statements will be on the current year in comparison to our financial results for the previous two years. While audited financial statements for fiscal year 2015 are not presented with this report, operational and net position data will be presented in this section in order to illustrate certain increases and decreases.

This report consists of a series of financial statements, prepared in accordance with Governmental Accounting Standards Board ("GASB") Statement No. 34, *Basic Financial Statements-and Management's - Discussion and Analysis - for State and Local Governments*, as amended by GASB Statement No. 37, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments: Omnibus*, and GASB Statement No. 38, *Certain Financial Statement Note Disclosures*. The financial statements presented focus on the financial condition, the changes in net position and cash flows of the Foundation.

There are three financial statements presented: the Statement of Net Position; the Statement of Revenues, Expenses, and Changes in Net Position; and the Statement of Cash Flows. These financial statements present financial information in a form similar to that used by private-sector corporations. The Foundation's net position (the difference between assets and liabilities) is one indicator of the current financial condition of the Foundation, while the change in net position is an indicator of whether the overall financial condition has improved or worsened during the year. This discussion and analysis of the Foundation's financial statements provides an overview of its financial activities for the year in comparison to the past two years.

### *Statements of Net Position*

The Statement of Net Position presents the assets, liabilities, and net position of the Foundation as of the end of the fiscal year. The Statement of Net Position is a point of time financial statement. The purpose of the Statement of Net Position is to present to the readers of the financial statements a fiscal snapshot of the Foundation. The Statement of Net Position presents end-of-year data concerning assets (property that we own and/or hold), liabilities (what we owe to others), and net position (assets minus liabilities). It is prepared under the accrual basis of accounting, whereby revenues and assets are recognized when the service is provided and expenses and liabilities are recognized when others provide the service to us, regardless of when cash is exchanged.

From the data presented, readers of the Statement of Net Position are able to determine the assets available to continue the operations of the Foundation. They are also able to determine how much the Foundation owes vendors and lending institutions. Finally, the Statement of Net Position provides a picture of the net position (assets minus liabilities) and its availability for expenditure by the Foundation.

The net position of the Foundation is divided into two categories. The first category is amounts invested in capital assets, net of related debt. This represents the Foundation's total investments in capital assets net of outstanding related debt obligations. The second category is unrestricted net position. Unrestricted net position is available to the Foundation for any lawful purpose of the Foundation.



**South Carolina Research Foundation**  
**Management's Discussion and Analysis (Unaudited)**

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*Condensed Statements of Net Position*

<i>June 30,</i>	2017	2016	2015
<b>Current Assets</b>	<b>\$129,642,427</b>	<b>\$ 100,403,877</b>	<b>\$ 83,382,331</b>
<b>Total Capital Assets, Net</b>	<b>\$ 99,021</b>	<b>\$ 134,275</b>	<b>\$ 207,664</b>
<b>Current Liabilities</b>	<b>\$129,302,603</b>	<b>\$ 99,948,805</b>	<b>\$ 82,801,537</b>
<b>Net Position</b>			
Invested in capital assets, net of related debt	\$ 99,021	\$ 134,275	\$ 33,638
Unrestricted	339,824	455,072	754,820
<b>Total Net Position</b>	<b>\$ 438,845</b>	<b>\$ 589,347</b>	<b>\$ 788,458</b>

**2017**

- Current assets and current liabilities at June 30, 2017 increased by approximately \$29.2 million and \$29.4 million, respectively, over June 30, 2016. Current assets are comprised primarily of cash and cash equivalents, and grants and contracts receivable from sponsors and Health Sciences South Carolina's Managed Care Organizations. The increase in current assets primarily was due to an increase in cash at Health Sciences South Carolina from Managed Care Organizations. The approximately \$29.2 million increase in current assets and a decrease of approximately \$35,000 in capital assets resulted in an approximately \$29.2 million increase in total assets at June 30, 2017. The approximately \$35,000 decrease in capital assets is attributable to depreciation. Current liabilities consist primarily of payables to the University of South Carolina for research services performed on sponsored projects, payables to Health Sciences South Carolina's Medicaid Managed Care Providers, and payables to IToLogy's vendors, as well as deferred revenue from grants and contract sponsors. The increase in current liabilities at June 30, 2017 results from an increase in payables to Health Sciences South Carolina's Medicaid Managed Care Providers.
- Net position decreased at June 30, 2017 by approximately \$150,500 from June 30, 2016. The Foundation's net position is driven predominantly by management fees and recoveries generated on sponsored grants and contracts as well as operating expenditures such as salaries to manage sponsored grants and contracts. The approximately \$150,500 decrease in net position is attributable to a decrease in management fees and recoveries commensurate with a decreased number of grants and contracts.

# South Carolina Research Foundation

## Management's Discussion and Analysis (Unaudited)

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### 2016

- Current assets and current liabilities at June 30, 2016 increased by approximately \$17.0 million and \$17.1 million, respectively, over June 30, 2015. Current assets are comprised primarily of cash and cash equivalents, and grants and contracts receivable from sponsors and Health Sciences South Carolina's Managed Care Organizations. The increase in current assets primarily was due to an increase in cash at Health Sciences South Carolina from the Managed Care Organizations. The approximately \$17.0 million increase in current assets and a decrease of approximately \$73,000 in capital assets resulted in an approximately \$16.9 million increase in total assets at June 30, 2016. The approximately \$73,000 decrease in capital assets is attributable largely to depreciation. Current liabilities consist primarily of payables to the University of South Carolina for research services performed on sponsored projects, payables to Health Sciences South Carolina's Medicaid Managed Care Providers, and payables to ITOlogy's vendors, as well as deferred revenue from grants and contract sponsors. The increase in current liabilities at June 30, 2016 results from an increase in payables to Health Sciences South Carolina's Medicaid Managed Care Providers.
- Net position decreased at June 30, 2016 by approximately \$199,000 over June 30, 2015. The Foundation's net position is influenced predominantly by management fees and recoveries generated on sponsored grants and contracts as well as operating expenditures such as salaries to manage sponsored grants and contracts. The approximately \$199,000 decrease in net position is attributable to a decrease in management fees and recoveries commensurate with a decreased number of grants and contracts.

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

The Statement of Revenues, Expenses, and Changes in Net Position presents the revenues earned and expenses incurred during the year. Activities are reported as either operating or non-operating. Changes in total net position as presented on the Statement of Net Position are based on the activity presented in the Statement of Revenues, Expenses, and Changes in Net Position.

The purpose of the statement is to present the revenues earned, both operating and non-operating, and the expenses incurred, operating and non-operating, and any other revenues, expenses, gains and losses incurred or spent by the Foundation.

Operating revenues are earned from gifts, contributions, management fees, and grants and contracts from individuals, industrial or other private organizations, and government or other public agencies. Operating expenses are those expenses to conduct research and to acquire or produce the goods and services provided in return for the operating revenues and to carry out the mission of the Foundation. Non-operating expenses are expenses for private gifts and donations, offset by interest income.

**South Carolina Research Foundation**  
**Management's Discussion and Analysis (Unaudited)**

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*Condensed Statements of Revenues, Expenses, and Changes in Net Position*

<i>Year ended June 30,</i>	<b>2017</b>	<b>2016</b>	<b>2015</b>
<b>Operating Revenues</b>			
Federal grants and contracts	\$ 10,465,748	\$ 16,777,818	\$ 30,661,397
Nongovernmental grants and contracts	67,559,415	89,680,406	91,654,027
Management fees and recoveries	3,480,901	3,731,976	5,376,708
Other operating revenues	173,837	184,454	250,842
<b>Total Operating Revenues</b>	<b>81,679,901</b>	<b>110,374,654</b>	<b>127,942,974</b>
<b>Operating Expenses</b>			
Research and development direct costs	79,631,528	108,364,239	126,381,240
Other operating expenses	2,207,450	2,140,288	1,567,322
<b>Total Operating Expenses</b>	<b>81,838,978</b>	<b>110,504,527</b>	<b>127,948,562</b>
<b>Net Operating Loss</b>	<b>(159,077)</b>	<b>(129,873)</b>	<b>(5,588)</b>
<b>Nonoperating (Expenses) Revenues</b>			
Private gifts and donations	(4,821)	(72,526)	(162,665)
Interest income	13,396	3,288	8,552
<b>Net Nonoperating Revenues (Expenses)</b>	<b>8,575</b>	<b>(69,238)</b>	<b>(154,113)</b>
<b>Change in Net Position</b>	<b>(150,502)</b>	<b>(199,111)</b>	<b>(159,701)</b>
<b>Net Position, beginning of year</b>	<b>589,347</b>	<b>788,458</b>	<b>948,159</b>
<b>Net Position, end of year</b>	<b>\$ 438,845</b>	<b>\$ 589,347</b>	<b>\$ 788,458</b>

**2017**

- Operating revenues consist of revenues from grants and contracts, management fees and recoveries, and revenues derived from administrative sources. The Foundation categorizes revenues from grants and contracts as either federal grants and contracts, or nonfederal grants and contracts. Total grants and contracts revenue decreased by approximately \$28.4 million for the year ended June 30, 2017 compared to the year ended June 30, 2016. This decrease was primarily related to a decrease of approximately \$28.7 million in research and development direct costs incurred during the year ended June 30, 2017 compared to the year ended June 30, 2016. The approximately \$28.4 million dollar decrease in grants and contracts revenue, combined with the decrease in management fees and recoveries revenue of approximately \$251,000 and the decrease in other operating revenues of approximately \$10,600, resulted in a net decrease of approximately approximately \$28.7 million in total operating revenues for the year ended June 30, 2017 as compared to the year ended June 30, 2016.
- Research and development direct costs decreased by approximately \$28.7 million for the year ended June 30, 2017 over the year ended June 30, 2016. The decrease of \$28.7 million

# South Carolina Research Foundation

## Management's Discussion and Analysis (Unaudited)

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was primarily attributable to a decrease in Managed Care Organizations activity at Health Sciences South Carolina and a decrease in Foundation research and development costs of approximately \$6.4 million due to the transition of Federal and certain nongovernmental grants and contracts to direct management by the University of South Carolina. Other operating expenses increased by approximately \$67,000 for the year ended June 30, 2017 over the year ended June 30, 2016. The increase in other operating expenses primarily results from the increase in services and supplies expenditures. Total operating expenses decreased by approximately \$28.7 million.

- Net position decreased at June 30, 2017 over June 30, 2016 by approximately \$150,500. The Foundation's net position is influenced predominantly by indirect cost recoveries and management fees generated on sponsored grants and contracts. The approximately \$150,500 decrease in net position is attributable to a decrease in management fees and recoveries as a result of decreased activity with Federal and nongovernmental sponsored projects managed by the Foundation.

### 2016

- Operating revenues consist of revenues from grants and contracts, management fees and recoveries, and revenues derived from administrative sources. The Foundation categorizes revenues from grants and contracts as either federal grants and contracts, or nonfederal grants and contracts. Revenues generated from federal grants and contracts decreased by approximately \$13.9 million for the year ended June 30, 2016 over the year ended June 30, 2015. The significant decrease is attributable to the transition of federal grants and contracts to management directly by the University of South Carolina. Revenues recognized from nongovernmental grants and contracts decreased by approximately \$2.0 million for the year ended June 30, 2016 over the year ended June 30, 2015. The decrease is primarily due to Health Sciences South Carolina deferring revenue received related to Managed Care Organizations and the Foundation decreasing nonfederal grants and contracts activity with the University of South Carolina. Total grants and contracts revenues decreased by approximately \$15.9 million for the year ended June 30, 2016 over the year ended June 30, 2015; management fees decreased by approximately \$1.6 million, and other operating revenues decreased by approximately \$66,000 respectively, resulting in a net decrease of approximately \$17.6 million in total operating revenues.
- Research and development direct costs decreased by approximately \$18.0 million for the year ended June 30, 2016 over the year ended June 30, 2015. The decrease is primarily due to a decrease in Foundation research and development costs of \$18.3 million due to the transition of Federal and certain nongovernmental grants and contracts to direct management by the University of South Carolina. Other operating expenses increased by approximately \$573,000 for the year ended June 30, 2016 over the year ended June 30, 2015. The increase in other operating expenses primarily results from the increase in personnel and services and supplies expenditures for Health Sciences South Carolina. Total operating expenses decreased by approximately \$17.4 million.

# South Carolina Research Foundation

## Management's Discussion and Analysis (Unaudited)

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- Net position decreased at June 30, 2016 over June 30, 2015 by approximately \$199,000. The Foundation's net position is influenced predominantly by indirect cost recoveries and management fees generated on sponsored grants and contracts. The approximately \$199,000 decrease in net position is attributable to a decrease in management fees and recoveries as a result of decreased activity with Federal and nongovernmental sponsored projects managed by the Foundation.

### *Statements of Cash Flows*

The final statement presented is the Statement of Cash Flows. The Statement of Cash Flows presents detailed information about the cash activity of the Foundation during the year by reporting the sources and uses of cash. The statement is divided into four sections. The first section is the operating cash flows and presents the net cash provided or used by the operating activities of the Foundation. The second section is the cash flows from capital and related financing activities and presents the cash used for the acquisition and construction of capital and related items. The third section is the cash flows from noncapital financing activities. This section presents the cash received and spent for nonoperating, noninvesting, and noncapital financing purposes. The fourth section is the cash flows from investing activities and presents the purchases, proceeds, and interest received from investing activities. A reconciliation of the net cash provided by or used in operating activities to the operating income or loss presented on the Statements of Revenues, Expenses, and Changes in Net Position is also included in the Statements of Cash Flows.

### *Capital Assets and Debt Administration*

The Foundation was founded for the purposes of supporting the research and other externally sponsored academic activities of the University of South Carolina. The Foundation operates primarily as a grants management organization and as such maintains limited amounts of capital assets. The Foundation paid its note payable during the 2016 year so that its indebtedness at June 30, 2017 and 2016 on capital asset purchases was zero.

## Financial Statements

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# South Carolina Research Foundation

## Statements of Net Position

<i>June 30,</i>	2017	2016
<b>Current Assets</b>		
Cash and cash equivalents	\$ 300,484	\$ 239,007
Restricted cash and cash equivalents	124,178,860	90,301,520
Accounts receivable	5,115,045	9,810,634
Prepaid expenses and deposits	48,038	52,716
<b>Total Current Assets</b>	<b>129,642,427</b>	<b>100,403,877</b>
<b>Capital Assets, Net</b>		
Furniture	87,664	356,408
Office equipment	172,528	172,528
Leasehold improvements	131,214	131,214
Accumulated depreciation	(292,385)	(525,875)
<b>Total Capital Assets, Net</b>	<b>99,021</b>	<b>134,275</b>
<b>Total Assets</b>	<b>129,741,448</b>	<b>100,538,152</b>
<b>Current Liabilities</b>		
Accounts payable and accrued expenses	21,531,322	36,792,978
Unearned revenue	107,771,281	63,155,827
<b>Total Current Liabilities</b>	<b>129,302,603</b>	<b>99,948,805</b>
<b>Total Liabilities</b>	<b>129,302,603</b>	<b>99,948,805</b>
<b>Net Position</b>		
Invested in capital assets, net of related debt	99,021	134,275
Unrestricted	339,824	455,072
<b>Total Net Position</b>	<b>\$ 438,845</b>	<b>\$ 589,347</b>

*See accompanying notes to financial statements.*

## South Carolina Research Foundation

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

<i>Year ended June 30,</i>	2017	2016
<b>Operating Revenues</b>		
Federal grants and contracts	\$ 10,465,748	\$ 16,777,818
Nongovernmental grants and contracts	67,559,415	89,680,406
Management fees and recoveries	3,480,901	3,731,976
Other operating revenues	173,837	184,454
<b>Total Operating Revenues</b>	<b>81,679,901</b>	<b>110,374,654</b>
<b>Operating Expenses</b>		
Research and development direct costs	79,631,528	108,364,239
Salaries and benefits	980,901	994,907
Services and supplies	1,226,549	1,145,381
<b>Total Operating Expenses</b>	<b>81,838,978</b>	<b>110,504,527</b>
<b>Net Operating Loss</b>	<b>(159,077)</b>	<b>(129,873)</b>
<b>Nonoperating (Expenses) Revenues</b>		
Private gifts and donations	(4,821)	(72,526)
Interest income	13,396	3,288
<b>Net Nonoperating Revenues (Expenses)</b>	<b>8,575</b>	<b>(69,238)</b>
<b>Change in Net Position</b>	<b>(150,502)</b>	<b>(199,111)</b>
<b>Net Position, beginning of year</b>	<b>589,347</b>	<b>788,458</b>
<b>Net Position, end of year</b>	<b>\$ 438,845</b>	<b>\$ 589,347</b>

*See accompanying notes to financial statements.*



# South Carolina Research Foundation

## Statements of Cash Flows

<i>Year ended June 30,</i>	2017	2016
<b>Operating Activities</b>		
Payments from grants and contracts	\$ 183,025,078	\$ 175,175,506
Payments to subcontractors	(145,656,555)	(136,529,946)
Payments to suppliers	(3,438,281)	(4,404,872)
<b>Net Cash Provided by Operating Activities</b>	<b>33,930,242</b>	<b>34,240,688</b>
<b>Financing Activities</b>		
Cash flows from capital financing activities:		
Payments on notes payable	-	(20,640)
Cash flows from non-capital financing activities:		
Private gifts and donations	(4,821)	(72,526)
<b>Total Cash Used in Financing Activities</b>	<b>(4,821)</b>	<b>(93,166)</b>
<b>Investing Activities</b>		
Interest income	13,396	3,288
<b>Net Cash Provided by Investing Activities</b>	<b>13,396</b>	<b>3,288</b>
<b>Net Increase in Cash and Cash Equivalents</b>	<b>33,938,817</b>	<b>34,150,810</b>
<b>Cash and Cash Equivalents, beginning of year</b>	<b>90,540,527</b>	<b>56,389,717</b>
<b>Cash and Cash Equivalents, end of year</b>	<b>\$ 124,479,344</b>	<b>\$ 90,540,527</b>
<b>Reconciliation of Net Operating Loss to Net Cash Provided by Operating Activities:</b>		
Net operating loss	\$ (159,077)	\$ (129,873)
Adjustments to reconcile change in net assets to net cash provided by net operating loss:		
Depreciation expense	35,254	73,389
Changes in operating assets and liabilities:		
Accounts receivable	4,695,589	17,082,514
Prepaid expenses and deposits	4,678	46,750
Accounts payable and accrued expenses	(15,261,656)	76,199,554
Unearned revenue	44,615,454	(59,031,646)
<b>Net Cash Provided by Operating Activities</b>	<b>\$ 33,930,242</b>	<b>\$ 34,240,688</b>

*See accompanying notes to financial statements.*

# South Carolina Research Foundation

## Notes to Financial Statements

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### 1. Organization

The South Carolina Research Foundation (the "Foundation") is a not-for-profit, IRC §501(c)(3) tax-exempt organization incorporated in the State of South Carolina in December 1991. The Foundation operates as a supporting organization of the University of South Carolina (the "University") to promote, encourage, and aid scientific investigation and research by providing or assisting in providing the means and facilities. The Foundation has public charity status as an organization described in IRC §509(a)(3).

In 2008, the Foundation entered into a management service agreement ("MSA") with Health Sciences South Carolina ("HSSC"), a nonprofit corporation founded to improve the health and economic well-being of the State of South Carolina through a coordinated strategy to advance research and education. The Foundation supports HSSC by providing personnel and fiduciary services. HSSC includes participation from the University of South Carolina, Clemson University, Medical University of South Carolina, Palmetto Health, Greenville Hospital System, Spartanburg Regional Hospital, McLeod Health, AnMed Health, and Self Regional Healthcare. HSSC is disregarded as an entity for federal tax purposes. As a result of the MSA, the assets, liabilities, revenues, and expenses of HSSC are included in the financial statements of the Foundation.

Effective August 18, 2009, the Foundation entered into an Operating Agreement ("OA") with the Consortium for Enterprise Systems Management, LLC, ("CESM"), a South Carolina limited liability company. CESM was founded to organize and operate an education and research consortium that, in the public interest, promotes effective utilization and management of information technology enterprise systems in business, government, and nonprofit organizations, while advancing the exempt purposes and objectives of the Foundation in the promotion of educational, research, and other programs of the University of South Carolina. CESM is disregarded as an entity for federal income tax purposes. As a result of the OA, the assets, liabilities, revenues, and expenses of CESM are included in the financial statements of the Foundation. Effective May 15, 2014, the name of CESM was changed from the Consortium for Enterprise Systems Management, LLC, to IToLogy, LLC ("IToLogy"). Effective December 2, 2016, the Operating Agreement with IToLogy, LLC was terminated.

Effective January 1, 2012, the Foundation entered into a Fiscal Sponsorship Fund Agreement ("FSFA") with the South Carolina Institute of Medicine and Public Health ("SCIMPH"), a South Carolina nonprofit corporation. SCIMPH was established in 2011 as an independent convener and resource for evidence-based information on the important health issues in South Carolina. The mission of SCIMPH is to collectively inform policy to improve health and healthcare. SCIMPH takes a comprehensive approach to advancing health issues through data analysis and translation as well as collaborative engagement. SCIMPH is disregarded as an entity for federal income tax purposes. As a result of the FSFA, the assets, liabilities, revenues, and expenses of SCIMPH are included in the financial statements of the Foundation.

# South Carolina Research Foundation

## Notes to Financial Statements

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### 2. Summary of Significant Accounting Policies

The Foundation applies all applicable Governmental Accounting Standards Board ("GASB") pronouncements. The significant accounting policies used by the Foundation in preparing and presenting its financial statements are as follows:

#### *(a) Basis of Accounting*

The financial statements of the Foundation have been prepared using the economic resources measurement focus and the accrual basis of accounting.

#### *(b) Cash and Cash Equivalents*

At June 30, 2017 and 2016, the carrying value of cash and cash equivalents (with corresponding bank balances) totaled \$124,479,344 and \$90,540,527, respectively. Bank balances up to \$250,000 are fully insured with federal depository insurance coverage, thus amounts held in deposit greater than insured balances are subject to custodial credit risk. The Foundation does not have a formal policy on custodial credit risk. The Foundation considers all highly liquid investments with original maturities of three months or less to be cash equivalents. Restricted cash and cash equivalents includes all cash and cash equivalents of HSSC and SCIMPH; cash received from a federal agency for research and development but not expended, net of any related receivables; and other amounts reserved for payment of specific payables as of year end.

#### *(c) Accounts Receivable*

Accounts receivable consist of amounts due from the Federal government and private sources in connection with reimbursement of allowable expenditures made pursuant to the Foundation's grants and contracts, and HSSC's agreement with Managed Care Organizations. Due to the nature of the Foundation's business, an allowance for doubtful accounts is not maintained as the risk related to uncollectible accounts resides with the related sponsor.

#### *(d) Capital Assets*

Capital assets are recorded at cost at the date of acquisition or fair market value at the date of donation in the case of a gift. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, generally 5 years for furniture, office equipment, and automobiles, and the shorter of the lease term or useful lives of leasehold improvements.

#### *(e) Unearned Revenue*

Unearned revenue includes amounts received from grant and contract sponsors that have not yet been earned because the Foundation has not met all of the recognition requirements of the applicable contract or grant payments received prior to the end of the fiscal year but related to a subsequent reporting period.

# South Carolina Research Foundation

## Notes to Financial Statements

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### *(f) Net Position*

The Foundation's net position is classified as follows:

*Invested in Capital Assets:* Invested in capital assets represents the Foundation's total investment in capital assets, net of outstanding debt obligations related to those capital assets.

*Restricted Net Position:* Restricted net position includes resources in which the Foundation is legally or contractually obligated to spend in accordance with restrictions imposed by external third parties.

*Unrestricted Net Position:* Unrestricted net position is not subject to externally imposed stipulations pertaining to its use. Unrestricted net position is used for the general operations of the Foundation and may be used at the discretion of the governing board to meet current expenses for any purpose.

The Foundation's policy for applying expenses that can use both restricted and unrestricted resources is delegated to Foundation management. General practice is to first apply the expense to restricted resources then to unrestricted resources.

### *(g) Classification of Revenues*

The Foundation has classified its revenue as either operating or nonoperating revenues according to the following criteria:

*Operating revenues:* Operating revenues include activities that have the characteristics of exchange transactions, such as federal and nongovernmental grants and contracts, royalty income, rental income, and management fees.

*Nonoperating revenues:* Nonoperating revenues include activities that have the characteristics of nonexchange transactions, such as gifts, and interest income.

### *(h) Use of Estimates*

The preparation of the 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 amount of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

### *(i) Reclassifications*

Certain items in the 2016 financial statements have been reclassified to conform to the 2017 presentation. There was no modification to the 2016 change in net position or the June 30, 2016 net position balance as a result of the reclassifications.

# South Carolina Research Foundation

## Notes to Financial Statements

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### 3. Accounts Receivable

The Foundation's accounts receivable reported in the accompanying statements of net position as of June 30, 2017 and 2016, consisted entirely of grants and contracts receivable. A summary of grants and contracts receivable are as follows:

<i>June 30,</i>		2017		2016
Private grants and contracts receivable	\$	3,147,504	\$	4,683,310
Federal grants and contracts receivable		1,967,451		5,127,324
<b>Total accounts receivable</b>	<b>\$</b>	<b>5,115,045</b>	<b>\$</b>	<b>9,810,634</b>

The Foundation's allowance for uncollectible receivables was \$0 at June 30, 2017 and 2016.

### 4. Accounts Payable and Accrued Expenses

The Foundation's accounts payable and accrued expenses reported in the accompanying statements of net position were as follows:

<i>June 30, 2017</i>	Private	Federal	Total
Vendors	\$ 58,837	\$ 143,174	\$ 202,011
University of South Carolina	2,941,597	2,668,572	5,610,169
Payable by Health Sciences South Carolina	15,719,142	-	15,719,142
<b>Total accounts payable and accrued expenses</b>	<b>\$18,719,576</b>	<b>\$ 2,811,746</b>	<b>\$ 21,531,322</b>

<i>June 30, 2016</i>	Private	Federal	Total
Vendors	\$ 118,826	\$ 23,719	\$ 142,545
University of South Carolina	4,376,423	6,579,749	10,956,172
Payable by Health Sciences South Carolina	25,694,261	-	25,694,261
<b>Total accounts payable and accrued expenses</b>	<b>\$ 30,189,510</b>	<b>\$ 6,603,468</b>	<b>\$ 36,792,978</b>

Health Sciences South Carolina payables are largely due to managed care organizations with additional amounts being payable to various vendors.

### 5. Related Party

The University contributes certain personnel and the facilities utilized by the Foundation. There has been no value assigned (as it is undeterminable) to those administrative services in the financial statements. All of the research and development supported by grants and contracts are performed by the University and several of its various departments.

# South Carolina Research Foundation

## Notes to Financial Statements

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### 6. Commitments and Contingencies

The Foundation is dependent upon federal and corporate funded research contracts, and must apply for annual renewals of grants and contracts. Funding is subject to both increases and decreases at the discretion of the contractors, and some agreements also call for termination by either party contingent upon certain conditions. The Foundation's federal awards are subject to financial and compliance audits. Such audits could lead to requests for reimbursements to the grantor agency for expenditures disallowed under the terms of the agreement. The amount of expenditures, if any, which may be disallowed by the granting agencies cannot be determined at this time although the Foundation expects such amounts, if any, to be immaterial.

### 7. Operating Expenses by Functional Classifications

Operating expenses by functional classification were as follows:

<i>Year ended June 30, 2017</i>	Salaries and Benefits	Services and Supplies	Total
Research and development	\$ -	\$ 79,631,528	\$ 79,631,528
Management and general	980,901	1,226,549	2,207,450
<b>Total operating expenses</b>	<b>\$ 980,901</b>	<b>\$ 80,858,077</b>	<b>\$ 81,838,978</b>

<i>Year ended June 30, 2016</i>	Salaries and Benefits	Services and Supplies	Total
Research and development	\$ -	\$ 108,364,239	\$ 108,364,239
Management and general	994,907	1,145,381	2,140,288
<b>Total operating expenses</b>	<b>\$ 994,907</b>	<b>\$ 109,509,620</b>	<b>\$ 110,504,527</b>

### 8. Risk Management

The Foundation is exposed to various risks of loss related to torts, theft of assets, and errors and omissions. The Foundation's affairs are conducted by the employees of the University and exposures to loss resulting from this arrangement are handled by the University through a combination of methods, including participation in various risk pools administered by the State of South Carolina, purchase of commercial insurance and self retention of certain risks. Additional details on the University's risk management program are disclosed in the financial report of the University.

# South Carolina Research Foundation

## Notes to Financial Statements

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### 9. Subsequent Events

The Foundation has evaluated subsequent events from June 30, 2017 (the date of the most recent statement of net position presented) through September 13, 2017 (the date of the audit report and the date the financial statements were available to be issued). No material recognizable events were identified.

## Supplementary Financial Information

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## Independent Auditor's Report on Supplementary Information

Our audits of the financial statements included in the preceding section of this report were conducted for the purpose of forming an opinion on those statements as a whole. The schedules of net position and schedules of revenues, expenses, and changes in net position of Health Sciences South Carolina, IToLogy, and South Carolina Institute of Medicine and Public Health presented in the following section of this report are presented for purposes of additional analysis and are 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 financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*BDO USA, LLP*

September 13, 2017

# Health Sciences South Carolina

## Schedules of Net Position

<i>June 30,</i>	2017	2016
<b>Current Assets</b>		
Restricted cash and cash equivalents	\$ 119,709,597	\$ 83,893,678
Accounts receivable	460,678	607,988
Prepaid expenses and deposits	1,130	-
<b>Total Current Assets</b>	<b>120,171,402</b>	<b>84,501,666</b>
<b>Capital Assets, Net</b>		
Furniture	75,696	75,696
Office equipment	159,416	159,416
Leasehold improvements	131,214	131,214
Accumulated depreciation	(267,306)	(232,050)
<b>Total Capital Assets, Net</b>	<b>99,021</b>	<b>134,276</b>
<b>Total Assets</b>	<b>120,270,422</b>	<b>84,635,942</b>
<b>Current Liabilities</b>		
Accounts payable and accrued expenses	15,719,142	25,694,261
Unearned revenue	104,551,280	58,941,681
<b>Total Current liabilities</b>	<b>120,270,422</b>	<b>84,635,942</b>
<b>Total Liabilities</b>	<b>120,270,422</b>	<b>84,635,942</b>
<b>Total Net Position</b>	<b>\$ -</b>	<b>\$ -</b>

## Health Sciences South Carolina

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

<i>Year ended June 30,</i>	2017	2016
<b>Operating Revenues</b>		
Nongovernmental grants and contracts	\$ 60,857,953	\$ 83,196,810
Management fees and recoveries	1,313,903	1,252,177
<b>Total Operating Revenues</b>	<b>62,171,856</b>	<b>84,448,987</b>
<b>Operating Expenses</b>		
Research and development direct costs	60,441,878	82,740,492
Salaries and benefits	980,901	999,028
Services and supplies	762,121	712,572
<b>Total Operating Expenses</b>	<b>62,184,900</b>	<b>84,452,092</b>
<b>Net Operating Loss</b>	<b>(13,044)</b>	<b>(3,105)</b>
<b>Nonoperating Revenues</b>		
Interest income	13,044	3,105
<b>Total Nonoperating Revenues</b>	<b>13,044</b>	<b>3,105</b>
<b>Change in Net Position</b>	<b>-</b>	<b>-</b>
<b>Net Position, beginning of year</b>	<b>-</b>	<b>-</b>
<b>Net Position, end of year</b>	<b>\$ -</b>	<b>\$ -</b>

# IToLogy

## Schedules of Net Position

<i>June 30,</i>		2017	2016
<b>Current Assets</b>			
Restricted cash and cash equivalents	\$	-	\$ 219,327
Accounts receivable		-	40,012
Prepaid expenses and deposits		-	13,826
<b>Total Current Assets</b>		-	273,165
<b>Capital Assets, Net</b>			
Furniture		-	268,744
Accumulated depreciation		-	(268,744)
<b>Total Capital Assets, Net</b>		-	-
<b>Total Assets</b>		-	273,165
<b>Current Liabilities</b>			
Accounts payable and accrued expenses		-	26,137
Unearned revenue		-	246,539
<b>Total Current Liabilities</b>		-	272,676
<b>Total Liabilities</b>		-	272,676
<b>Total Net Position</b>	\$	-	\$ 489

# IToLogy

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

<i>Year ended June 30,</i>	2017	2016
<b>Operating Revenues</b>		
Nongovernmental grants and contracts	\$ 302,263	\$ 1,436,069
<b>Total Operating Revenues</b>	<b>302,263</b>	<b>1,436,069</b>
<b>Operating Expenses</b>		
Research and development direct costs	302,752	1,436,069
<b>Total Operating Expenses</b>	<b>302,752</b>	<b>1,436,069</b>
<b>Net Operating Loss</b>	<b>(489)</b>	<b>-</b>
<b>Change in Net Position</b>	<b>(489)</b>	<b>-</b>
<b>Net Position, beginning of year</b>	<b>489</b>	<b>489</b>
<b>Net Position, end of year</b>	<b>\$ -</b>	<b>\$ 489</b>

# South Carolina Institute of Medicine and Public Health

## Schedules of Net Position

<i>June 30,</i>	2017	2016
<b>Current Assets</b>		
Restricted cash and cash equivalents	\$ 91,453	\$ 78,298
Accounts receivable	8,333	46,935
<b>Total Current Assets</b>	<b>99,786</b>	<b>125,233</b>
<b>Total Assets</b>	<b>99,786</b>	<b>125,233</b>
<b>Current Liabilities</b>		
Accounts payable and accrued expenses	-	1,005
Unearned revenue	99,786	124,228
<b>Total Current Liabilities</b>	<b>99,786</b>	<b>125,233</b>
<b>Total Liabilities</b>	<b>99,786</b>	<b>125,233</b>
<b>Total Net Position</b>	<b>\$ -</b>	<b>\$ -</b>

# South Carolina Institute of Medicine and Public Health

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

<i>Year ended June 30,</i>	2017	2016
<b>Operating Revenues</b>		
Nongovernmental grants and contracts	\$ 366,919	\$ 532,204
<b>Total Operating Revenues</b>	<b>366,919</b>	<b>532,204</b>
<b>Operating Expenses</b>		
Research and development direct costs	366,919	532,204
<b>Total Operating Expenses</b>	<b>366,919</b>	<b>532,204</b>
<b>Net Operating Income</b>	-	-
<b>Change in Net Position</b>	-	-
<b>Net Position, beginning of year</b>	-	-
<b>Net Position, end of year</b>	\$ -	\$ -

## Reports and Schedules Related to the Uniform Guidance





## **Independent Auditor's Report 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***

The Board of Directors  
South Carolina Research Foundation

We have audited, in accordance with the 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 South Carolina Research Foundation (the "Foundation"), which comprise the statement of net position as of June 30, 2017, and the related statements of revenues, expenses, and changes in net position and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 13, 2017.

### **Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Foundations' internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Foundation'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 the Foundation'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 Foundation'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 Foundation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*BDO USA, LLP*

September 13, 2017



## **Independent Auditor's Report on Compliance For Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance**

The Board of Directors  
South Carolina Research Foundation

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

We have audited South Carolina Research Foundation's (the "Foundation") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Foundation's major federal programs for the year ended June 30, 2017. The Foundation's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

#### ***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.

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

Our responsibility is to express an opinion on compliance for each of the Foundation'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* (the "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 the Foundation'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 the Foundation's compliance.

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

In our opinion, the Foundation 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 June 30, 2017.

# South Carolina Research Foundation

## Notes to Schedule of Expenditures of Federal Awards

---

### 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of the South Carolina Research Foundation (the "Foundation") under programs of the federal government for the year ended June 30, 2017. The information in the Schedule is presented in accordance with the provisions of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Because the Schedule presents only a selected portion of the operations of the Foundation, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Foundation. Therefore, some amounts presented in the Schedule may differ from the amounts presented in the financial statements.

All of the Foundation's federal awards were in the form of cash assistance for the year ended June 30, 2017.

### 2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-122, *Cost Principles for Non-Profit Organizations*, or the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. The Foundation has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

### 3. Subrecipients

All of the federal expenditures presented in the schedule are provided to the University of South Carolina as a subrecipient.

### 4. Contingencies

The Foundation's federal programs are subject to financial and compliance audits by grantor agencies which, if instances of material noncompliance are found, may result in disallowed expenditures, and affect the Foundation's continued participation in specific programs. That amount, if any, of expenditures which may be disallowed by the grantor agencies cannot be determined at this time, although the Foundation expects such amounts, if any, to be immaterial.

# South Carolina Research Foundation

## Schedule of Expenditures of Federal Awards

Year ending June 30, 2017

Federal Grantor/Pass-Through Grantor/Agency	Federal CFDA Number	Pass-through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
<b>Research and Development Cluster</b>				
<b>U.S. Department of Agriculture</b>				
Distributed On-Farm Bioenergy, Biofuels and Biochemicals (FarmBio3) Development and Production via Integrated Catalytic Thermolysis	10.001		\$ 39,549	\$ 39,549
Improving Satellite Soil Moisture Spatial Resolution	10.001		51,553	51,553
COPASCities: Childhood Obesity Prevention in SC Communities	10.310		132	132
COPASCities: Childhood Obesity Prevention in SC Communities	10.310		412,707	412,707
			412,839	412,839
Marlboro County FoodShare Expansion Project	10.769		35,429	35,429
Pass-through City Roots, Inc., Technical Assistance to City Roots for Conservation Innovation Grants	10.912	69-3A75-12-210	166	166
USC Salkhatchlie Entrepreneurial Development Center Project	10.773		(606)	(606)
Marlboro County FoodShare Expansion Project	10.769		31,886	31,886
<b>Total U.S. Department of Agriculture</b>			<b>570,816</b>	<b>570,816</b>
<b>U.S. Department of Commerce</b>				
Carolinas Integrated Sciences and Assessments	11.431		51,798	51,798
Carolinas Integrated Sciences and Assessments	11.431		679,065	679,065
Carolinas Integrated Sciences and Assessments	11.431		21,458	21,458
			752,321	752,321
Pass-through University of Colorado, Interoperability between ESMF and OpenMI: A Case Study	11.432	1000224046.000	(621)	(621)
Development of a Genetic Spawning Stock Diversity Index for Western Atlantic Bluefin Tuna	11.472		17,001	17,001
MERHAB 2009: Comparative Analysis of Quantitative Detection Methods for Enumeration of HAB Species: Applications for Resource Management	11.478		(5,074)	(5,074)
Pass thru University of Central Florida, Integrated Modeling for the Assessment of Ecological Impacts of Sea Level Rise	11.478	16206031-5	9,895	9,895
			4,821	4,821
<b>Total U.S. Department of Commerce</b>			<b>773,522</b>	<b>773,522</b>
<b>U.S. Department of Defense</b>				
Development of High Quality 4H-SiC Thick Epitaxy for Reliable High Power Electronics Using Chlorinated Precursors	12.300		4,697	4,697
Mechanisms of Enhanced Flow Boiling with High Frequency Self-modulated Microbubble-switched Oscillations	12.300		(3,661)	(3,661)
Northern Indian Ocean Salt Transport (NIOST): Estimation of Fresh and Salt Water Transports in the Indian Ocean using Remote Sensing, Hydrographic Observations, and HYCOM simulations	12.300		376	376
			1,412	1,412
Pass-through University of Michigan, Towards Water-Free Biologics	12.360	W911NF-11-1-0251	14,393	14,393
Synthetic Lectins: New Tools for Detection and Management of Prostate Cancer	12.420		368,574	368,574
Activation of Hh Signaling: A Critical Biological Consequence of ETS Gene Anomalies in Prostate Cancer	14.420		26,597	26,597
			395,171	395,171
Highly Effective Compression and Evaluation of Geodetic Quantities	12.630		142,185	142,185
Multiscale Mathematics for Nano-Particle-Endowed Active Membranes and Films	12.800		22,442	22,442
Pass-through SINMAT, INC, SBIR PHASE II: Efficient Manufacturing of Low Defect Density SiC Substrates using a Novel Defect Capped Planarization Assisted Growth (DC-PAG) Method	12.XXX	CBET-0954977	55	55
Science and Engineering Short Courses: Network and Software Applications Security	12.XXX		46,668	46,668
Science and Engineering Short Courses: Mobile Ad Hoc Networks (MANET)	12.XXX		40,852	40,852
Vitamin D and Related Genes, Race and Prostate Cancer Aggressiveness	12.XXX		7,103	7,103
<b>Total U.S. Department of Defense</b>			<b>670,281</b>	<b>670,281</b>
<b>U.S. Department of Interior</b>				
Pass-through East Carolina University Synthesis of High and Low Marsh Habitat Mapping and Responses to Sea-Level Rise in the South Atlantic Region	15.637	A130120-S002	1,165	1,165
Assess the Distribution and Status of Champion Trees at Congaree National Park, CESU	15.945		8,706	8,706
Sediment Trapping Program in the Gulf of Mexico	15.XXX		(1,658)	(1,658)
<b>Total U.S. Department of Interior</b>			<b>8,213</b>	<b>8,213</b>
<b>U.S. Department of Justice</b>				
Evidence-Based Solutions to Reduce Law Enforcement Officer Vehicular Crashes	16.560		5,000	5,000
Multimode Imaging in the Thermal Infrared: Validation for Blood, Extension to Latent Prints	16.560		(7,920)	(7,920)
The Impact of Incarceration on Families: A Single-Jurisdiction Pilot Study Using Triangulated Administrative Data & Qualitative Interviews	16.560		128,652	128,652
			125,732	125,732
Evidence Based Solutions to Reduce Law Enforcement Officer Vehicular Crashes	16.754		(13,462)	(13,462)
<b>Total U.S. Department of Justice</b>			<b>112,270</b>	<b>112,270</b>
<b>U.S. Department of State</b>				
University of South Carolina Journalism School Partnership Project with the Caucasus School of Journalism and Media Management	19.000		(994)	(994)
Investigative Journalism Training Program in the Baltics U.S. Mission to Lithuania	19.900		179,748	179,748
<b>Total U.S. Department of State</b>			<b>178,754</b>	<b>178,754</b>
<b>National Aeronautics and Space Administration</b>				
Downscaling of Passive Microwave Soil Moisture Using Vegetation and Surface Temperature	43.001		93,169	93,169
New Approaches to understanding the MUO using Satellite Altimetry and Aquarius Salinity in the Tropical Oceans	43.001		118,081	118,081
Unmanned Aircraft Systems (UAS) Research: The AG Channel, Robust Waveforms, and Aeronautical Network Simulations	43.001		61,353	61,353
			272,603	272,603
Physiological Impacts of Climate Change Using Remote Sensing	43.009		152,480	152,480
Physiological Impacts of Climate Change Using Remote Sensing	43.009		434	434
Physiological Impacts of Climate Change Using Remote Sensing	43.009		8,755	8,755
			161,669	161,669
FrontierSN2 : Second Year of Frontier Field Supernova Search	43.XXX		7,493	7,493
FrontierSN3 : Third year of Frontier Fields Supernova Search	43.XXX		30,697	30,697
Pass thru California Institute of Technology, Molecules in the Distant Universe: Herschel Spectroscopy of Damped Lyman-alpha Quasar Absorbers	43.XXX	1427151	(5,001)	(5,001)
Probing Structure in Cold Gas at z <- 1 with Gravitationally Lensed Quasar Sightlines	43.XXX		19,929	19,929
Refsdal Redux : Precise Measurements of the Reappearance of the First Supernova with Multiple Resolved Images	43.XXX		10,507	10,507
RELICS : Reionization Cluster Lensing Survey	43.XXX		4,918	4,918
Rings of Fire: A Spitzer IRAC Study of Polar Ring Galaxies	43.XXX		(2,604)	(2,604)
Space Telescope Science Institute, Sub-damped Lyman-alpha Absorbers at z < 0.6: An Unexplored Terrain in the Quest for Cosmic Metals	43.XXX		31,509	31,509
Star Formation and Molecular Gas in Distant Galaxies: SPIRE Spectroscopy of Quasar Absorption Systems	43.XXX		66,668	66,668
The Stellar Continuum Light from Damped Lyman-alpha Absorber Galaxies Detected with Integral Field Spectroscopy	43.XXX		2,419	2,419
<b>Total National Aeronautics and Space Administration</b>			<b>600,807</b>	<b>600,807</b>

**South Carolina Research Foundation**  
**Schedule of Expenditures of Federal Awards**

Year ending June 30, 2017

Federal Grantor/Pass-Through Grantor/Agency	Federal CFDA Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
<b>National Endowment for the Arts and the Humanities</b>				
Fox Movietone News Digitization Project, Phase I	45.149		(304)	(304)
South Carolina Newspaper Digitization Project	45.149		(25,686)	(25,686)
			(25,990)	(25,990)
PARAGON: Intelligent Digital Collation and Difference Detection	45.169		(1,601)	(1,601)
Trees and Tweets: Mining Billions to Understand Human Migration and Dialect Variation	45.312		24,314	24,314
<b>Total National Endowment for the Arts and the Humanities</b>			(3,277)	(3,277)
<b>National Science Foundation</b>				
Biomechanics of Arterial Tissue Failure at Multiple Length Scales	47.041		(4,012)	(4,012)
CAREER: Hydrothermal Carbonization of Mixed Feedstocks: Implications for Sustainable Waste Management	47.041		73,213	73,213
CAREER: Smart RF/Microwave Components Using Nano-Film Slow Wave Elements	47.041		53,048	53,048
CAREER: Studying Flow Velocity Field in Nanofluidics with a Far-Field Nanoscopic Velocimetry	47.041		232,017	232,017
Collaborative Research: Rational Design of Bifunctional Catalysts for the Conversion of Levulinic Acid to Gamma-valerolactone	47.041		(9,849)	(9,849)
Collaborative Research: Resilient and Sustainable Engineered Fiber-Reinforced Earthen Masonry for Windstorm Regions	47.041		(5,160)	(5,160)
Efficient Unconventional Computing with Adaptable Memory Circuit Elements	47.041		5,589	5,589
GOALI: A Scientific Synthesis of Bimetallic Catalysts	47.041		(6,294)	(6,294)
Integrating Multi-physicochemical Processes Induced Stresses to Study Structural Reliability for Solid Oxide Fuel Cells	47.041		6,040	6,040
MR: Development of a Multifunctional Far-Field Nanoscopic System for Multidisciplinary Research	47.041		402	402
Novel Beam Steering Apertures and Waveforms for High Capacity Broadband Wireless Nodes	47.041		38,345	38,345
Pollutant Formation During Oxy-Combustion of Coal	47.041		(3,561)	(3,561)
REU Supplement: Lime-Stabilized Earth Blocks with Recycled Plastic Reinforcement for Hazard Resilience	47.041		4,862	4,862
REU Supplement: Novel Beam Steering Apertures and Waveforms for High Capacity Broadband Wireless Nodes	47.041		2,156	2,156
Simulation of Integrated Urban Infrastructure Systems using Component-based Modeling	47.041		46,071	46,071
			432,867	432,867
ATD Collaborative Research: Theory and Algorithms for High Dimensional Learning	47.049		4,288	4,288
CAREER: Approximate Description of Nuclear Quantum Effects Applicable to Large Molecular Systems	47.049		36,389	36,389
CAREER: Asymmetric Silylation of Secondary Alcohols and Mechanistic Investigations	47.049		19,845	19,845
Career: Renewable Polymers and Composites Derived from Hydrocarbon-Rich Natural Rosin	47.049		96,303	96,303
Cationic Cobaltocenium Polyelectrolyte Polymers: Synthesis, Self-Assembly and Utilities	47.049		(3,229)	(3,229)
Collaborative Research: Spectral Diagnostics of Heavy Elements at High Redshift	47.049		10,906	10,906
CUORE: Phase I Construction and Crystal Bolometer Research and Development	47.049		42,767	42,767
Development and Analysis of Fast Numerical Methods for Fractional Diffusion and Advection-Diffusion Equations	47.049		48,078	48,078
Development of Correlation Operator Approach to Model Electron Correlation	47.049		7,336	7,336
Homological and Positive Characteristic Questions in Commutative Algebra	47.049		(20,686)	(20,686)
Ligand Design for Molecular and Supramolecular Control of the Structures of Metal Complexes: Investigations of Unusual Magnetic Properties	47.049		10,203	10,203
Iterative Research: Experimentally Guided Mathematics for the Mechanochemistry of Cell Shape Dynamics	47.049		146,394	146,394
Materials World Network: Ceramic Anode-Supported Solid Oxide Fuel Cells with High Performance and Tolerances towards Carbon Deposition and Sulfur Poisoning	47.049		138,625	138,625
Natural Resin Acid-Containing Antimicrobial Materials: Synthesis and Mechanism	47.049		(3,156)	(3,156)
Programmable Polymers Based on Restricted Rotation	47.049		12,036	12,036
Rational Design of Selective Hydrodeoxygenation Catalysts for Organic Acids	47.049		(116,013)	(116,013)
Representation and Approximation of Functions in Nonclassical and Anisotropic Settings with Applications	47.049		268	268
Synthesis of Polynuclear Transition Metal - Heavy Main Group Metal Carbonyl Complexes for Use as Next-Generation Multimetallic Heterogeneous Nano-Catalysts	47.049		(9,120)	(9,120)
The Study of Nuclear Physics with Intermediate Energy Probes	47.049		3,013	3,013
Zeta Functions and the Distribution of Field Discriminants	47.049		(933)	(933)
			423,314	423,314
Climate Change and Biogeography: Effects of Extreme Events	47.050		33,150	33,150
Collaborative Research: US GEOTRACES Pacific Zonal Transect: Rates of Supply, Removal and Internal Cycling of Trace Elements and Isotopes	47.050		11,975	11,975
Linking Variation in Metabolic Processes as a Key to Prediction	47.050		(12,830)	(12,830)
Modeling of Flow and Morphodynamics of Sinuous Submarine Channels	47.050		12,963	12,963
REU: Site: Marine Biogeochemistry at the University of South Carolina	47.050		(1,398)	(1,398)
The Microbial Carbon Pump and Bacterial Carbon Sequestration in the Ocean	47.050		45	45
The PIE-LTER: Interactions Between External Drivers, Humans and Ecosystems in Shaping Ecological Process in a Mosaic of Coastal Landscapes and Estuarine Seascapes	47.050		11,908	11,908
			55,813	55,813
CAREER: Algorithms for Minimalist Robot Teams	47.070		12,243	12,243
CAREER: Towards Multimodal and Multialgorithm Facial Activity Understanding by Audiovisual Information Fusion	47.070		91,520	91,520
III: Medium: Collaborative Research: Developing a 3D Browser to Explore Genomes	47.070		(24,029)	(24,029)
REU Supplement - RI: Small: 3D Nonrigid Object Reconstruction from Large-Scale Unorganized 2D Images	47.070		(402)	(402)
REU Supplement: CAREER: Design Automation for High-Performance Reconfigurable Computing	47.070		3,249	3,249
SHB: Type II(INT): Collaborative Research: Creating Learning Systems with Mobile Technology to Improve Coordination in Perioperative Services	47.070		46,565	46,565
SHB: Type II(INT): Collaborative Research: Creating Learning Systems with Mobile Technology to Improve Coordination in Perioperative Services	47.070		56,211	56,211
			185,357	185,357
Career: Linking Microbial Phylogenetic and Functional Gene Diversity to Microbial Mat Ecosystem Function Following Environmental Disturbance	47.074		166,313	166,313
Characterization of a Novel Nickel Metalloregulatory Protein, YqjI	47.074		16,685	16,685
LTREB: Long Term Studies of Salt Marsh Primary Production	47.074		96,357	96,357
Regulation of Genetic Recombination in Mammals	47.074		163,482	163,482
			442,837	442,837
CAREER: African American Father Engagement and Early Adolescents' Academic and Social Adjustment	47.075		66,213	66,213
Deltaic Resilience and the Genesis of Mesopotamian Cities (Iraq)	47.075		(610)	(610)
DRRC: Baseline Indicators for Monitoring Disaster Resilience in Rural Places	47.075		(1,605)	(1,605)
The Neural Basis of Processing Discourse Reference	47.075		13,013	13,013
			77,011	77,011
Collaborative Research: Maplets for Calculus (MAC)	47.076		(567)	(567)
University of South Carolina Science and Mathematics Teachers Initiative (USC-SMTI)	47.076		15,285	15,285
University of South Carolina Science and Mathematics Teachers Initiative (USC-SMTI)	47.076		4,554	4,554
			19,272	19,272
PIRE: Modeling of Flood Hazards and Geomorphic Impacts of Levee Breach and Dam Failure	47.079		220,294	220,294
US Egypt Cooperative Research: Luminescent Molecularly Imprinted Polymer Sensor Arrays	47.079		(56)	(56)
			220,238	220,238
CAREER: Integrated Modeling for Watershed Management	47.082		10	10
Pass thru Winthrop University, Winthrop Initiative for STEM Educators (WISE)	47.XXX		13,586	13,586
<b>Total National Science Foundation</b>			1,870,305	1,870,305

# South Carolina Research Foundation

## Schedule of Expenditures of Federal Awards

Year ending June 30, 2017

Federal Grantor/Pass-Through Grantor/Agency	Federal CFDA Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
<b>Environmental Protection Agency</b>				
Targeted High-Content Imaging Assessments of Aberrant G-Protein-Coupled Estrogen Receptor (GPER) Activation During Vertebrate Embryogenesis	66.509		76	76
<b>Total Environmental Protection Agency</b>			<b>76</b>	<b>76</b>
<b>Nuclear Regulatory Commission</b>				
University of South Carolina Next Generation Nuclear Engineer Fellowship Program	77.008		174	174
<b>Total Nuclear Regulatory Commission</b>			<b>174</b>	<b>174</b>
<b>U.S. Department of Energy</b>				
Accurate Holdup Calculations with Predictive Modeling & Data Integration	81.000		76,932	76,932
A Synthetic Strategy to Prepare New Complex Uranium and Thorium Containing Oxides: Predictive Solid State Synthesis of New Composition using Radius Ratio Rules and Materials Discovery based on Crystal Growth from High Temperature Solutions	81.049		(2,401)	(2,401)
Fundamental Neutron Physics: Theory and Analysis	81.049		47,890	47,890
Fundamental Neutron Physics: Theory and Analysis*	81.049		22,712	22,712
Predicting Ice Sheet and Climate Evolution at Extreme Scales (PISCEES)	81.049		(186,376)	(186,376)
Science Based Nano-Structure Design and Synthesis of Heterogeneous Functional Materials for Energy Systems	81.049		(29,060)	(29,060)
Science Based Nano-Structure Design and Synthesis of Heterogeneous Functional Materials for Energy Systems	81.049		9,368	9,368
Theoretical Investigation of Heterogeneous Catalysis at the Solid Liquid Interface for the Conversion of Lignocellulosic Biomass Model Molecules	81.049		190,694	190,694
Directed Synthesis of New Uranium Containing Materials: The Use of Functional Building Blocks as Synthetic Tools Coupled with Targeted Crystal Growth Methods to Create New Complex U(VI), U(IV) and U(III) Containing Materials	81.049		216,870	216,870
			269,697	269,697
Development of Ultra Low Platinum Alloy Cathode Catalyst for PEM Fuel Cells	81.087		(44,164)	(44,164)
Passthrough United Technology Corporation: Synergistic Membranes & Reactants for a Transformational Flow-Battery System	81.135	1231120	59,859	59,859
Area of Interest B2: Bench-Scale Development and Testing of Rapid PSA for CO2 Capture	81.XXX		(144,619)	(144,619)
DIRC-based PID for the EIC Central Detector	81.XXX		45,697	45,697
Enriched Boron-Doped Amorphous Selenium Based Position-Sensitive Solid-State Thermal Neutron Detector for MPACT Applications	81.XXX		108,869	108,869
FNAL-USC-LBNE-LAr-Aug14-v4 Fermi National Accelerator Laboratories (FNAL)/DOE	81.XXX		53	53
FNAL-USC-LBNE-ND-Aug14-v4	81.XXX		(3,495)	(3,495)
Passthrough with Greenway Energy LLC: Metal Hydride Material Development for High Efficiency and Low Cost Hydrogen Compressors	81.XXX		16,188	16,188
High Hydrogen content Epitaxial Graphene Hydride on SiC & High Cross-Section Cladding Coatings for Fast Neutron Detection	81.XXX		(10,489)	(10,489)
<b>Total U.S. Department of Energy</b>			<b>374,528</b>	<b>374,528</b>
<b>U.S. Department of Education</b>				
Student Support Services (Grant-in-Aid)	84.042		(15,000)	(15,000)
Student Support Services (SSS) - GRANT-IN-AID	84.042		(857)	(857)
Student Support Services 2010-15	84.042		104,269	104,269
Student Support Services 2010-15 Grant-in-Aid	84.042		60,260	60,260
Student Support Services, University of South Carolina	84.042		(2,141)	(2,141)
USC Union Student Support Services	84.042		(83,765)	(83,765)
			62,766	62,766
University of South Carolina Columbia Upward Bound Program	84.047		442,322	442,322
USC Lancaster Upward Bound	84.047		163,473	163,473
			605,795	605,795
Long Term Training: Vocational Rehabilitation	84.129		18,935	18,935
Graduate Assistance in Areas of National Need (GAANN) Fellowship Program - Chemistry	84.200		499	499
Graduate Assistance in Areas of National Need Program (GAANN)	84.200		(3,127)	(3,127)
			(2,628)	(2,628)
FY 2010 Application for New Awards under the Centers for International Business Education	84.220		(14,434)	(14,434)
Mediators of Social Impairment among Children with ADHD	84.324		(4,637)	(4,637)
Preparation of Leadership Personnel: Project PALEEIS	84.325		(843)	(843)
Preparation of Leadership Personnel: Project SPEARTIP	84.325		4,768	4,768
			3,925	3,925
Pass-through National Writing Project Aiken Writing Project SEED Teacher Development	84.367	07-SC12-SEED2012	1,479	1,479
Pass-through National Writing Project, 2014-2016 NWP SEED Teacher-Leadership Grant	84.367	92-SC07-SEED2012	1,351	1,351
			2,830	2,830
<b>Total U.S. Department of Education</b>			<b>672,552</b>	<b>672,552</b>
<b>U.S. Department of Health and Human Services</b>				
Air Pollution, Subclinical CVD and Inflammatory Markers in the SEARCH Cohort	93.113		(5,468)	(5,468)
Maternal Methylmercury Exposure Through Rice Ingestion and Offspring Development	93.113		(60,498)	(60,498)
Pass thru Tulane, Long-Term Lung Health After Exposure to Chlorine Gas	93.113	7R01 ES105522-02	1,769	1,769
			(64,197)	(64,197)
South Carolina AETC Telehealth Training Center	93.145		22,468	22,468
Rural Health Research Center Cooperative Agreement 2014-2015	93.155		95,034	95,034
Rural Health Research Grant Program Cooperative Agreement 2012-2016 - (Year Four)	93.155		(6,727)	(6,727)
Rural Health Research Grant Program Cooperative Agreement 2012-2016 - (Year Four)	93.155		10,230	10,230
Rural Health Research Grant Program Cooperative Agreement FY2014 Noncompeting Continuation	93.155		32,011	32,011
Rural Health Research Center Cooperative Agreement 2016-2020	93.155		272,300	272,300
			402,848	402,848
Improving the Health of People with Disabilities through Stated Based Public Health Programs	93.184		(44,498)	(44,498)
Improving the Health of People with Disabilities through Stated Based Public Health Programs	93.184		(21,014)	(21,014)
Three State Rare Conditions Surveillance Project	93.184		5,676	5,676
			(59,836)	(59,836)
HRSA Oral Health Workforce Year Three	93.236		93,421	93,421
Passthrough Univ of CA, Pathways from Food Insecurity to Treatment and Health Outcomes in Women with HIV	93.242	1R01MH 095683-01A1	52,164	52,164
South Carolina Poison Center Support and Enhancement Project	93.253		641	641
South Carolina Poison Center Support and Enhancement Project	93.253		8,645	8,645
South Carolina Poison Center Support and Enhancement Project	93.253		208,091	208,091
			217,377	217,377
Pass-through Kean Univ, Effects of Criminal Justice System Exposure on Youth's Substance Use Trajectories	93.279	B1300773	8,635	8,635
Pass-through Mount Sinai Medical Center, Multigenerational Epigenetic Effects of Cannabis Exposure	93.279	5R01 DA00335660-03	(1,138)	(1,138)
Passthrough Mt Sinai Multigenerational Epigenetic Effects of Cannabis Exposure	93.279	0255-4641-4609	(457)	(457)

# South Carolina Research Foundation

## Schedule of Expenditures of Federal Awards

Year ending June 30, 2017

Federal Grantor/Pass-Through Grantor/Agency	Federal CFDA Number	Pass-through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
			7,040	7,040
Coordinating Center for Research and Training to Promote the Health of People with Developmental and Other Disabilities - Year 5	93.283		1,163,624	1,163,624
Rare Condition Research using a combined Administrative/ Clinical Data warehouse	93.283		45,553	45,553
Coordinating Center for Research and Training to Promote the Health of People with Developmental and Other Disabilities	93.283		(49,820)	(49,820)
Coordinating Center for Research and Training to Promote the Health of People with Developmental and Other Disabilities	93.283		(2,833)	(2,833)
Coordinating Center for Research and Training to Promote the Health of People with Developmental and Other Disabilities (EMR Rare Conditions)	93.283		(4,222)	(4,222)
Coordinating Center for Research and Training to Promote the Health of People with Developmental and Other Disabilities (Mental Health (PLAY-MH))	93.283		(56,538)	(56,538)
Project to Learn About Youth - Mental Health (PLAY-MH) : Funded through the Coordinating Center for Research and Training to Promote the Health of People with Developmental and Other Disabilities	93.283		2,470	2,470
Project to Learn about Youth-Mental Health (PLAY-MH)	93.283		(608)	(608)
Rare Condition Research using a combined Administrative/ Clinical Data warehouse	93.283		54,106	54,106
Project to Learn About Youth - Mental Health - II	93.283		113,776	113,776
Coordinating Center for Research and Training to Promote the Health of People with Developmental and Other Disabilities - Year 4	93.283		1,417,774	1,417,774
			2,683,282	2,683,282
Passthrough Medical University of SC: South Carolina Clinical and Translational Research Institute - HSSC Subcontract	93.350	MUSC15-104	157,735	157,735
Exploring Current Smokers' Interest in Using Smokeless Tobacco Products	93.393		(8,247)	(8,247)
Stromal Modulation of Response to Thymidylate Synthase Inhibitors	93.395		30,541	30,541
Passthrough Children's Trust of SC: CBCAP 2017	93.590	S-CBCAP-2017-2	39,344	39,344
HOME CARE + Healthcare Innovation Challenge Award	93.610		155,036	155,036
South Carolina University Center for Excellence in Developmental Disabilities	93.632		472,562	472,562
South Carolina University Center for Excellence in Developmental Disabilities	93.632		1,170	1,170
			473,732	473,732
Antihypertensive Treatment of Acute Cerebral Hemorrhage (ATACH-II): A Phase III Randomized Multicenter Clinical Trial of Blood Pressure Reduction for Hypertension in Acute Intracerebral Hemorrhage	93.853		13,527	13,527
Pass thru John Hopkins Univ. Injury-Induced Pain: Chemical Modulation of Nociceptors	93.853	2R01NS026363-21	(7,614)	(7,614)
			5,913	5,913
Pass thru University of Wisconsin, Adoptive Transfer of Immunity Elicited by Attenuated HIV Vaccines	93.855	2R01A1077376-04A1	5,178	5,178
Cytoskeletal Oscillations: Mathematical Modeling Integrated with Experiments.	93.859		26,528	26,528
Pass thru University of California, Language Development in Fragile X Syndrome	93.865	2R01HD024356-19	171,446	171,446
Effects of Classroom Practices and School Context	93.865		78,658	78,658
			250,104	250,104
Evaluation of a Law Enforcement Motor-Vehicle Crash Prevention Program	93.XXX		(4,395)	(4,395)
Evaluation of a Law Enforcement Motor-Vehicle Crash Prevention Program (Option Year 1 - Clin 0002)	93.XXX		19,012	19,012
Pass thru Emmes Corp. Platelet-Oriented Inhibition in New T1A	93.XXX	1U01NS026835-01A1	1,778	1,778
Pass thru Univ of South Florida: Type I Diabetes TrialNet	93.XXX	145802	15,280	15,280
Studying Community Programs to Reduce Childhood Obesity - sub-contract with Battelle Memorial Institute (Fixed Price - Mod 4)	93.XXX		23,934	23,934
Pass-through Wake Forest University, Systolic Blood Pressure Intervention Trial (SPRINT)	93.XXX	WFUHS0215	18,122	18,122
Studying Community Programs to Reduce Childhood Obesity - sub-contract with Battelle Memorial Institute (Task 1 - Scientific Leadership and Project Management)	93.XXX		(3,509)	(3,509)
Studying Community Programs to Reduce Childhood Obesity - sub-contract with Battelle Memorial Institute (Task 6 - Training and QA/QC Oversight)	93.XXX		(6,529)	(6,529)
Studying Community Programs to Reduce Childhood Obesity - sub-contract with Battelle Memorial Institute (Task 8 - Analysis & Dissemination)	93.XXX		3,396	3,396
Pass-through SilverChair +Communications, LLC, Oult Advisor MD	93.XXX	HHSN268200900048C	(4,269)	(4,269)
Studying Community Programs to Reduce Childhood Obesity - sub-contract with Battelle Memorial Institute (Task 1 - Scientific Leadership and Project Management - YEAR 6)	93.XXX		(2,397)	(2,397)
Studying Community Programs to Reduce Childhood Obesity - sub-contract with Battelle Memorial Institute (Task 8 - Analysis & Dissemination - YEAR 6)	93.XXX		86,823	86,823
Total U.S. Department of Health and Human Services			4,637,677	4,637,677
U.S. Department of Homeland Security				
Tracking Airborne and Satellite Remote Sensing Collection Assets for Emergency Response Phase	97.XXX		(546)	(546)
Total U.S. Department of Homeland Security			(546)	(546)
U.S. The National Academies				
Phase II - University-Industry Demonstration Partnership	99.RD		(404)	(404)
Total U.S. The National Academies			(404)	(404)
Total Research and Development Cluster			\$ 10,465,748	\$ 10,465,748

*See accompanying notes to schedule of expenditures of federal awards.*





## Report on Internal Control Over Compliance

Management of the Foundation 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 the Foundation'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 the Foundation'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.

*BDO USA, LLP*

September 13, 2017

# South Carolina Research Foundation

## Schedule of Findings and Questioned Costs

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### Section I - Summary of Auditor's Results

#### *Financial Statements*

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP

Unmodified

Internal control over financial reporting:

- Material weakness(es) identified?  yes  no
- Significant deficiency(ies) identified?  yes  none reported

Noncompliance material to financial statements noted?  yes  no

#### *Federal Awards*

Internal control over major federal programs:

- Material weakness(es) identified?  yes  no
- Significant deficiency(ies) identified?  yes  none reported

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

Unmodified

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

yes  no

Identification of major federal programs:

CFDA Numbers

Various

Name of Federal Program or Cluster

Research & Development Cluster

Dollar threshold used to distinguish between type A and type B programs:

\$750,000

Auditee qualified as low-risk auditee?

yes  no

# South Carolina Research Foundation

## Schedule of Findings and Questioned Costs

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### Section II - Financial Statement Findings

This section should identify the significant deficiencies, material weaknesses, fraud, noncompliance with provisions of laws, regulations, contracts, and grant agreements, and abuse related to the financial statements for which *Government Auditing Standards* requires reporting.

No financial statement findings were identified as a result of our audit procedures.

### Section III - Federal Award Findings and Questioned Costs

This section should identify the audit findings required to be reported by 2 CFR 200.516(a) (for example, significant deficiencies, material weaknesses, material instances of noncompliance, including questioned costs and material abuse - see paragraph 13.38 of the Guide). Where practical, findings should be organized by federal agency or pass-through entity.

No federal award findings or questioned costs were identified as a result of our audit procedures