

**SOUTH CAROLINA CENTERS  
OF ECONOMIC EXCELLENCE**

**FINANCIAL AND COMPLIANCE REPORT**

**JUNE 30, 2011**

**SOUTH CAROLINA CENTERS OF ECONOMIC EXCELLENCE  
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YEAR ENDED JUNE 30, 2011**

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**SOUTH CAROLINA CENTERS OF ECONOMIC EXCELLENCE  
REVIEW BOARD  
JUNE 30, 2011**

<b><u>NAME</u></b>	<b><u>POSITION</u></b>	<b><u>APPOINTMENT</u></b>
Regan Voit	Chair	Chair, Senate Finance Committee
Melvin C. Williams	Vice-Chair	President Pro Tempore of the Senate
Keith D. Munson	Secretary	Governor
Patrick Turner	Member	President Pro Tempore of the Senate
Robert W. Pearce, Jr.	Member	Speaker of the House
Patricia E. Wilson	Member	Speaker of the House
Lisa Main	Member	Speaker of the House
J. Lyles Glenn	Member	Governor
Catherine Heigel	Member	Chair, House Ways and Means Committee
Michael N. Couick	Member	President Pro Tempore of the Senate
James F. Barker	Ex-Officio	
Raymond S. Greenberg	Ex-Officio	
Harris Pastides	Ex-Officio	



SmartState Program  
Management's Discussion and Analysis  
Period: Fiscal Year 2010-2011

The following discussion and analysis has been prepared by staff from the Commission on Higher Education to provide an overview of the activities of the South Carolina Centers of Economic Excellence (SmartState) Program for fiscal year 2010-2011. This discussion and analysis should be read in conjunction with the financial statement and accompanying notes to the financial statement. The financial statement has been prepared by an independent auditor (Derrick, Stubbs & Stith, L.L.P.) in accordance with S.C. 2-75-10.

**Overview of the SmartState Program**

In 2002, the South Carolina General Assembly passed the Research Centers of Economic Excellence (RCEE) Act. The legislation originally required appropriation of \$200 million through 2010<sup>1</sup> from the South Carolina Education Lottery to establish unique Centers of Economic Excellence at South Carolina's three senior research institutions: Clemson University, University of South Carolina, and Medical University of South Carolina. Each Center of Economic Excellence (Center) specializes in unique, knowledge-based economy research (in fields such as engineering, nanotechnology, biomedical science, and energy science) that promotes and creates enhanced economic opportunities for the state. In 2008, the General Assembly amended the RCEE Act to replace the \$200 million funding cap and the 2010 sunset date with a statutory guarantee of \$30 million in annual funding so long as (a) Lottery-supported scholarships have been fully funded, and (b) the SmartState Review Board has, by the end of the most previous fiscal year, awarded a minimum of 80% of overall appropriations since 2003.

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<sup>1</sup> The General Assembly appropriated \$30 million per year in the state budget for fiscal years 2003 through 2008. The General Assembly appropriated \$0 for fiscal years 2009 through 2011.

The RCEE Act also created the SmartState Review Board, which provides program oversight. The Review Board is composed of 11 members: three appointed by the Governor; three by the President Pro Tempore of the Senate; three by the Speaker of the House of Representatives; one by the Chair of the Senate Finance Committee; and one by the Chair of the House Ways & Means Committee. Membership terms are three years, and individuals may serve three total terms. The presidents of South Carolina's three research universities serve as ex-officio, non-voting members of the Review Board. Staff and operational support for the SmartState Program is provided by Commission on Higher Education staff. The Commission approves the operational budget for the program.

The SmartState Review Board held its first meeting on October 17, 2002, at which it approved formal *Bylaws*. On December 5, 2002, the Review Board approved Program *Guidelines* and *Requests for Proposals Guidelines for 2002-2003*, which established a competitive, annual process whereby Centers of Economic Excellence are proposed by the research institutions and approved by the Review Board. The three-tier review process includes two rigorous scientific evaluations (a technical review and an onsite panel review), followed by the Review Board's analysis of the review findings and a formal vote on individual proposals. In 2008, the General Assembly amended the RCEE Act by encoding the technical and scientific review process for proposals.

Once a new Center is approved, an institution has 18 months in which to solicit non-state (private, federal, or municipal) investors to pledge dollar-for-dollar matching of a Center's total state award (between \$2 million to \$5 million). In February 2007, the SmartState Review Board approved a policy whereby an institution may apply for as many as two, six-month extensions beyond the 18-month pledge verification deadline. All matching pledges must be realized within 78 months of a Center's approval date. In February 2009, the SmartState Review Board approved a policy whereby an institution may apply for as many as two, six-month extensions beyond the 78-month drawdown deadline.

State funds may only be drawn against realized (received) non-state pledges. The majority of funds (all of the state funds, plus no less than 30% of the non-state match) are placed in endowment, which may be used to pay the salaries or salary supplements of the

world-class scientists (endowed chairs) specially recruited to lead each Center, as well as pay for the purchase of specialized equipment, laboratory construction, other faculty, and research assistants. In 2008, the General Assembly amended the RCEE Act by encoding the use of a certain portion (determined by the SmartState Review Board) of non-state matching funds “to pay for initial operating costs” of Centers (S.C. 2-75-100).

On December 12, 2006, the SmartState Review Board convened a Cost Share Work Group. Representatives from all three research institutions, the Office of the State Treasurer, and Commission on Higher Education staff gathered to discuss accounting standards related to the RCEE Act. On February 26, 2007, the Review Board approved a Cost Share Accounting Policy, which contains specific guidelines for claiming and valuing in-kind matches. In 2008, the General Assembly amended the RCEE Act to encode the use of cash equivalent and in-kind donations as valid non-state matches for the SmartState Program.

In 2010, the General Assembly amended the RCEE act to create a new type of SmartState Award to be made in concert with the South Carolina Department of Commerce. One-quarter of the unallocated Centers of Excellence Matching Endowment funds is dedicated for funding such “SmartState Commerce Awards.” SmartState Commerce Awards may not individually exceed \$2 million and do not require the dollar-for-dollar non-state match of Standard SmartState awards. In place of a matching requirement, the Secretary of Commerce is required to certify that a “significant capital investment” has been made in the related research field of a proposed SmartState Commerce Award professorial endowment; the intent of SmartState Commerce Award endowment is to “directly support the industry.” These revisions become effective January 1, 2011. The SmartState Review Board issued an RFP for awards in FY 2011, yet did not make any SmartState Commerce Awards during 2011.

Over time, each research institution has developed concentrated SmartState focus areas. Clemson University’s core strengths lie in the area of automotive and transportation technology, advanced materials and biotechnology/biomedical sciences. USC’s Centers generally fall within the three clusters of future fuels, the biomedical sciences, and nanotechnology. MUSC’s strengths lie in the areas of neuroscience, cancer research, vascular disease, and health care quality and finance.

One hallmark of the SmartState Program is an almost unprecedented scientific collaboration at the academic level. More than one-third of the Centers are partnerships between and among state public institutions, including three four-year comprehensive teaching universities. Dr. John Schaefer, CoEE Endowed Chair at MUSC's Clinical Effectiveness and Patient Safety Center, has noted that such academic collaboration rarely exists—not even at Harvard and Yale. The lure of bonded research partnerships serves as an enticing recruiting tool to the renowned scientists required to lead each Center.

At the end of FY 2011, the program consisted of 49 Centers and 87 approved SmartState Endowed Chairs (31 appointed). [As of November 2011, a total of 41 SmartState Endowed Chairs have been appointed.] As envisioned by the General Assembly, the SmartState Program has become a successful boost to the state's knowledge-based economy. By the end of FY 2011, of the \$197.6 million<sup>2</sup> in SmartState awards granted by the Board, \$187.2 million in matching pledges was committed by non-state sources, with more than \$167.7 million of these pledges realized and \$160.5 million in state funds drawn down by the research institutions.

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<sup>2</sup> To date, the SmartState Review Board has obligated \$18.6 million in accrued program interest for the awarding of additional proposals, as is permitted by statute. To date, the Review Board has used \$17.6 million in accrued interest to fund proposals in the 2008-2009 and 2009-2010 award cycle.

**Summary of Approved SmartState Program  
Centers of Economic Excellence (2003-2011)**

<b>Funding Year 2002-2003</b>			
<b>Institution (fiscal institution first)</b>	<b>Proposal Title</b>	<b>Endowed Chairs</b>	<b>Proposal Amount</b>
Clemson	Automotive Systems Integration	1	\$5 million
Clemson	Automotive Manufacturing	1	\$5 million
USC	Nanostructures	1	\$4 million
USC/MUSC	Brain Imaging	3*	\$5 million
MUSC	Proteomics	2	\$4 million
MUSC	Neuroscience	3	\$3 million
MUSC/USC/CoC	Marine Genomics	3**	\$4 million
<b>Total Awarded in 2002-2003</b>		<b>14</b>	<b>\$30 million</b>
<b>Funding Year 2003-2004</b>			
<b>Institution (fiscal institution first)</b>	<b>Proposal Title</b>	<b>Endowed Chairs</b>	<b>Proposal Amount</b>
Clemson	Automotive Design & Development	1	\$5 million
Clemson	Electronic Systems Integration	1	\$3 million
Clemson	Photonic Materials	1	\$5 million
USC	Polymer Nanocomposites	1	\$3.5 million
USC	Hydrogen Economy I ***	2	\$2.5 million
MUSC/Clemson/USC	Regenerative Medicine	3	\$5 million
MUSC/USC	Translational Cancer Therapeutics	2	\$5 million
<b>Total Awarded in 2003-2004</b>		<b>11</b>	<b>\$29 million</b>

\* Revised to three chairs by act of the SmartState Review Board on January 12, 2009.

\*\* Revised to three chairs by act of the SmartState Review Board on February 23, 2010.

\*\*\* The Hydrogen Economy Center of Economic Excellence was approved during 2003-2004. Funding for one half of this Center was provided in 2003-04, the other half in 2004-2005.

**SmartState Program Funded Proposals (continued)**

<b>Funding Year 2004-2005</b>			
<b>Institution (fiscal institution first)</b>	<b>Proposal Title</b>	<b>Endowed Chairs</b>	<b>Proposal Amount</b>
Clemson	Restoration [WITHDRAWN]	—	[\$3 million]
Clemson	Electron Imaging [WITHDRAWN]	—	[\$5 million]
USC	Renewable Fuel Cells	1	\$3 million
USC	Hydrogen Economy II*	[See 03-04.]	\$2.5 million
USC/Coastal Carolina	Tourism & Economic Development	1	\$2 million
MUSC	Gastrointestinal Cancer Diagnostics	2**	\$5 million
MUSC/USC	Cancer Drug Discovery	4	\$5 million
MUSC/USC	Vision Science	3	\$4.5 million
<b>Total Awarded in 2004-2005</b>		<b>11</b>	<b>\$22 million</b>
<b>Funding Year 2005-2006</b>			
<b>Institution (fiscal institution first)</b>	<b>Proposal Title</b>	<b>Endowed Chairs</b>	<b>Proposal Amount</b>
Clemson	Supply Chain Optimization & Logistics	1	\$2 million
Clemson	Urban Ecology and Restoration	1	\$2 million
Clemson	Advanced Fiber-Based Materials	1	\$4 million
Clemson	Molecular Nutrition [WITHDRAWN]	—	[\$2 million]
USC	Solid Oxide Fuel Cells	1	\$3 million
USC/MUSC	Childhood Neurotherapeutics	3	\$5 million
MUSC	Molecular Proteomics in Cardiovascular Disease & Prevention	2	\$5 million
MUSC/USC	Clinical Effectiveness & Patient Safety†	3	\$5 million
<b>Total Awarded in 2005-2006</b>		<b>12</b>	<b>\$26 million</b>
<b>Funding Year 2006-2007</b>			
<b>Institution (fiscal institution first)</b>	<b>Proposal Title</b>	<b>Endowed Chairs</b>	<b>Proposal Amount</b>
Clemson/MUSC	Health Facilities Design & Testing	2	\$5 million
USC	Rehabilitation & Recon Science	1	\$5 million
USC	Strategic App to Gen. of Electricity	1	\$5 million
USC/MUSC/Clemson	Healthcare Quality	2	\$5 million
USC/Clemson	Senior SMART™ Center ±	3	\$5 million
MUSC	Tobacco-Related Malignancy	2	\$5 million
MUSC/USC	Stroke	3	\$5 million
<b>Total Awarded in 2006-2007</b>		<b>14</b>	<b>\$35 million</b>

\* The Hydrogen Economy Center of Economic Excellence was approved during 2003-2004. Funding for one half of this Center was provided in 2003-04, the other half in 2004-2005.

\*\* Increased from one to two by act of the SmartState Review Board on September 8, 2008.

† On September 9, 2008, the SmartState Review Board approved a revision to this proposal which relinquished Clemson University as a collaborative partner and transferred the Chair at Clemson to MUSC.

± The SeniorSMART Center of Economic Excellence was approved in 2007-2008. Funding was provided from 2006-2007 dollars.

**SmartState Program Funded Proposals (continued)**

<b>Funding Year 2007-2008</b>			
<b>Institution (fiscal institution first)</b>	<b>Proposal Title</b>	<b>Endowed Chairs</b>	<b>Proposal Amount</b>
Clemson	Optoelectronics	1	\$2 million
Clemson	CyberInstitute	1	\$2 million
USC	Nanoenvironmental Research & Risk Assessment	1	\$3 million
USC	Nuclear Science and Energy	1	\$3 million
MUSC	Renal Disease Biomarker	2	\$5 million
MUSC/Clemson	Cancer Stem Cell Biology	2	\$5 million
MUSC/USC/Clemson	Advanced Tissue Biofabrication	3	\$5 million
MUSC/USC/SCSU	Cancer Disparities*	3	\$3.6 million
MUSC/USC	Medication Safety & Efficacy*	1	\$2 million
<b>Total Awarded in 2007-2008</b>		<b>15</b>	<b>\$30.6 million</b>
<b>Funding Year 2008-2009</b>			
<b>Institution (fiscal institution first)</b>	<b>Proposal Title</b>	<b>Endowed Chairs</b>	<b>Proposal Amount</b>
Clemson	Tissue Systems Characterization	1	\$3 million
USC	General Atomics Center for Development of Transformational Nuclear Technologies	1	\$3 million
USC/MUSC	Healthful Lifestyles**	2	\$3 million
MUSC	Lipidomics, Pathobiology and Therapy	2	\$5 million
<b>Total Awarded in 2008-2009</b>		<b>6</b>	<b>\$14 million</b>
<b>Funding Year 2009-2010</b>			
<b>Institution (fiscal institution first)</b>	<b>Proposal Title</b>	<b>Endowed Chairs</b>	<b>Proposal Amount</b>
Clemson	Sustainable Development	1	\$4 million
USC	Data Analysis	1	\$2 million
MUSC	Inflammation and Fibrosis Research	2	\$5 million
<b>Total Awarded in 2009-2010</b>		<b>4</b>	<b>\$11 million</b>

\* The Cancer Disparities Center of Economic Excellence and the Medication Safety & Efficacy Center of Economic Excellence were approved in 2008-2009. Funding was provided from 2007-2008 dollars.

\*\* The Healthful Lifestyles Center of Economic Excellence was approved in 2009-2010 with funding from 2008-2009 dollars.



Program Totals	
<b>TOTAL LOTTERY APPROPRIATIONS (2003-2008)</b>	<b>\$180 million</b>
<b>ACCRUED PROGRAM INTEREST USED FOR ADDITIONAL AWARDS *</b>	<b>\$17.6 million</b>
<b>TOTAL FUNDS AWARDED (2003-2010)</b>	<b>\$197.6 million</b>

\* As permitted by S.C. 2-75-30(A).

Research Institution Totals				
Institution	Centers Awarded	Chairs Created	Chairs Appointed (to be Apptd) *	State Funds Drawn
Clemson University	13	16	7 (9)	\$38,078,998
University of South Carolina	17	29	14 (15)	\$54,252,175
Medical University of South Carolina	19	42	20 (22)	\$68,141,139
<b>TOTALS</b>	<b>49</b>	<b>87</b>	<b>41 (46)</b>	<b>\$160,472,312</b>

\* Figures in this column reflect appointments through October 2011.



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## INDEPENDENT AUDITOR'S REPORT

To the Review Board  
South Carolina Centers of Economic Excellence  
Columbia, South Carolina

We have audited the statements of program revenues and expenditures of the South Carolina Centers of Economic Excellence (the Program) for the year ended June 30, 2011, as listed in the index. These financial statements are the responsibility of the Program's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit 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 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 presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the program revenues and expenditures of the South Carolina Centers of Economic Excellence for the year ended June 30, 2011, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated November 18, 2011, on our consideration of the Program's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The Management's Discussion and Analysis on pages 2 - 9 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding methods of measurement and presentation of the required supplementary information. However, we did not audit the information and do not express an opinion on it.

*Derrick Stubbs + Stith LLP*

November 18, 2011

**SOUTH CAROLINA CENTERS OF ECONOMIC EXCELLENCE  
PROGRAM REVENUES AND EXPENDITURES - CONSOLIDATED SUMMARY  
YEAR ENDING JUNE 30, 2011**

	<b>Clemson University</b>				<b>Medical University of South Carolina</b>					
	State Endowment	Non-State Endowment	Non-State Expendable	Endowment Earnings	Total	State Endowment	Non-State Endowment	Non-State Expendable	Endowment Earnings	Total
Contribution Revenue										
State funds	\$ 2,755,500	\$ -	\$ -	\$ -	\$ 2,755,500	\$ 13,650,228	\$ -	\$ -	\$ -	\$ 13,650,228
Non-state matching funds	-	2,600,157	-	-	2,600,157	-	2,588,005	2,183,154	-	4,771,159
<b>Total contribution revenue</b>	<u>2,755,500</u>	<u>2,600,157</u>	<u>-</u>	<u>-</u>	<u>5,355,657</u>	<u>13,650,228</u>	<u>2,588,005</u>	<u>2,183,154</u>	<u>-</u>	<u>18,421,387</u>
Investment Income										
Realized gain (loss)	-	-	-	(91,002)	(91,002)	-	-	-	(29,410)	(29,410)
Unrealized gain	-	-	-	12,329,779	12,329,779	-	-	-	11,710,059	11,710,059
Endowment income	-	-	-	537,887	537,887	-	-	-	1,304,992	1,304,992
<b>Total investment income</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,776,664</u>	<u>12,776,664</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,985,641</u>	<u>12,985,641</u>
<b>Total revenue</b>	<u>2,755,500</u>	<u>2,600,157</u>	<u>-</u>	<u>12,776,664</u>	<u>18,132,321</u>	<u>13,650,228</u>	<u>2,588,005</u>	<u>2,183,154</u>	<u>12,985,641</u>	<u>31,407,028</u>
Expenditures										
Personal services	-	-	-	272,959	272,959	-	-	808,571	534,924	1,343,495
Fringe	-	-	-	66,419	66,419	-	-	232,766	161,658	394,424
Travel	-	-	-	44,556	44,556	-	-	7,671	21,799	29,470
Supplies	-	-	-	140,903	140,903	-	-	145,220	1,285	146,505
Contractual	-	-	-	-	-	-	-	63,400	164,444	227,844
Tuition assistance	-	-	-	-	-	-	-	-	-	-
Fixed charges	-	-	-	-	-	-	-	-	-	-
Indirect cost recovery	-	-	-	-	-	-	-	-	-	-
Administrative fees	-	-	-	-	-	-	-	21,653	711,739	733,392
Legal	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	46,902	41,346	88,248
Facilities	-	-	-	-	-	-	-	119,668	-	119,668
Equipment	-	-	913,498	10,538	924,036	-	-	311,612	150,725	462,337
<b>Total expenditures</b>	<u>-</u>	<u>-</u>	<u>913,498</u>	<u>535,375</u>	<u>1,448,873</u>	<u>-</u>	<u>-</u>	<u>1,757,463</u>	<u>1,787,920</u>	<u>3,545,383</u>
Program net income	2,755,500	2,600,157	(913,498)	12,241,289	16,683,448	13,650,228	2,588,005	425,691	11,197,721	27,861,645
Transfers	-	(913,498)	913,498	-	-	-	(500,000)	671,722	(77,474)	94,248
Cumulative Program Net Income										
Beginning	34,889,299	30,683,703	561,219	(2,911,665)	63,222,556	54,490,911	26,893,582	7,048,201	(795,125)	87,637,569
<b>Ending</b>	<u>\$ 37,644,799</u>	<u>\$ 32,370,362</u>	<u>\$ 561,219</u>	<u>\$ 9,329,624</u>	<u>\$ 79,906,004</u>	<u>\$ 68,141,139</u>	<u>\$ 28,981,587</u>	<u>\$ 8,145,614</u>	<u>\$ 10,325,122</u>	<u>\$ 115,593,462</u>

See notes to financial statements.

**SOUTH CAROLINA CENTERS OF ECONOMIC EXCELLENCE  
PROGRAM REVENUES AND EXPENDITURES - CONSOLIDATED SUMMARY  
YEAR ENDING JUNE 30, 2011**

	University of South Carolina				Total - Consolidated Summary					
	State Endowment	Non-State Endowment	Non-State Expendable	Endowment Earnings	Total	State Endowment	Non-State Endowment	Non-State Expendable	Endowment Earnings	Total
Contribution Revenue										
State funds	\$ 17,406,613	\$ -	\$ -	\$ -	\$ 17,406,613	\$ 33,812,341	\$ -	\$ -	\$ -	\$ 33,812,341
Non-state matching funds	-	2,121,305	7,875,075	-	9,996,380	-	7,309,467	10,058,229	-	17,367,696
<b>Total contribution revenue</b>	<b>17,406,613</b>	<b>2,121,305</b>	<b>7,875,075</b>	<b>-</b>	<b>27,402,993</b>	<b>33,812,341</b>	<b>7,309,467</b>	<b>10,058,229</b>	<b>-</b>	<b>51,180,037</b>
Investment Income										
Realized gain (loss)	-	-	-	813,043	813,043	-	-	-	692,631	692,631
Unrealized gain	-	-	-	1,335,909	1,335,909	-	-	-	25,375,747	25,375,747
Endowment income	-	-	-	2,089,223	2,089,223	-	-	-	3,932,102	3,932,102
<b>Total investment income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,238,175</b>	<b>4,238,175</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>30,000,480</b>	<b>30,000,480</b>
<b>Total revenue</b>	<b>17,406,613</b>	<b>2,121,305</b>	<b>7,875,075</b>	<b>4,238,175</b>	<b>31,641,168</b>	<b>33,812,341</b>	<b>7,309,467</b>	<b>10,058,229</b>	<b>30,000,480</b>	<b>81,180,517</b>
Expenditures										
Personal services	-	-	1,838,594	237,381	2,075,975	-	-	2,647,165	1,045,264	3,692,429
Fringe	-	-	187,461	20,536	207,997	-	-	420,227	248,613	668,840
Travel	-	-	147,799	4,627	152,426	-	-	155,470	70,982	226,452
Supplies	-	-	312,088	13,725	325,813	-	-	457,308	155,913	613,221
Contractual	-	-	1,084,865	21,235	1,106,100	-	-	1,148,265	185,679	1,333,944
Tuition assistance	-	-	13,255	1,828	15,083	-	-	13,255	1,828	15,083
Fixed charges	-	-	89,526	-	89,526	-	-	89,526	-	89,526
Indirect cost recovery	-	-	525,234	-	525,234	-	-	525,234	-	525,234
Administrative fees	-	-	-	234,407	234,407	-	-	21,653	946,146	967,799
Legal	-	-	107,066	-	107,066	-	-	107,066	-	107,066
Other	-	-	87,328	29,314	116,642	-	-	134,230	70,660	204,890
Facilities	-	-	-	-	-	-	-	119,668	-	119,668
Equipment	-	-	3,362,803	23,286	3,386,089	-	-	4,587,913	184,549	4,772,462
<b>Total expenditures</b>	<b>-</b>	<b>-</b>	<b>7,756,019</b>	<b>586,339</b>	<b>8,342,358</b>	<b>-</b>	<b>-</b>	<b>10,426,980</b>	<b>2,909,634</b>	<b>13,336,614</b>
Program net income	17,406,613	2,121,305	119,056	3,651,836	23,298,810	33,812,341	7,309,467	(368,751)	27,090,846	67,843,903
Transfers	-	525,500	(1,050,000)	500,000	(24,500)	-	(887,998)	535,220	422,526	69,748
Cumulative Program Net Income										
Beginning	33,910,962	16,122,578	5,781,058	2,509,653	58,324,251	123,291,172	73,699,863	13,390,478	(1,197,137)	209,184,376
<b>Ending</b>	<b>\$ 51,317,575</b>	<b>\$ 18,769,383</b>	<b>\$ 4,850,114</b>	<b>\$ 6,661,489</b>	<b>\$ 81,598,561</b>	<b>\$ 157,103,513</b>	<b>\$ 80,121,332</b>	<b>\$ 13,556,947</b>	<b>\$ 26,316,235</b>	<b>\$ 277,098,027</b>

See notes to financial statements.

SOUTH CAROLINA CENTERS OF ECONOMIC EXCELLENCE  
CLEMSON UNIVERSITY  
PROGRAM REVENUES AND EXPENDITURES  
YEAR ENDING JUNE 30, 2011

	Automotive Design and Development					Automotive Manufacturing Integration				
	State Endowment	Non-State Endowment	Non-State Expendable	Endowment Earnings	Total	State Endowment	Non-State Endowment	Non-State Expendable	Endowment Earnings	Total
Contribution Revenue										
State funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Non-state matching funds	-	-	-	-	-	-	-	-	-	-
<b>Total contribution revenue</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Investment Income										
Realized gain (loss)	-	-	-	3,132	3,132	-	-	-	(16,457)	(16,457)
Unrealized gain (loss)	-	-	-	1,031,307	1,031,307	-	-	-	2,221,077	2,221,077
Endowment income	-	-	-	114,520	114,520	-	-	-	58,774	58,774
<b>Total investment income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,148,959</b>	<b>1,148,959</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,263,394</b>	<b>2,263,394</b>
<b>Total revenue</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,148,959</b>	<b>1,148,959</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,263,394</b>	<b>2,263,394</b>
Expenditures										
Personal services	-	-	-	-	-	-	-	-	89,845	89,845
Fringe	-	-	-	-	-	-	-	-	20,804	20,804
Travel	-	-	-	-	-	-	-	-	18,501	18,501
Supplies	-	-	-	-	-	-	-	-	57,361	57,361
Other	-	-	-	-	-	-	-	-	-	-
Equipment	-	-	913,498	-	913,498	-	-	-	-	-
<b>Total expenses</b>	<b>-</b>	<b>-</b>	<b>913,498</b>	<b>-</b>	<b>913,498</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>186,511</b>	<b>186,511</b>
Program net income (loss)	-	-	(913,498)	1,148,959	235,461	-	-	-	2,076,883	2,076,883
Transfers	-	(913,498)	913,498	-	-	-	-	-	-	-
Cumulative Program Net Income										
Beginning	5,000,000	4,221,056	-	(334,573)	8,886,483	5,000,000	5,000,000	-	(670,510)	9,329,490
<b>Ending</b>	<b>\$ 5,000,000</b>	<b>\$ 3,307,558</b>	<b>\$ -</b>	<b>\$ 814,386</b>	<b>\$ 9,121,944</b>	<b>\$ 5,000,000</b>	<b>\$ 5,000,000</b>	<b>\$ -</b>	<b>\$ 1,406,373</b>	<b>\$ 11,406,373</b>

See notes to financial statements.

SOUTH CAROLINA CENTERS OF ECONOMIC EXCELLENCE  
CLEMSON UNIVERSITY  
PROGRAM REVENUES AND EXPENDITURES  
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	Automotive Systems Integration					Optical Materials				
	State Endowment	Non-State Endowment	Non-State Expendable	Endowment Earnings	Total	State Endowment	Non-State Endowment	Non-State Expendable	Endowment Earnings	Total
Contribution Revenue										
State funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Non-state matching funds	-	-	-	-	-	-	-	-	-	-
<b>Total contribution revenue</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Investment Income										
Realized gain (loss)	-	-	-	(17,818)	(17,818)	-	-	-	(15,175)	(15,175)
Unrealized gain (loss)	-	-	-	2,438,614	2,438,614	-	-	-	1,569,087	1,569,087
Endowment income	-	-	-	64,469	64,469	-	-	-	54,771	54,771
<b>Total investment income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,485,265</b>	<b>2,485,265</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,608,683</b>	<b>1,608,683</b>
<b>Total revenue</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,485,265</b>	<b>2,485,265</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,608,683</b>	<b>1,608,683</b>
Expenditures										
Personal services	-	-	-	144,136	144,136	-	-	-	-	-
Fringe	-	-	-	35,237	35,237	-	-	-	-	-
Travel	-	-	-	10,487	10,487	-	-	-	-	-
Supplies	-	-	-	54,600	54,600	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Equipment	-	-	-	10,538	10,538	-	-	-	-	-
<b>Total expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>254,998</b>	<b>254,998</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Program net income (loss)	-	-	-	2,230,267	2,230,267	-	-	-	1,608,683	1,608,683
Transfers	-	-	-	-	-	-	-	-	-	-
Cumulative Program Net Income										
Beginning	5,000,000	5,000,000	-	327,017	10,327,017	5,000,000	3,050,852	32,321	(539,950)	7,543,223
<b>Ending</b>	<b>\$ 5,000,000</b>	<b>\$ 5,000,000</b>	<b>\$ -</b>	<b>\$ 2,557,284</b>	<b>\$ 12,557,284</b>	<b>\$ 5,000,000</b>	<b>\$ 3,050,852</b>	<b>\$ 32,321</b>	<b>\$ 1,068,733</b>	<b>\$ 9,151,906</b>

See notes to financial statements.

SOUTH CAROLINA CENTERS OF ECONOMIC EXCELLENCE  
CLEMSON UNIVERSITY  
PROGRAM REVENUES AND EXPENDITURES  
YEAR ENDING JUNE 30, 2011

	Vehicle Electronic Systems					Supply Chain Optimization and Logistics				
	State Endowment	Non-State Endowment	Non-State Expendable	Endowment Earnings	Total	State Endowment	Non-State Endowment	Non-State Expendable	Endowment Earnings	Total
Contribution Revenue										
State funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 300,000	\$ -	\$ -	\$ -	\$ 300,000
Non-state matching funds	-	-	-	-	-	-	300,000	-	-	300,000
<b>Total contribution revenue</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>300,000</b>	<b>300,000</b>	<b>-</b>	<b>-</b>	<b>600,000</b>
Investment Income										
Realized gain (loss)	-	-	-	(10,291)	(10,291)	-	-	-	(2,915)	(2,915)
Unrealized gain (loss)	-	-	-	1,098,403	1,098,403	-	-	-	588,734	588,734
Endowment income	-	-	-	29,596	29,596	-	-	-	24,309	24,309
<b>Total investment income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,117,708</b>	<b>1,117,708</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>610,128</b>	<b>610,128</b>
<b>Total revenue</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,117,708</b>	<b>1,117,708</b>	<b>300,000</b>	<b>300,000</b>	<b>-</b>	<b>610,128</b>	<b>1,210,128</b>
Expenditures										
Personal services	-	-	-	38,978	38,978	-	-	-	-	-
Fringe	-	-	-	10,378	10,378	-	-	-	-	-
Travel	-	-	-	15,568	15,568	-	-	-	-	-
Supplies	-	-	-	28,942	28,942	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Equipment	-	-	-	-	-	-	-	-	-	-
<b>Total expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>93,866</b>	<b>93,866</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Program net income (loss)	-	-	-	1,023,842	1,023,842	300,000	300,000	-	610,128	1,210,128
Transfers	-	-	-	-	-	-	-	-	-	-
Cumulative Program Net Income										
Beginning	3,000,000	2,000,000	-	(336,210)	4,663,790	1,700,000	1,700,000	-	(461,231)	2,938,769
<b>Ending</b>	<b>\$ 3,000,000</b>	<b>\$ 2,000,000</b>	<b>\$ -</b>	<b>\$ 687,632</b>	<b>\$ 5,687,632</b>	<b>\$ 2,000,000</b>	<b>\$ 2,000,000</b>	<b>\$ -</b>	<b>\$ 148,897</b>	<b>\$ 4,148,897</b>

See notes to financial statements.

SOUTH CAROLINA CENTERS OF ECONOMIC EXCELLENCE  
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	Urban Ecology and Restoration					Advanced Fiber-Based Materials				
	State Endowment	Non-State Endowment	Non-State Expendable	Endowment Earnings	Total	State Endowment	Non-State Endowment	Non-State Expendable	Endowment Earnings	Total
Contribution Revenue										
State funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 130,500	\$ -	\$ -	\$ -	\$ 130,500
Non-state matching funds	-	-	-	-	-	-	130,000	-	-	130,000
<b>Total contribution revenue</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>130,500</b>	<b>130,000</b>	<b>-</b>	<b>-</b>	<b>260,500</b>
Investment Income										
Realized gain (loss)	-	-	-	(5,558)	(5,558)	-	-	-	(9,130)	(9,130)
Unrealized gain (loss)	-	-	-	785,236	785,236	-	-	-	1,326,146	1,326,146
Endowment income	-	-	-	20,679	20,679	-	-	-	40,479	40,479
<b>Total investment income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>800,357</b>	<b>800,357</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,357,495</b>	<b>1,357,495</b>
<b>Total revenue</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>800,357</b>	<b>800,357</b>	<b>130,500</b>	<b>130,000</b>	<b>-</b>	<b>1,357,495</b>	<b>1,617,995</b>
Expenditures										
Personal services	-	-	-	-	-	-	-	-	-	-
Fringe	-	-	-	-	-	-	-	-	-	-
Travel	-	-	-	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Equipment	-	-	-	-	-	-	-	-	-	-
<b>Total expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Program net income (loss)	-	-	-	800,357	800,357	130,500	130,000	-	1,357,495	1,617,995
Transfers	-	-	-	-	-	-	-	-	-	-
Cumulative Program Net Income										
Beginning	2,000,000	2,000,000	-	(669,104)	3,330,896	3,282,500	3,116,000	28,898	(414,210)	6,013,188
<b>Ending</b>	<b>\$ 2,000,000</b>	<b>\$ 2,000,000</b>	<b>\$ -</b>	<b>\$ 131,253</b>	<b>\$ 4,131,253</b>	<b>\$ 3,413,000</b>	<b>\$ 3,246,000</b>	<b>\$ 28,898</b>	<b>\$ 943,285</b>	<b>\$ 7,631,183</b>

See notes to financial statements.

SOUTH CAROLINA CENTERS OF ECONOMIC EXCELLENCE  
CLEMSON UNIVERSITY  
PROGRAM REVENUES AND EXPENDITURES  
YEAR ENDING JUNE 30, 2011

	Health Facilities Design and Testing					Optoelectronics				
	State Endowment	Non-State Endowment	Non-State Expendable	Endowment Earnings	Total	State Endowment	Non-State Endowment	Non-State Expendable	Endowment Earnings	Total
Contribution Revenue										
State funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 125,000	\$ -	\$ -	\$ -	\$ 125,000
Non-state matching funds	-	-	-	-	-	-	125,000	-	-	125,000
<b>Total contribution revenue</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>125,000</b>	<b>125,000</b>	<b>-</b>	<b>-</b>	<b>250,000</b>
Investment Income										
Realized gain (loss)	-	-	-	(9,405)	(9,405)	-	-	-	913	913
Unrealized gain (loss)	-	-	-	542,303	542,303	-	-	-	391,265	391,265
Endowment income	-	-	-	51,551	51,551	-	-	-	36,963	36,963
<b>Total investment income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>584,449</b>	<b>584,449</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>429,141</b>	<b>429,141</b>
<b>Total revenue</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>584,449</b>	<b>584,449</b>	<b>125,000</b>	<b>125,000</b>	<b>-</b>	<b>429,141</b>	<b>679,141</b>
Expenditures										
Personal services	-	-	-	-	-	-	-	-	-	-
Fringe	-	-	-	-	-	-	-	-	-	-
Travel	-	-	-	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Equipment	-	-	-	-	-	-	-	-	-	-
<b>Total expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Program net income (loss)	-	-	-	584,449	584,449	125,000	125,000	-	429,141	679,141
Transfers	-	-	-	-	-	-	-	-	-	-
Cumulative Program Net Income										
Beginning	2,000,000	2,000,000	-	321,195	4,321,195	1,506,799	1,506,799	-	(74,998)	2,938,600
<b>Ending</b>	<b>\$ 2,000,000</b>	<b>\$ 2,000,000</b>	<b>\$ -</b>	<b>\$ 905,644</b>	<b>\$ 4,905,644</b>	<b>\$ 1,631,799</b>	<b>\$ 1,631,799</b>	<b>\$ -</b>	<b>\$ 354,143</b>	<b>\$ 3,617,741</b>

See notes to financial statements.

SOUTH CAROLINA CENTERS OF ECONOMIC EXCELLENCE  
CLEMSON UNIVERSITY  
PROGRAM REVENUES AND EXPENDITURES  
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	Cyber-Institute					Sustainable Development				
	State Endowment	Non-State Endowment	Non-State Expendable	Endowment Earnings	Total	State Endowment	Non-State Endowment	Non-State Expendable	Endowment Earnings	Total
Contribution Revenue										
State funds	\$ 600,000	\$ -	\$ -	\$ -	\$ 600,000	\$ 1,600,000	\$ -	\$ -	\$ -	\$ 1,600,000
Non-state matching funds	-	-	-	-	-	-	2,045,157	-	-	2,045,157
<b>Total contribution revenue</b>	<b>600,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>600,000</b>	<b>1,600,000</b>	<b>2,045,157</b>	<b>-</b>	<b>-</b>	<b>3,645,157</b>
Investment Income										
Realized gain (loss)	-	-	-	(9,446)	(9,446)	-	-	-	1,148	1,148
Unrealized gain (loss)	-	-	-	119,939	119,939	-	-	-	217,668	217,668
Endowment income	-	-	-	28,172	28,172	-	-	-	13,604	13,604
<b>Total investment income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>138,665</b>	<b>138,665</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>232,420</b>	<b>232,420</b>
<b>Total revenue</b>	<b>600,000</b>	<b>-</b>	<b>-</b>	<b>138,665</b>	<b>738,665</b>	<b>1,600,000</b>	<b>2,045,157</b>	<b>-</b>	<b>232,420</b>	<b>3,877,577</b>
Expenditures										
Personal services	-	-	-	-	-	-	-	-	-	-
Fringe	-	-	-	-	-	-	-	-	-	-
Travel	-	-	-	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Equipment	-	-	-	-	-	-	-	-	-	-
<b>Total expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Program net income (loss)	600,000	-	-	138,665	738,665	1,600,000	2,045,157	-	232,420	3,877,577
Transfers	-	-	-	-	-	-	-	-	-	-
Cumulative Program Net Income										
Beginning	1,400,000	1,088,996	500,000	(59,091)	2,929,905	-	-	-	-	-
<b>Ending</b>	<b>\$ 2,000,000</b>	<b>\$ 1,088,996</b>	<b>\$ 500,000</b>	<b>\$ 79,574</b>	<b>\$ 3,668,570</b>	<b>\$ 1,600,000</b>	<b>\$ 2,045,157</b>	<b>\$ -</b>	<b>\$ 232,420</b>	<b>\$ 3,877,577</b>

See notes to financial statements.

**SOUTH CAROLINA CENTERS OF ECONOMIC EXCELLENCE  
CLEMSON UNIVERSITY  
PROGRAM REVENUES AND EXPENDITURES  
YEAR ENDING JUNE 30, 2011**

	<b>Total - Clemson University</b>				<b>Total</b>
	State Endowment	Non-State Endowment	Non-State Expendable	Endowment Earnings	
Contribution Revenue					
State funds	\$ 2,755,500	\$ -	\$ -	\$ -	\$ 2,755,500
Non-state matching funds	-	2,600,157	-	-	2,600,157
<b>Total contribution revenue</b>	<u>2,755,500</u>	<u>2,600,157</u>	<u>-</u>	<u>-</u>	<u>5,355,657</u>
Investment Income					
Realized gain (loss)	-	-	-	(91,002)	(91,002)
Unrealized gain (loss)	-	-	-	12,329,779	12,329,779
Endowment income	-	-	-	537,887	537,887
<b>Total investment income</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,776,664</u>	<u>12,776,664</u>
<b>Total revenue</b>	<u>2,755,500</u>	<u>2,600,157</u>	<u>-</u>	<u>12,776,664</u>	<u>18,132,321</u>
Expenditures					
Personal services	-	-	-	272,959	272,959
Fringe	-	-	-	66,419	66,419
Travel	-	-	-	44,556	44,556
Supplies	-	-	-	140,903	140,903
Other	-	-	-	-	-
Equipment	-	-	913,498	10,538	924,036
<b>Total expenses</b>	<u>-</u>	<u>-</u>	<u>913,498</u>	<u>535,375</u>	<u>1,448,873</u>
Program net income (loss)	2,755,500	2,600,157	(913,498)	12,241,289	16,683,448
Transfers	-	(913,498)	913,498	-	-
Cumulative Program Net Income					
Beginning	34,889,299	30,683,703	561,219	(2,911,665)	63,222,556
<b>Ending</b>	<u>\$ 37,644,799</u>	<u>\$ 32,370,362</u>	<u>\$ 561,219</u>	<u>\$ 9,329,624</u>	<u>\$ 79,906,004</u>

See notes to financial statements.

**SOUTH CAROLINA CENTERS OF ECONOMIC EXCELLENCE  
MEDICAL UNIVERSITY OF SOUTH CAROLINA  
PROGRAM REVENUES AND EXPENDITURES  
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	<b>Proteomics</b>				<b>Neurosciences</b>					
	State Endowment	Non-State Endowment	Non-State Expendable	Endowment Earnings	Total	State Endowment	Non-State Endowment	Non-State Expendable	Endowment Earnings	Total
Contribution Revenue										
State funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Non-state matching funds	-	-	90,945	-	<b>90,945</b>	-	-	-	-	-
<b>Total contribution revenue</b>	-	-	90,945	-	<b>90,945</b>	-	-	-	-	-
Investment Income										
Realized gain (loss)	-	-	-	(9,931)	<b>(9,931)</b>	-	-	-	(9,143)	<b>(9,143)</b>
Unrealized gain (loss)	-	-	-	729,833	<b>729,833</b>	-	-	-	576,107	<b>576,107</b>
Endowment income	-	-	-	79,187	<b>79,187</b>	-	-	-	61,112	<b>61,112</b>
<b>Total investment income (loss)</b>	-	-	-	799,089	<b>799,089</b>	-	-	-	628,076	<b>628,076</b>
<b>Total revenue</b>	-	-	90,945	799,089	<b>890,034</b>	-	-	-	628,076	<b>628,076</b>
Expenditures										
Personal services	-	-	-	-	-	-	-	109,583	9,942	<b>119,525</b>
Fringe	-	-	-	-	-	-	-	23,191	3,042	<b>26,233</b>
Travel	-	-	788	-	<b>788</b>	-	-	-	-	-
Supplies	-	-	(1,852)	-	<b>(1,852)</b>	-	-	-	-	-
Contractual	-	-	-	-	-	-	-	-	-	-
Administrative fees	-	-	-	50,363	<b>50,363</b>	-	-	-	42,273	<b>42,273</b>
Other	-	-	9,842	-	<b>9,842</b>	-	-	-	-	-
Facilities	-	-	90,945	-	<b>90,945</b>	-	-	-	-	-
Equipment	-	-	-	-	-	-	-	-	150,725	<b>150,725</b>
<b>Total expenditures</b>	-	-	99,723	50,363	<b>150,086</b>	-	-	132,774	205,982	<b>338,756</b>
Program net income (loss)	-	-	(8,778)	748,726	<b>739,948</b>	-	-	(132,774)	422,094	<b>289,320</b>
Transfers	-	-	-	-	-	-	-	-	-	-
Cumulative Program Net Income										
Beginning	4,000,000	1,254,266	800,567	(157,527)	<b>5,897,306</b>	3,000,000	900,000	825,453	39,576	<b>4,765,029</b>
<b>Ending</b>	<b>\$ 4,000,000</b>	<b>\$ 1,254,266</b>	<b>\$ 791,789</b>	<b>\$ 591,199</b>	<b>\$ 6,637,254</b>	<b>\$ 3,000,000</b>	<b>\$ 900,000</b>	<b>\$ 692,679</b>	<b>\$ 461,670</b>	<b>\$ 5,054,349</b>

See notes to financial statements.

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	Marine Genomics					Regenerative Medicine				
	State Endowment	Non-State Endowment	Non-State Expendable	Endowment Earnings	Total	State Endowment	Non-State Endowment	Non-State Expendable	Endowment Earnings	Total
Contribution Revenue										
State funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Non-state matching funds	-	-	-	-	-	-	-	-	-	-
<b>Total contribution revenue</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Investment Income										
Realized gain (loss)	-	-	-	(7,390)	<b>(7,390)</b>	-	-	-	31,511	<b>31,511</b>
Unrealized gain (loss)	-	-	-	838,092	<b>838,092</b>	-	-	-	1,084,935	<b>1,084,935</b>
Endowment income	-	-	-	143,932	<b>143,932</b>	-	-	-	40,712	<b>40,712</b>
<b>Total investment income (loss)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>974,634</b>	<b>974,634</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,157,158</b>	<b>1,157,158</b>
<b>Total revenue</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>974,634</b>	<b>974,634</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,157,158</b>	<b>1,157,158</b>
Expenditures										
Personal services	-	-	-	197,958	<b>197,958</b>	-	-	154,465	-	<b>154,465</b>
Fringe	-	-	-	58,818	<b>58,818</b>	-	-	44,988	-	<b>44,988</b>
Travel	-	-	-	-	-	-	-	2,967	-	<b>2,967</b>
Supplies	-	-	-	-	-	-	-	84,547	-	<b>84,547</b>
Contractual	-	-	-	-	-	-	-	-	-	-
Administrative fees	-	-	-	48,050	<b>48,050</b>	-	-	-	31,368	<b>31,368</b>
Other	-	-	-	-	-	-	-	-	-	-
Facilities	-	-	-	-	-	-	-	-	-	-
Equipment	-	-	-	-	-	-	-	12,692	-	<b>12,692</b>
<b>Total expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>304,826</b>	<b>304,826</b>	<b>-</b>	<b>-</b>	<b>299,659</b>	<b>31,368</b>	<b>331,027</b>
Program net income (loss)	-	-	-	669,808	<b>669,808</b>	-	-	(299,659)	1,125,790	<b>826,131</b>
Transfers	-	-	-	-	-	-	-	-	-	-
Cumulative Program Net Income										
Beginning	4,000,000	1,500,000	300,878	390,282	<b>6,191,160</b>	5,000,000	2,000,000	870,500	(441,269)	<b>7,429,231</b>
<b>Ending</b>	<b>\$ 4,000,000</b>	<b>\$ 1,500,000</b>	<b>\$ 300,878</b>	<b>\$ 1,060,090</b>	<b>\$ 6,860,968</b>	<b>\$ 5,000,000</b>	<b>\$ 2,000,000</b>	<b>\$ 570,841</b>	<b>\$ 684,521</b>	<b>\$ 8,255,362</b>

See notes to financial statements.

SOUTH CAROLINA CENTERS OF ECONOMIC EXCELLENCE  
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	Translational Cancer Therapeutics					Drug Discovery in Cancer				
	State Endowment	Non-State Endowment	Non-State Expendable	Endowment Earnings	Total	State Endowment	Non-State Endowment	Non-State Expendable	Endowment Earnings	Total
Contribution Revenue										
State funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Non-state matching funds	-	-	-	-	-	-	-	333,334	-	333,334
<b>Total contribution revenue</b>	-	-	-	-	-	-	-	333,334	-	333,334
Investment Income										
Realized gain (loss)	-	-	-	(10,841)	(10,841)	-	-	-	(12,184)	(12,184)
Unrealized gain (loss)	-	-	-	1,018,312	1,018,312	-	-	-	908,120	908,120
Endowment income	-	-	-	130,073	130,073	-	-	-	97,111	97,111
<b>Total investment income (loss)</b>	-	-	-	1,137,544	1,137,544	-	-	-	993,047	993,047
<b>Total revenue</b>	-	-	-	1,137,544	1,137,544	-	-	333,334	993,047	1,326,381
Expenditures										
Personal services	-	-	-	154,078	154,078	-	-	187,380	-	187,380
Fringe	-	-	-	46,877	46,877	-	-	55,264	-	55,264
Travel	-	-	-	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-	3,864	-	3,864
Contractual	-	-	-	-	-	-	-	-	-	-
Administrative fees	-	-	-	76,719	76,719	-	-	-	66,885	66,885
Other	-	-	-	-	-	-	-	176	-	176
Facilities	-	-	-	-	-	-	-	-	-	-
Equipment	-	-	-	-	-	-	-	-	-	-
<b>Total expenditures</b>	-	-	-	277,674	277,674	-	-	246,684	66,885	313,569
Program net income (loss)	-	-	-	859,870	859,870	-	-	86,650	926,162	1,012,812
Transfers	-	-	(47,764)	47,764	-	-	-	-	-	-
Cumulative Program Net Income										
Beginning	5,000,000	1,998,095	47,764	228,495	7,274,354	5,000,000	1,604,510	128,569	(396,587)	6,336,492
<b>Ending</b>	<b>\$ 5,000,000</b>	<b>\$ 1,998,095</b>	<b>\$ -</b>	<b>\$ 1,136,129</b>	<b>\$ 8,134,224</b>	<b>\$ 5,000,000</b>	<b>\$ 1,604,510</b>	<b>\$ 215,219</b>	<b>\$ 529,575</b>	<b>\$ 7,349,304</b>

See notes to financial statements.

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	<b>Gastrointestinal Cancer Diagnostics</b>					<b>Vision Science</b>				
	State Endowment	Non-State Endowment	Non-State Expendable	Endowment Earnings	<b>Total</b>	State Endowment	Non-State Endowment	Non-State Expendable	Endowment Earnings	<b>Total</b>
Contribution Revenue										
State funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Non-state matching funds	-	-	-	-	-	-	2,500	116,086	-	118,586
<b>Total contribution revenue</b>	-	-	-	-	-	-	2,500	116,086	-	118,586
Investment Income										
Realized gain (loss)	-	-	-	(13,684)	(13,684)	-	-	-	(11,588)	(11,588)
Unrealized gain (loss)	-	-	-	1,003,771	1,003,771	-	-	-	863,614	863,614
Endowment income	-	-	-	107,286	107,286	-	-	-	92,356	92,356
<b>Total investment income (loss)</b>	-	-	-	1,097,373	1,097,373	-	-	-	944,382	944,382
<b>Total revenue</b>	-	-	-	1,097,373	1,097,373	-	2,500	116,086	944,382	1,062,968
Expenditures										
Personal services	-	-	126,993	-	126,993	-	-	15,844	-	15,844
Fringe	-	-	38,860	-	38,860	-	-	4,848	-	4,848
Travel	-	-	-	-	-	-	-	2,083	-	2,083
Supplies	-	-	-	-	-	-	-	7,749	-	7,749
Contractual	-	-	-	-	-	-	-	45,565	63,729	109,294
Administrative fees	-	-	-	73,907	73,907	-	-	804	-	804
Other	-	-	-	-	-	-	-	922	-	922
Facilities	-	-	-	-	-	-	-	-	-	-
Equipment	-	-	-	-	-	-	-	19,124	-	19,124
<b>Total expenditures</b>	-	-	165,853	73,907	239,760	-	-	96,939	63,729	160,668
Program net income (loss)	-	-	(165,853)	1,023,466	857,613	-	2,500	19,147	880,653	902,300
Transfers	-	-	176,308	(9,641)	166,667	-	-	-	-	-
Cumulative Program Net Income										
Beginning	5,000,000	2,000,000	306,015	39,691	7,345,706	4,367,192	1,881,274	446,487	(349,112)	6,345,841
<b>Ending</b>	<b>\$ 5,000,000</b>	<b>\$ 2,000,000</b>	<b>\$ 316,470</b>	<b>\$ 1,053,516</b>	<b>\$ 8,369,986</b>	<b>\$ 4,367,192</b>	<b>\$ 1,883,774</b>	<b>\$ 465,634</b>	<b>\$ 531,541</b>	<b>\$ 7,248,141</b>

See notes to financial statements.

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	Clinical Effectiveness and Patient Safety					Molecular Proteomics in Cardiovascular Disease and Prevention				
	State Endowment	Non-State Endowment	Non-State Expendable	Endowment Earnings	Total	State Endowment	Non-State Endowment	Non-State Expendable	Endowment Earnings	Total
Contribution Revenue										
State funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 718,025	\$ -	\$ -	\$ -	\$ 718,025
Non-state matching funds	-	-	-	-	-	-	33,891	214,266	-	248,157
<b>Total contribution revenue</b>	-	-	-	-	-	718,025	33,891	214,266	-	966,182
Investment Income										
Realized gain (loss)	-	-	-	(14,274)	(14,274)	-	-	-	(11,562)	(11,562)
Unrealized gain (loss)	-	-	-	1,000,009	1,000,009	-	-	-	960,054	960,054
Endowment income	-	-	-	106,453	106,453	-	-	-	103,745	103,745
<b>Total investment income (loss)</b>	-	-	-	1,092,188	1,092,188	-	-	-	1,052,237	1,052,237
<b>Total revenue</b>	-	-	-	1,092,188	1,092,188	718,025	33,891	214,266	1,052,237	2,018,419
Expenditures										
Personal services	-	-	-	44,725	44,725	-	-	44,757	-	44,757
Fringe	-	-	-	13,686	13,686	-	-	13,743	-	13,743
Travel	-	-	-	19,263	19,263	-	-	-	-	-
Supplies	-	-	(12,814)	-	(12,814)	-	-	28,466	-	28,466
Contractual	-	-	-	73,364	73,364	-	-	-	-	-
Administrative fees	-	-	-	-	-	-	-	1,250	72,688	73,938
Other	-	-	-	19,304	19,304	-	-	-	-	-
Facilities	-	-	-	-	-	-	-	-	-	-
Equipment	-	-	-	-	-	-	-	-	-	-
<b>Total expenditures</b>	-	-	(12,814)	170,342	157,528	-	-	88,216	72,688	160,904
Program net income (loss)	-	-	12,814	921,846	934,660	718,025	33,891	126,050	979,549	1,857,515
Transfers	-	-	-	-	-	-	-	16,227	(16,227)	-
Cumulative Program Net Income										
Beginning	5,000,000	2,000,000	(12,814)	(165,954)	6,821,232	4,060,470	3,235,606	916,936	(713,654)	7,499,358
<b>Ending</b>	<b>\$ 5,000,000</b>	<b>\$ 2,000,000</b>	<b>\$ -</b>	<b>\$ 755,892</b>	<b>\$ 7,755,892</b>	<b>\$ 4,778,495</b>	<b>\$ 3,269,497</b>	<b>\$ 1,059,213</b>	<b>\$ 249,668</b>	<b>\$ 9,356,873</b>

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	Tobacco-Related Malignancy					Stroke				
	State Endowment	Non-State Endowment	Non-State Expendable	Endowment Earnings	Total	State Endowment	Non-State Endowment	Non-State Expendable	Endowment Earnings	Total
Contribution Revenue										
State funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,576,626	\$ -	\$ -	\$ -	\$ 2,576,626
Non-state matching funds	-	101,000	100,050	-	201,050	-	-	436,308	-	436,308
<b>Total contribution revenue</b>	-	101,000	100,050	-	201,050	2,576,626	-	436,308	-	3,012,934
Investment Income										
Realized gain (loss)	-	-	-	(16,295)	(16,295)	-	-	-	1,232	1,232
Unrealized gain (loss)	-	-	-	1,054,258	1,054,258	-	-	-	730,450	730,450
Endowment income	-	-	-	112,227	112,227	-	-	-	86,937	86,937
<b>Total investment income (loss)</b>	-	-	-	1,150,190	1,150,190	-	-	-	818,619	818,619
<b>Total revenue</b>	-	101,000	100,050	1,150,190	1,351,240	2,576,626	-	436,308	818,619	3,831,553
Expenditures										
Personal services	-	-	10,536	128,221	138,757	-	-	133,644	-	133,644
Fringe	-	-	3,097	39,235	42,332	-	-	40,996	-	40,996
Travel	-	-	-	2,536	2,536	-	-	-	-	-
Supplies	-	-	1,493	1,285	2,778	-	-	511	-	511
Contractual	-	-	5,003	464	5,467	-	-	8,257	-	8,257
Administrative fees	-	-	-	60,938	60,938	-	-	16,092	55,245	71,337
Other	-	-	35,962	21,709	57,671	-	-	-	-	-
Facilities	-	-	-	-	-	-	-	-	-	-
Equipment	-	-	-	-	-	-	-	6,466	-	6,466
<b>Total expenditures</b>	-	-	56,091	254,388	310,479	-	-	205,966	55,245	261,211
Program net income (loss)	-	101,000	43,959	895,802	1,040,761	2,576,626	-	230,342	763,374	3,570,342
Transfers	-	-	-	-	-	-	-	104,485	(104,485)	-
Cumulative Program Net Income										
Beginning	5,000,000	1,470,812	728,373	781,962	7,981,147	2,269,607	2,500,000	473,824	369,488	5,612,919
<b>Ending</b>	<u>\$ 5,000,000</u>	<u>\$ 1,571,812</u>	<u>\$ 772,332</u>	<u>\$ 1,677,764</u>	<u>\$ 9,021,908</u>	<u>\$ 4,846,233</u>	<u>\$ 2,500,000</u>	<u>\$ 808,651</u>	<u>\$ 1,028,377</u>	<u>\$ 9,183,261</u>

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	<b>Renal Disease Biomarker</b>					<b>Cancer Stem Cell Biology and Therapy</b>				
	State Endowment	Non-State Endowment	Non-State Expendable	Endowment Earnings	Total	State Endowment	Non-State Endowment	Non-State Expendable	Endowment Earnings	Total
Contribution Revenue										
State funds	\$ 3,949,219	\$ -	\$ -	\$ -	\$ 3,949,219	\$ 2,806,358	\$ -	\$ -	\$ -	\$ 2,806,358
Non-state matching funds	-	273,837	355,599	-	629,436	-	93,472	241,424	-	334,896
<b>Total contribution revenue</b>	<b>3,949,219</b>	<b>273,837</b>	<b>355,599</b>	<b>-</b>	<b>4,578,655</b>	<b>2,806,358</b>	<b>93,472</b>	<b>241,424</b>	<b>-</b>	<b>3,141,254</b>
Investment Income										
Realized gain (loss)	-	-	-	15,147	15,147	-	-	-	8,064	8,064
Unrealized gain (loss)	-	-	-	138,204	138,204	-	-	-	481,898	481,898
Endowment income	-	-	-	29,040	29,040	-	-	-	62,014	62,014
<b>Total investment income (loss)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>182,391</b>	<b>182,391</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>551,976</b>	<b>551,976</b>
<b>Total revenue</b>	<b>3,949,219</b>	<b>273,837</b>	<b>355,599</b>	<b>182,391</b>	<b>4,761,046</b>	<b>2,806,358</b>	<b>93,472</b>	<b>241,424</b>	<b>551,976</b>	<b>3,693,230</b>
Expenditures										
Personal services	-	-	25,369	-	25,369	-	-	-	-	-
Fringe	-	-	7,779	-	7,779	-	-	-	-	-
Travel	-	-	1,833	-	1,833	-	-	-	-	-
Supplies	-	-	33,256	-	33,256	-	-	-	-	-
Contractual	-	-	4,575	26,887	31,462	-	-	-	-	-
Administrative fees	-	-	615	-	615	-	-	2,071	42,079	44,150
Other	-	-	-	-	-	-	-	-	333	333
Facilities	-	-	-	-	-	-	-	-	-	-
Equipment	-	-	273,330	-	273,330	-	-	-	-	-
<b>Total expenditures</b>	<b>-</b>	<b>-</b>	<b>346,757</b>	<b>26,887</b>	<b>373,644</b>	<b>-</b>	<b>-</b>	<b>2,071</b>	<b>42,412</b>	<b>44,483</b>
Program net income (loss)	3,949,219	273,837	8,842	155,504	4,387,402	2,806,358	93,472	239,353	509,564	3,648,747
Transfers	-	(500,000)	422,466	-	(77,534)	-	-	-	5,115	5,115
Cumulative Program Net Income										
Beginning	-	1,548,875	35,295	(47,384)	1,536,786	2,193,642	1,414,139	1,101,678	(179,758)	4,529,701
<b>Ending</b>	<b>\$ 3,949,219</b>	<b>\$ 1,322,712</b>	<b>\$ 466,603</b>	<b>\$ 108,120</b>	<b>\$ 5,846,654</b>	<b>\$ 5,000,000</b>	<b>\$ 1,507,611</b>	<b>\$ 1,341,031</b>	<b>\$ 334,921</b>	<b>\$ 8,183,563</b>

See notes to financial statements.

**SOUTH CAROLINA CENTERS OF ECONOMIC EXCELLENCE  
MEDICAL UNIVERSITY OF SOUTH CAROLINA  
PROGRAM REVENUES AND EXPENDITURES  
YEAR ENDING JUNE 30, 2011**

	<b>Advanced Tissue Biofabrication</b>					<b>Medication Safety and Efficacy</b>				
	State Endowment	Non-State Endowment	Non-State Expendable	Endowment Earnings	<b>Total</b>	State Endowment	Non-State Endowment	Non-State Expendable	Endowment Earnings	<b>Total</b>
Contribution Revenue										
State funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Non-state matching funds	-	300,000	28,723	-	<b>328,723</b>	-	-	250,000	-	<b>250,000</b>
<b>Total contribution revenue</b>	-	300,000	28,723	-	<b>328,723</b>	-	-	250,000	-	<b>250,000</b>
Investment Income										
Realized gain (loss)	-	-	-	6,347	<b>6,347</b>	-	-	-	486	<b>486</b>
Unrealized gain (loss)	-	-	-	12,219	<b>12,219</b>	-	-	-	146,344	<b>146,344</b>
Endowment income	-	-	-	3,133	<b>3,133</b>	-	-	-	16,843	<b>16,843</b>
<b>Total investment income (loss)</b>	-	-	-	21,699	<b>21,699</b>	-	-	-	163,673	<b>163,673</b>
<b>Total revenue</b>	-	300,000	28,723	21,699	<b>350,422</b>	-	-	250,000	163,673	<b>413,673</b>
Expenditures										
Personal services	-	-	-	-	-	-	-	-	-	-
Fringe	-	-	-	-	-	-	-	-	-	-
Travel	-	-	-	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-	-	-	-
Contractual	-	-	-	-	-	-	-	-	-	-
Administrative fees	-	-	-	1,566	<b>1,566</b>	-	-	-	10,711	<b>10,711</b>
Other	-	-	-	-	-	-	-	-	-	-
Facilities	-	-	28,723	-	<b>28,723</b>	-	-	-	-	-
Equipment	-	-	-	-	-	-	-	-	-	-
<b>Total expenditures</b>	-	-	28,723	1,566	<b>30,289</b>	-	-	-	10,711	<b>10,711</b>
Program net income (loss)	-	300,000	-	20,133	<b>320,133</b>	-	-	250,000	152,962	<b>402,962</b>
Transfers	-	-	-	-	-	-	-	-	-	-
Cumulative Program Net Income										
Beginning	-	-	75,000	-	<b>75,000</b>	600,000	600,000	-	(54,661)	<b>1,145,339</b>
<b>Ending</b>	<b>\$ -</b>	<b>\$ 300,000</b>	<b>\$ 75,000</b>	<b>\$ 20,133</b>	<b>\$ 395,133</b>	<b>\$ 600,000</b>	<b>\$ 600,000</b>	<b>\$ 250,000</b>	<b>\$ 98,301</b>	<b>\$ 1,548,301</b>

See notes to financial statements.

**SOUTH CAROLINA CENTERS OF ECONOMIC EXCELLENCE  
MEDICAL UNIVERSITY OF SOUTH CAROLINA  
PROGRAM REVENUES AND EXPENDITURES  
YEAR ENDING JUNE 30, 2011**

	<b>Prostate Cancer Disparities</b>					<b>Lipidomics, Pathobiology and Therapy</b>				
	State Endowment	Non-State Endowment	Non-State Expendable	Endowment Earnings	Total	State Endowment	Non-State Endowment	Non-State Expendable	Endowment Earnings	Total
Contribution Revenue										
State funds	\$ 3,600,000	\$ -	\$ -	\$ -	\$ 3,600,000	\$ -	\$ -	\$ -	\$ -	\$ -
Non-state matching funds	-	1,077,000	3,819	-	1,080,819	-	550,200	-	-	550,200
<b>Total contribution revenue</b>	<b>3,600,000</b>	<b>1,077,000</b>	<b>3,819</b>	<b>-</b>	<b>4,680,819</b>	<b>-</b>	<b>550,200</b>	<b>-</b>	<b>-</b>	<b>550,200</b>
Investment Income										
Realized gain (loss)	-	-	-	24,361	24,361	-	-	-	128	128
Unrealized gain (loss)	-	-	-	37,865	37,865	-	-	-	(932)	(932)
Endowment income	-	-	-	18,232	18,232	-	-	-	78	78
<b>Total investment income (loss)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>80,458</b>	<b>80,458</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(726)</b>	<b>(726)</b>
<b>Total revenue</b>	<b>3,600,000</b>	<b>1,077,000</b>	<b>3,819</b>	<b>80,458</b>	<b>4,761,277</b>	<b>-</b>	<b>550,200</b>	<b>-</b>	<b>(726)</b>	<b>549,474</b>
Expenditures										
Personal services	-	-	-	-	-	-	-	-	-	-
Fringe	-	-	-	-	-	-	-	-	-	-
Travel	-	-	-	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-	-	-	-
Contractual	-	-	-	-	-	-	-	-	-	-
Administrative fees	-	-	191	59,354	59,545	-	-	-	2,510	2,510
Other	-	-	-	-	-	-	-	-	-	-
Facilities	-	-	-	-	-	-	-	-	-	-
Equipment	-	-	-	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>-</b>	<b>-</b>	<b>191</b>	<b>59,354</b>	<b>59,545</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,510</b>	<b>2,510</b>
Program net income (loss)	3,600,000	1,077,000	3,628	21,104	4,701,732	-	550,200	-	(3,236)	546,964
Transfers	-	-	-	-	-	-	-	-	-	-
Cumulative Program Net Income										
Beginning	-	3,000	3,676	258	6,934	-	-	-	-	-
<b>Ending</b>	<b>\$ 3,600,000</b>	<b>\$ 1,080,000</b>	<b>\$ 7,304</b>	<b>\$ 21,362</b>	<b>\$ 4,708,666</b>	<b>\$ -</b>	<b>\$ 550,200</b>	<b>\$ -</b>	<b>\$ (3,236)</b>	<b>\$ 546,964</b>

See notes to financial statements.

**SOUTH CAROLINA CENTERS OF ECONOMIC EXCELLENCE  
MEDICAL UNIVERSITY OF SOUTH CAROLINA  
PROGRAM REVENUES AND EXPENDITURES  
YEAR ENDING JUNE 30, 2011**

	<b>Inflammation and Fibrosis</b>					<b>Total - Medical University of South Carolina</b>				
	State Endowment	Non-State Endowment	Non-State Expendable	Endowment Earnings	<b>Total</b>	State Endowment	Non-State Endowment	Non-State Expendable	Endowment Earnings	<b>Total</b>
Contribution Revenue										
State funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,650,228	\$ -	\$ -	\$ -	\$ 13,650,228
Non-state matching funds	-	156,105	12,600	-	<b>168,705</b>	-	2,588,005	2,183,154	-	<b>4,771,159</b>
<b>Total contribution revenue</b>	-	156,105	12,600	-	<b>168,705</b>	13,650,228	2,588,005	2,183,154	-	<b>18,421,387</b>
Investment Income										
Realized gain (loss)	-	-	-	206	<b>206</b>	-	-	-	(29,410)	<b>(29,410)</b>
Unrealized gain (loss)	-	-	-	126,906	<b>126,906</b>	-	-	-	11,710,059	<b>11,710,059</b>
Endowment income	-	-	-	14,521	<b>14,521</b>	-	-	-	1,304,992	<b>1,304,992</b>
<b>Total investment income (loss)</b>	-	-	-	141,633	<b>141,633</b>	-	-	-	12,985,641	<b>12,985,641</b>
<b>Total revenue</b>	-	156,105	12,600	141,633	<b>310,338</b>	13,650,228	2,588,005	2,183,154	12,985,641	<b>31,407,028</b>
Expenditures										
Personal services	-	-	-	-	-	-	-	808,571	534,924	<b>1,343,495</b>
Fringe	-	-	-	-	-	-	-	232,766	161,658	<b>394,424</b>
Travel	-	-	-	-	-	-	-	7,671	21,799	<b>29,470</b>
Supplies	-	-	-	-	-	-	-	145,220	1,285	<b>146,505</b>
Contractual	-	-	-	-	-	-	-	63,400	164,444	<b>227,844</b>
Administrative fees	-	-	630	17,083	<b>17,713</b>	-	-	21,653	711,739	<b>733,392</b>
Other	-	-	-	-	-	-	-	46,902	41,346	<b>88,248</b>
Facilities	-	-	-	-	-	-	-	119,668	-	<b>119,668</b>
Equipment	-	-	-	-	-	-	-	311,612	150,725	<b>462,337</b>
<b>Total expenditures</b>	-	-	630	17,083	<b>17,713</b>	-	-	1,757,463	1,787,920	<b>3,545,383</b>
Program net income (loss)	-	156,105	11,970	124,550	<b>292,625</b>	13,650,228	2,588,005	425,691	11,197,721	<b>27,861,645</b>
Transfers	-	-	-	-	-	-	(500,000)	671,722	(77,474)	<b>94,248</b>
Cumulative Program Net Income										
Beginning	-	983,005	-	(138,971)	<b>844,034</b>	54,490,911	26,893,582	7,048,201	(795,125)	<b>87,637,569</b>
<b>Ending</b>	<u>\$ -</u>	<u>\$ 1,139,110</u>	<u>\$ 11,970</u>	<u>\$ (14,421)</u>	<u>\$ 1,136,659</u>	<u>\$ 68,141,139</u>	<u>\$ 28,981,587</u>	<u>\$ 8,145,614</u>	<u>\$ 10,325,122</u>	<u>\$ 115,593,462</u>

See notes to financial statements.

**SOUTH CAROLINA CENTERS OF ECONOMIC EXCELLENCE  
UNIVERSITY OF SOUTH CAROLINA  
PROGRAM REVENUES AND EXPENDITURES  
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	<b>Nanostructures</b>				<b>Brain Imaging</b>					
	State Endowment	Non-State Endowment	Non-State Expendable	Endowment Earnings	Total	State Endowment	Non-State Endowment	Non-State Expendable	Endowment Earnings	Total
Contribution Revenue										
State funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Non-state matching funds	-	150	-	-	150	-	-	-	-	-
<b>Total contribution revenue</b>	-	150	-	-	150	-	-	-	-	-
Investment Income										
Realized gain (loss)	-	-	-	81,554	81,554	-	-	-	100,002	100,002
Unrealized gain (loss)	-	-	-	182,763	182,763	-	-	-	224,122	224,122
Endowment income	-	-	-	255,657	255,657	-	-	-	259,800	259,800
<b>Total investment income</b>	-	-	-	519,974	519,974	-	-	-	583,924	583,924
<b>Total revenue</b>	-	150	-	519,974	520,124	-	-	-	583,924	583,924
Expenditures										
Personal services	-	-	10,775	30,000	40,775	-	-	-	49,719	49,719
Fringe	-	-	1,393	-	1,393	-	-	-	-	-
Travel	-	-	3,607	-	3,607	-	-	-	-	-
Supplies	-	-	681	291	972	-	-	-	-	-
Contractual	-	-	2,573	17,295	19,868	-	-	-	-	-
Tuition assistance	-	-	-	-	-	-	-	-	-	-
Fixed charges	-	-	-	-	-	-	-	-	-	-
Indirect cost recovery	-	-	7,211	-	7,211	-	-	-	-	-
Administrative fees	-	-	-	21,298	21,298	-	-	-	26,116	26,116
Legal	-	-	-	-	-	-	-	-	-	-
Other	-	-	16,342	806	17,148	-	-	-	-	-
Equipment	-	-	-	-	-	-	-	-	-	-
<b>Total expenditures</b>	-	-	42,582	69,690	112,272	-	-	-	75,835	75,835
Program net income (loss)	-	150	(42,582)	450,284	407,852	-	-	-	508,089	508,089
Transfers	-	-	-	-	-	-	-	-	-	-
Cumulative Program Net Income										
Beginning	4,000,000	1,632,855	52,262	384,863	6,069,980	5,000,000	2,089,589	-	105,053	7,194,642
<b>Ending</b>	<b>\$ 4,000,000</b>	<b>\$ 1,633,005</b>	<b>\$ 9,680</b>	<b>\$ 835,147</b>	<b>\$ 6,477,832</b>	<b>\$ 5,000,000</b>	<b>\$ 2,089,589</b>	<b>\$ -</b>	<b>\$ 613,142</b>	<b>\$ 7,702,731</b>

See notes to financial statements.

**SOUTH CAROLINA CENTERS OF ECONOMIC EXCELLENCE  
UNIVERSITY OF SOUTH CAROLINA  
PROGRAM REVENUES AND EXPENDITURES  
YEAR ENDING JUNE 30, 2011**

	<b>Polymer Nanocomposites</b>					<b>Hydrogen Fuel Cell Economy</b>				
	State Endowment	Non-State Endowment	Non-State Expendable	Endowment Earnings	<b>Total</b>	State Endowment	Non-State Endowment	Non-State Expendable	Endowment Earnings	<b>Total</b>
Contribution Revenue										
State funds	\$ 656,862	\$ -	\$ -	\$ -	\$ 656,862	\$ -	\$ -	\$ -	\$ -	\$ -
Non-state matching funds	-	141,155	-	-	141,155	-	-	719,635	-	719,635
<b>Total contribution revenue</b>	<b>656,862</b>	<b>141,155</b>	<b>-</b>	<b>-</b>	<b>798,017</b>	<b>-</b>	<b>-</b>	<b>719,635</b>	<b>-</b>	<b>719,635</b>
Investment Income										
Realized gain (loss)	-	-	-	54,879	54,879	-	-	-	-	-
Unrealized gain (loss)	-	-	-	186,116	186,116	-	-	-	-	-
Endowment income	-	-	-	205,830	205,830	-	-	-	136,848	136,848
<b>Total investment income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>446,825</b>	<b>446,825</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>136,848</b>	<b>136,848</b>
<b>Total revenue</b>	<b>656,862</b>	<b>141,155</b>	<b>-</b>	<b>446,825</b>	<b>1,244,842</b>	<b>-</b>	<b>-</b>	<b>719,635</b>	<b>136,848</b>	<b>856,483</b>
Expenditures										
Personal services	-	-	-	112,662	112,662	-	-	264,334	-	264,334
Fringe	-	-	-	16,211	16,211	-	-	29,526	-	29,526
Travel	-	-	-	-	-	-	-	57,993	-	57,993
Supplies	-	-	-	13,381	13,381	-	-	67,136	-	67,136
Contractual	-	-	-	3,940	3,940	-	-	14,399	-	14,399
Tuition assistance	-	-	-	1,828	1,828	-	-	13,255	-	13,255
Fixed charges	-	-	-	-	-	-	-	-	-	-
Indirect cost recovery	-	-	-	-	-	-	-	95,187	-	95,187
Administrative fees	-	-	-	16,897	16,897	-	-	-	-	-
Legal	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	8,283	8,283	-	-	14,805	-	14,805
Equipment	-	-	-	23,286	23,286	-	-	145,550	-	145,550
<b>Total expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>196,488</b>	<b>196,488</b>	<b>-</b>	<b>-</b>	<b>702,185</b>	<b>-</b>	<b>702,185</b>
Program net income (loss)	656,862	141,155	-	250,337	1,048,354	-	-	17,450	136,848	154,298
Transfers	-	-	-	-	-	-	-	-	-	-
Cumulative Program Net Income										
Beginning	2,843,138	1,287,627	-	322,934	4,453,699	2,500,000	-	-	378,754	2,878,754
<b>Ending</b>	<b>\$ 3,500,000</b>	<b>\$ 1,428,782</b>	<b>\$ -</b>	<b>\$ 573,271</b>	<b>\$ 5,502,053</b>	<b>\$ 2,500,000</b>	<b>\$ -</b>	<b>\$ 17,450</b>	<b>\$ 515,602</b>	<b>\$ 3,033,052</b>

See notes to financial statements.

**SOUTH CAROLINA CENTERS OF ECONOMIC EXCELLENCE  
UNIVERSITY OF SOUTH CAROLINA  
PROGRAM REVENUES AND EXPENDITURES  
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	<b>Tourism and Economic Development</b>					<b>Renewable Fuel Cells</b>				
	State Endowment	Non-State Endowment	Non-State Expendable	Endowment Earnings	<b>Total</b>	State Endowment	Non-State Endowment	Non-State Expendable	Endowment Earnings	<b>Total</b>
Contribution Revenue										
State funds	\$ 426,400	\$ -	\$ -	\$ -	\$ 426,400	\$ 880,454	\$ -	\$ -	\$ -	\$ 880,454
Non-state matching funds	-	-	15,333	-	15,333	-	860,000	-	-	860,000
<b>Total contribution revenue</b>	<u>426,400</u>	<u>-</u>	<u>15,333</u>	<u>-</u>	<u>441,733</u>	<u>880,454</u>	<u>860,000</u>	<u>-</u>	<u>-</u>	<u>1,740,454</u>
Investment Income										
Realized gain (loss)	-	-	-	47,519	47,519	-	-	-	98,365	98,365
Unrealized gain (loss)	-	-	-	106,497	106,497	-	-	-	121,348	121,348
Endowment income	-	-	-	105,294	105,294	-	-	-	141,399	141,399
<b>Total investment income</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>259,310</u>	<u>259,310</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>361,112</u>	<u>361,112</u>
<b>Total revenue</b>	<u>426,400</u>	<u>-</u>	<u>15,333</u>	<u>259,310</u>	<u>701,043</u>	<u>880,454</u>	<u>860,000</u>	<u>-</u>	<u>361,112</u>	<u>2,101,566</u>
Expenditures										
Personal services	-	-	21,059	-	21,059	-	-	-	-	-
Fringe	-	-	6,083	-	6,083	-	-	-	-	-
Travel	-	-	9,036	-	9,036	-	-	-	-	-
Supplies	-	-	-	-	-	-	-	-	-	-
Contractual	-	-	5,800	-	5,800	-	-	-	-	-
Tuition assistance	-	-	-	-	-	-	-	-	-	-
Fixed charges	-	-	-	-	-	-	-	-	-	-
Indirect cost recovery	-	-	15,422	-	15,422	-	-	-	-	-
Administrative fees	-	-	-	12,410	12,410	-	-	-	22,080	22,080
Legal	-	-	-	-	-	-	-	-	-	-
Other	-	-	138	-	138	-	-	-	-	-
Equipment	-	-	-	-	-	-	-	-	-	-
<b>Total expenditures</b>	<u>-</u>	<u>-</u>	<u>57,538</u>	<u>12,410</u>	<u>69,948</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>22,080</u>	<u>22,080</u>
Program net income (loss)	426,400	-	(42,205)	246,900	631,095	880,454	860,000	-	339,032	2,079,486
Transfers	-	(24,500)	-	-	(24,500)	-	-	-	-	-
Cumulative Program Net Income										
Beginning	1,573,600	1,218,600	42,292	187,933	3,022,425	2,119,546	340,000	-	242,427	2,701,973
<b>Ending</b>	<u>\$ 2,000,000</u>	<u>\$ 1,194,100</u>	<u>\$ 87</u>	<u>\$ 434,833</u>	<u>\$ 3,629,020</u>	<u>\$ 3,000,000</u>	<u>\$ 1,200,000</u>	<u>\$ -</u>	<u>\$ 581,459</u>	<u>\$ 4,781,459</u>

See notes to financial statements.

**SOUTH CAROLINA CENTERS OF ECONOMIC EXCELLENCE  
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	<b>Solid Oxide Fuel Cells</b>					<b>Childhood Neurotherapeutics</b>				
	State Endowment	Non-State Endowment	Non-State Expendable	Endowment Earnings	<b>Total</b>	State Endowment	Non-State Endowment	Non-State Expendable	Endowment Earnings	<b>Total</b>
Contribution Revenue										
State funds	\$ 2,100,000	\$ -	\$ -	\$ -	\$ 2,100,000	\$ 1,925,322	\$ -	\$ -	\$ -	\$ 1,925,322
Non-state matching funds	-	-	202,551	-	202,551	-	-	-	-	-
<b>Total contribution revenue</b>	<u>2,100,000</u>	<u>-</u>	<u>202,551</u>	<u>-</u>	<u>2,302,551</u>	<u>1,925,322</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,925,322</u>
Investment Income										
Realized gain (loss)	-	-	-	-	-	-	-	-	104,304	104,304
Unrealized gain (loss)	-	-	-	-	-	-	-	-	944	944
Endowment income	-	-	-	128,292	128,292	-	-	-	165,433	165,433
<b>Total investment income</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>128,292</u>	<u>128,292</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>270,681</u>	<u>270,681</u>
<b>Total revenue</b>	<u>2,100,000</u>	<u>-</u>	<u>202,551</u>	<u>128,292</u>	<u>2,430,843</u>	<u>1,925,322</u>	<u>-</u>	<u>-</u>	<u>270,681</u>	<u>2,196,003</u>
Expenditures										
Personal services	-	-	156,171	-	156,171	-	-	-	-	-
Fringe	-	-	9,074	-	9,074	-	-	-	-	-
Travel	-	-	11,785	-	11,785	-	-	-	-	-
Supplies	-	-	10,770	-	10,770	-	-	-	-	-
Contractual	-	-	704	-	704	-	-	-	-	-
Tuition assistance	-	-	-	-	-	-	-	-	-	-
Fixed charges	-	-	-	-	-	-	-	-	-	-
Indirect cost recovery	-	-	-	-	-	-	-	-	-	-
Administrative fees	-	-	-	-	-	-	-	-	37,488	37,488
Legal	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Equipment	-	-	-	-	-	-	-	-	-	-
<b>Total expenditures</b>	<u>-</u>	<u>-</u>	<u>188,504</u>	<u>-</u>	<u>188,504</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>37,488</u>	<u>37,488</u>
Program net income (loss)	2,100,000	-	14,047	128,292	2,242,339	1,925,322	-	-	233,193	2,158,515
Transfers	-	-	-	-	-	-	-	-	-	-
Cumulative Program Net Income										
Beginning	800,000	800,000	(14,047)	121,954	1,707,907	3,074,678	2,500,000	-	153,959	5,728,637
<b>Ending</b>	<u>\$ 2,900,000</u>	<u>\$ 800,000</u>	<u>\$ -</u>	<u>\$ 250,246</u>	<u>\$ 3,950,246</u>	<u>\$ 5,000,000</u>	<u>\$ 2,500,000</u>	<u>\$ -</u>	<u>\$ 387,152</u>	<u>\$ 7,887,152</u>

See notes to financial statements.

**SOUTH CAROLINA CENTERS OF ECONOMIC EXCELLENCE  
UNIVERSITY OF SOUTH CAROLINA  
PROGRAM REVENUES AND EXPENDITURES  
YEAR ENDING JUNE 30, 2011**

	<b>Rehabilitation and Reconstruction Science</b>				<b>Strategic Approaches to Electricity Production from Coal</b>					
	State Endowment	Non-State Endowment	Non-State Expendable	Endowment Earnings	Total	State Endowment	Non-State Endowment	Non-State Expendable	Endowment Earnings	Total
Contribution Revenue										
State funds	\$ 1,000,000	\$ -	\$ -	\$ -	\$ 1,000,000	\$ 1,000,000	\$ -	\$ -	\$ -	\$ 1,000,000
Non-state matching funds	-	-	500,000	-	500,000	-	-	-	-	-
<b>Total contribution revenue</b>	<u>1,000,000</u>	<u>-</u>	<u>500,000</u>	<u>-</u>	<u>1,500,000</u>	<u>1,000,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,000,000</u>
Investment Income										
Realized gain (loss)	-	-	-	14,770	14,770	-	-	-	137,928	137,928
Unrealized gain (loss)	-	-	-	(12,930)	(12,930)	-	-	-	309,121	309,121
Endowment income	-	-	-	56,269	56,269	-	-	-	210,057	210,057
<b>Total investment income</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>58,109</u>	<u>58,109</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>657,106</u>	<u>657,106</u>
<b>Total revenue</b>	<u>1,000,000</u>	<u>-</u>	<u>500,000</u>	<u>58,109</u>	<u>1,558,109</u>	<u>1,000,000</u>	<u>-</u>	<u>-</u>	<u>657,106</u>	<u>1,657,106</u>
Expenditures										
Personal services	-	-	37,500	-	37,500	-	-	85,088	20,000	105,088
Fringe	-	-	-	-	-	-	-	13,284	4,325	17,609
Travel	-	-	2,262	-	2,262	-	-	16,504	4,627	21,131
Supplies	-	-	-	-	-	-	-	43,475	53	43,528
Contractual	-	-	-	-	-	-	-	4,013	-	4,013
Tuition assistance	-	-	-	-	-	-	-	-	-	-
Fixed charges	-	-	-	-	-	-	-	3,340	-	3,340
Indirect cost recovery	-	-	-	-	-	-	-	-	-	-
Administrative fees	-	-	-	2,077	2,077	-	-	-	36,020	36,020
Legal	-	-	6,818	-	6,818	-	-	-	-	-
Other	-	-	10,117	-	10,117	-	-	-	19,550	19,550
Equipment	-	-	-	-	-	-	-	316,750	-	316,750
<b>Total expenditures</b>	<u>-</u>	<u>-</u>	<u>56,697</u>	<u>2,077</u>	<u>58,774</u>	<u>-</u>	<u>-</u>	<u>482,454</u>	<u>84,575</u>	<u>567,029</u>
Program net income (loss)	1,000,000	-	443,303	56,032	1,499,335	1,000,000	-	(482,454)	572,531	1,090,077
Transfers	-	600,000	(600,000)	-	-	-	-	(500,000)	500,000	-
Cumulative Program Net Income										
Beginning	1,000,000	-	897,614	27,244	1,924,858	4,000,000	2,000,000	2,802,937	365,382	9,168,319
<b>Ending</b>	<u>\$ 2,000,000</u>	<u>\$ 600,000</u>	<u>\$ 740,917</u>	<u>\$ 83,276</u>	<u>\$ 3,424,193</u>	<u>\$ 5,000,000</u>	<u>\$ 2,000,000</u>	<u>\$ 1,820,483</u>	<u>\$ 1,437,913</u>	<u>\$ 10,258,396</u>

See notes to financial statements.

**SOUTH CAROLINA CENTERS OF ECONOMIC EXCELLENCE  
UNIVERSITY OF SOUTH CAROLINA  
PROGRAM REVENUES AND EXPENDITURES  
YEAR ENDING JUNE 30, 2011**

	<b>Healthcare Quality</b>					<b>Senior SMART™ Center</b>				
	State Endowment	Non-State Endowment	Non-State Expendable	Endowment Earnings	<b>Total</b>	State Endowment	Non-State Endowment	Non-State Expendable	Endowment Earnings	<b>Total</b>
Contribution Revenue										
State funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Non-state matching funds	-	-	2,970,315	-	<b>2,970,315</b>	-	-	-	-	-
<b>Total contribution revenue</b>	-	-	2,970,315	-	<b>2,970,315</b>	-	-	-	-	-
Investment Income										
Realized gain (loss)	-	-	-	82,606	<b>82,606</b>	-	-	-	-	-
Unrealized gain (loss)	-	-	-	748	<b>748</b>	-	-	-	-	-
Endowment income	-	-	-	215,065	<b>215,065</b>	-	-	-	102,872	<b>102,872</b>
<b>Total investment income</b>	-	-	-	298,419	<b>298,419</b>	-	-	-	102,872	<b>102,872</b>
<b>Total revenue</b>	-	-	2,970,315	298,419	<b>3,268,734</b>	-	-	-	102,872	<b>102,872</b>
Expenditures										
Personal services	-	-	337,210	25,000	<b>362,210</b>	-	-	-	-	-
Fringe	-	-	-	-	-	-	-	-	-	-
Travel	-	-	3,050	-	<b>3,050</b>	-	-	-	-	-
Supplies	-	-	1,758	-	<b>1,758</b>	-	-	-	-	-
Contractual	-	-	622,133	-	<b>622,133</b>	-	-	-	-	-
Tuition assistance	-	-	-	-	-	-	-	-	-	-
Fixed charges	-	-	-	-	-	-	-	-	-	-
Indirect cost recovery	-	-	-	-	-	-	-	-	-	-
Administrative fees	-	-	-	29,690	<b>29,690</b>	-	-	-	-	-
Legal	-	-	100,248	-	<b>100,248</b>	-	-	-	-	-
Other	-	-	39,345	675	<b>40,020</b>	-	-	-	-	-
Equipment	-	-	1,866,571	-	<b>1,866,571</b>	-	-	-	-	-
<b>Total expenditures</b>	-	-	2,970,315	55,365	<b>3,025,680</b>	-	-	-	-	-
Program net income (loss)	-	-	-	243,054	<b>243,054</b>	-	-	-	102,872	<b>102,872</b>
Transfers	-	-	-	-	-	-	(50,000)	50,000	-	-
Cumulative Program Net Income										
Beginning	5,000,000	2,000,000	-	93,906	<b>7,093,906</b>	2,000,000	50,000	2,000,000	125,244	<b>4,175,244</b>
<b>Ending</b>	<b>\$ 5,000,000</b>	<b>\$ 2,000,000</b>	<b>\$ -</b>	<b>\$ 336,960</b>	<b>\$ 7,336,960</b>	<b>\$ 2,000,000</b>	<b>\$ -</b>	<b>\$ 2,050,000</b>	<b>\$ 228,116</b>	<b>\$ 4,278,116</b>

See notes to financial statements.

**SOUTH CAROLINA CENTERS OF ECONOMIC EXCELLENCE  
UNIVERSITY OF SOUTH CAROLINA  
PROGRAM REVENUES AND EXPENDITURES  
YEAR ENDING JUNE 30, 2011**

	<b>Nanoenvironmental Research and Risk Assessment</b>					<b>Nuclear Science and Energy</b>				
	State Endowment	Non-State Endowment	Non-State Expendable	Endowment Earnings	<b>Total</b>	State Endowment	Non-State Endowment	Non-State Expendable	Endowment Earnings	<b>Total</b>
Contribution Revenue										
State funds	\$ 3,000,000	\$ -	\$ -	\$ -	\$ 3,000,000	\$ 1,417,575	\$ -	\$ -	\$ -	\$ 1,417,575
Non-state matching funds	-	1,000,000	1,489,251	-	2,489,251	-	110,000	1,171,592	-	1,281,592
<b>Total contribution revenue</b>	<b>3,000,000</b>	<b>1,000,000</b>	<b>1,489,251</b>	<b>-</b>	<b>5,489,251</b>	<b>1,417,575</b>	<b>110,000</b>	<b>1,171,592</b>	<b>-</b>	<b>2,699,167</b>
Investment Income										
Realized gain (loss)	-	-	-	63,948	63,948	-	-	-	3,169	3,169
Unrealized gain (loss)	-	-	-	143,320	143,320	-	-	-	29	29
Endowment income	-	-	-	17,698	17,698	-	-	-	359	359
<b>Total investment income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>224,966</b>	<b>224,966</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,557</b>	<b>3,557</b>
<b>Total revenue</b>	<b>3,000,000</b>	<b>1,000,000</b>	<b>1,489,251</b>	<b>224,966</b>	<b>5,714,217</b>	<b>1,417,575</b>	<b>110,000</b>	<b>1,171,592</b>	<b>3,557</b>	<b>2,702,724</b>
Expenditures										
Personal services	-	-	413,883	-	413,883	-	-	431,702	-	431,702
Fringe	-	-	52,670	-	52,670	-	-	64,678	-	64,678
Travel	-	-	12,517	-	12,517	-	-	31,045	-	31,045
Supplies	-	-	99,130	-	99,130	-	-	86,577	-	86,577
Contractual	-	-	266,236	-	266,236	-	-	39,007	-	39,007
Tuition assistance	-	-	-	-	-	-	-	-	-	-
Fixed charges	-	-	60,252	-	60,252	-	-	25,934	-	25,934
Indirect cost recovery	-	-	80,009	-	80,009	-	-	286,997	-	286,997
Administrative fees	-	-	-	16,700	16,700	-	-	-	573	573
Legal	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	3,566	-	3,566
Equipment	-	-	495,143	-	495,143	-	-	-	-	-
<b>Total expenditures</b>	<b>-</b>	<b>-</b>	<b>1,479,840</b>	<b>16,700</b>	<b>1,496,540</b>	<b>-</b>	<b>-</b>	<b>969,506</b>	<b>573</b>	<b>970,079</b>
Program net income (loss)	3,000,000	1,000,000	9,411	208,266	4,217,677	1,417,575	110,000	202,086	2,984	1,732,645
Transfers	-	-	-	-	-	-	-	-	-	-
Cumulative Program Net Income										
Beginning	-	-	-	-	-	-	-	-	-	-
<b>Ending</b>	<b>\$ 3,000,000</b>	<b>\$ 1,000,000</b>	<b>\$ 9,411</b>	<b>\$ 208,266</b>	<b>\$ 4,217,677</b>	<b>\$ 1,417,575</b>	<b>\$ 110,000</b>	<b>\$ 202,086</b>	<b>\$ 2,984</b>	<b>\$ 1,732,645</b>

See notes to financial statements.

**SOUTH CAROLINA CENTERS OF ECONOMIC EXCELLENCE  
UNIVERSITY OF SOUTH CAROLINA  
PROGRAM REVENUES AND EXPENDITURES  
YEAR ENDING JUNE 30, 2011**

	<b>Nuclear Science Strategies</b>					<b>Healthful Lifestyles</b>				
	State Endowment	Non-State Endowment	Non-State Expendable	Endowment Earnings	<b>Total</b>	State Endowment	Non-State Endowment	Non-State Expendable	Endowment Earnings	<b>Total</b>
Contribution Revenue										
State funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,000,000	\$ -	\$ -	\$ -	\$ 3,000,000
Non-state matching funds	-	10,000	-	-	10,000	-	-	-	-	-
<b>Total contribution revenue</b>	-	10,000	-	-	10,000	3,000,000	-	-	-	3,000,000
Investment Income										
Realized gain (loss)	-	-	-	6,014	6,014	-	-	-	17,985	17,985
Unrealized gain (loss)	-	-	-	13,479	13,479	-	-	-	60,352	60,352
Endowment income	-	-	-	1,665	1,665	-	-	-	86,685	86,685
<b>Total investment income</b>	-	-	-	21,158	21,158	-	-	-	165,022	165,022
<b>Total revenue</b>	-	10,000	-	21,158	31,158	3,000,000	-	-	165,022	3,165,022
Expenditures										
Personal services	-	-	-	-	-	-	-	-	-	-
Fringe	-	-	-	-	-	-	-	-	-	-
Travel	-	-	-	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-	-	-	-
Contractual	-	-	-	-	-	-	-	-	-	-
Tuition assistance	-	-	-	-	-	-	-	-	-	-
Fixed charges	-	-	-	-	-	-	-	-	-	-
Indirect cost recovery	-	-	-	-	-	-	-	-	-	-
Administrative fees	-	-	-	1,571	1,571	-	-	-	11,487	11,487
Legal	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Equipment	-	-	-	-	-	-	-	-	-	-
<b>Total expenditures</b>	-	-	-	1,571	1,571	-	-	-	11,487	11,487
Program net income (loss)	-	10,000	-	19,587	29,587	3,000,000	-	-	153,535	3,153,535
Transfers	-	-	-	-	-	-	-	-	-	-
Cumulative Program Net Income										
Beginning	-	100,000	-	-	100,000	-	900,000	-	-	900,000
<b>Ending</b>	\$ -	\$ 110,000	\$ -	\$ 19,587	\$ 129,587	\$ 3,000,000	\$ 900,000	\$ -	\$ 153,535	\$ 4,053,535

See notes to financial statements.

**SOUTH CAROLINA CENTERS OF ECONOMIC EXCELLENCE  
UNIVERSITY OF SOUTH CAROLINA  
PROGRAM REVENUES AND EXPENDITURES  
YEAR ENDING JUNE 30, 2011**

	<b>Data Analysis, Simulation, Imaging, and Visualization</b>					<b>Total - University of South Carolina</b>				
	State Endowment	Non-State Endowment	Non-State Expendable	Endowment Earnings	<b>Total</b>	State Endowment	Non-State Endowment	Non-State Expendable	Endowment Earnings	<b>Total</b>
Contribution Revenue										
State funds	\$ 2,000,000	\$ -	\$ -	\$ -	\$ 2,000,000	\$ 17,406,613	\$ -	\$ -	\$ -	\$ 17,406,613
Non-state matching funds	-	-	806,398	-	806,398	-	2,121,305	7,875,075	-	9,996,380
<b>Total contribution revenue</b>	<u>2,000,000</u>	<u>-</u>	<u>806,398</u>	<u>-</u>	<u>2,806,398</u>	<u>17,406,613</u>	<u>2,121,305</u>	<u>7,875,075</u>	<u>-</u>	<u>27,402,993</u>
Investment Income										
Realized gain (loss)	-	-	-	-	-	-	-	-	813,043	813,043
Unrealized gain (loss)	-	-	-	-	-	-	-	-	1,335,909	1,335,909
Endowment income	-	-	-	-	-	-	-	-	2,089,223	2,089,223
<b>Total investment income</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,238,175</u>	<u>4,238,175</u>
<b>Total revenue</b>	<u>2,000,000</u>	<u>-</u>	<u>806,398</u>	<u>-</u>	<u>2,806,398</u>	<u>17,406,613</u>	<u>2,121,305</u>	<u>7,875,075</u>	<u>4,238,175</u>	<u>31,641,168</u>
Expenditures										
Personal services	-	-	80,872	-	80,872	-	-	1,838,594	237,381	2,075,975
Fringe	-	-	10,753	-	10,753	-	-	187,461	20,536	207,997
Travel	-	-	-	-	-	-	-	147,799	4,627	152,426
Supplies	-	-	2,561	-	2,561	-	-	312,088	13,725	325,813
Contractual	-	-	130,000	-	130,000	-	-	1,084,865	21,235	1,106,100
Tuition assistance	-	-	-	-	-	-	-	13,255	1,828	15,083
Fixed charges	-	-	-	-	-	-	-	89,526	-	89,526
Indirect cost recovery	-	-	40,408	-	40,408	-	-	525,234	-	525,234
Administrative fees	-	-	-	-	-	-	-	-	234,407	234,407
Legal	-	-	-	-	-	-	-	107,066	-	107,066
Other	-	-	3,015	-	3,015	-	-	87,328	29,314	116,642
Equipment	-	-	538,789	-	538,789	-	-	3,362,803	23,286	3,386,089
<b>Total expenditures</b>	<u>-</u>	<u>-</u>	<u>806,398</u>	<u>-</u>	<u>806,398</u>	<u>-</u>	<u>-</u>	<u>7,756,019</u>	<u>586,339</u>	<u>8,342,358</u>
Program net income (loss)	2,000,000	-	-	-	2,000,000	17,406,613	2,121,305	119,056	3,651,836	23,298,810
Transfers	-	-	-	-	-	-	525,500	(1,050,000)	500,000	(24,500)
Cumulative Program Net Income										
Beginning	-	1,203,907	-	-	1,203,907	33,910,962	16,122,578	5,781,058	2,509,653	58,324,251
<b>Ending</b>	<u>\$ 2,000,000</u>	<u>\$ 1,203,907</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,203,907</u>	<u>\$ 51,317,575</u>	<u>\$ 18,769,383</u>	<u>\$ 4,850,114</u>	<u>\$ 6,661,489</u>	<u>\$ 81,598,561</u>

See notes to financial statements.

# **SOUTH CAROLINA CENTERS OF ECONOMIC EXCELLENCE YEAR ENDED JUNE 30, 2011**

## **Notes to Financial Statements**

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### **Note 1. Description of Program**

The South Carolina Research Centers of Economic Excellence Act (the Act) was introduced by Chapter 75 of Act No. A356 and passed by the South Carolina General Assembly during the 2002 legislative session. The Act was established to create the South Carolina Centers of Economic Excellence (the Program or SmartState) and the Centers of Excellence Matching Endowment, which originally was to be funded annually by appropriations from the South Carolina Education Lottery in an aggregate amount not to exceed \$ 200 million by 2010. During the year ended June 30, 2009, the South Carolina General Assembly revised the Act to provide for \$ 30 million in guaranteed funding each year if (a) the lottery scholarships have been funded, and (b) at least 80% of all appropriations have been awarded by the Review Board through the most recent previous fiscal year. In addition, the Act created the Research Centers of Excellence Review Board (the Review Board), which is responsible for awarding state matching funds, for oversight and operation of the fund, and for various accountability requirements established in the statute for the Program. The Review Board consists of eleven members. Of these eleven members, three must be appointed by the Governor of South Carolina, three must be appointed by the President Pro Tempore of the South Carolina Senate, three must be appointed by the Speaker of the South Carolina House of Representatives, one member each must be appointed by the Chair of the Senate Finance Committee and the Chair of the House Ways and Means Committee. The Presidents of the senior research universities of the State of South Carolina (Clemson University, the Medical University of South Carolina, and the University of South Carolina) serve as ex-officio non-voting members.

The purpose of the Act is to create incentives for the senior research universities of South Carolina to raise capital from the private sector to fund endowments for professorships in research areas targeted to create well-paying jobs and enhanced economic opportunities for the people of South Carolina. Non-state funds are used to match dollar-for-dollar funds appropriated by the General Assembly from the South Carolina Education Lottery. The program's intent is to provide \$ 30 million annually in South Carolina Education Lottery appropriations if (a) the lottery scholarships have been funded, and (b) at least 80% of all appropriations have been awarded by the Review Board through the most recent previous fiscal year. These state appropriations are to be matched by the institutions.

The endowed professorships are awarded to the senior research universities through a competitive application process, which encourages collaboration among the three research universities as well as with other South Carolina institutions of higher education. Awards from the Centers of Excellence Matching Endowment are to be not less than \$ 2 million and not more than \$ 5 million. Non-state matching funds are to be raised exclusively from sources other than South Carolina tax dollars, and committed and raised subsequent to January 1, 2002. The Research Centers of Economic Excellence Act was amended March 17, 2004, adding Section 90, which allows the research institutions to use federal funds received after July 1, 2003, as non-state matching funds. The Research Centers of Economic Excellence Act was further amended on June 25, 2008, adding Section 100, which allows the Review Board to use a portion (as determined by the Review Board) of the non-state match to pay for Center operating costs and which requires that the full state award of any dissolved or withdrawn Center be returned to the Centers of Excellence Matching Endowment. Section 110 was also added on June 25, 2008, which provided the eligibility of in-kind contributions as non-state matches.

In 2010, the General Assembly amended the Research Centers of Economic Excellence Act to create a new type of SmartState Award to be made in concert with the South Carolina Department of Commerce. One-quarter of the unallocated Centers of Excellence Matching Endowment funds is dedicated for funding such "SmartState Commerce Awards." SmartState Commerce Awards may not individually exceed \$ 2 million and do not require the dollar-for-dollar non-state match of Standard SmartState awards. In place of a matching requirement, the Secretary of Commerce is required to certify that a "significant capital investment" has been made in the related research field of a proposed SmartState Commerce Award professorial endowment; the intent of SmartState Commerce Award endowment is to "directly support the industry." These revisions became effective January 1, 2011.

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

**Basis of presentation and method of accounting:** The Program's financial statements are presented on the accrual basis of accounting. Revenues are recorded in the period earned, and expenses are recorded at the time liabilities are incurred. Inasmuch as state funds are not disbursed until cash gifts are in hand, a pledge received in support of a Center is not recognized as revenue until the pledge has been satisfied.

**SOUTH CAROLINA CENTERS OF ECONOMIC EXCELLENCE  
YEAR ENDED JUNE 30, 2011**

**Notes to Financial Statements**

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**Note 2. Summary of Significant Accounting Policies (Continued)**

**Property and equipment:** Property and equipment purchased with program funds is deemed to be the property of the respective research institution.

**Assets available for program use:** State funds committed for Program use are permanently restricted, as well as 30% of the non-state matching funds of each Center of Economic Excellence, as endowment funds. Earnings from the endowments funds may be expended for direct program purposes, as well as any non-state matching funds that exceed the 30% endowment requirement. In-kind contributions of real property, equipment, supplies and other expendable property, and the value of goods and services directly benefiting and specifically identifiable to a project or program may be used to satisfy non-state matching requirements, but may not account for more than 70% of the non-state match total for each proposal.

**Use of estimates:** The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Federal grants used as non-state matching funds:** Federal grants used as non-state matching funds by the research institutions are not reflected in the statements of program revenues and expenditures. Such funds are maintained separately from the Program by the research institutions. See Note 4 for additional information.

**Note 3. Assets Maintained by Research Institutions**

The assets resulting from program activities are maintained by the research institutions, and are held by the universities, their respective foundations, or by the State Treasurer. At June 30, 2011, cash and investments maintained by the research institutions for program purposes was as follows:

Clemson University	\$ 79,906,004
Medical University of South Carolina	115,593,462
University of South Carolina	81,598,561
<b>Total</b>	<u><u>\$ 277,098,027</u></u>

**SOUTH CAROLINA CENTERS OF ECONOMIC EXCELLENCE  
YEAR ENDED JUNE 30, 2011**

**Notes to Financial Statements**

**Note 4. Proposals Using Federal Grants for Non-State Matching Funds**

As described in Note 2, federal grants are eligible for use as non-state matching funds, but are not included in the statements of program revenues and expenses. The following table displays the total federal awards that have qualified as non-state matching funds and those that have been used toward the non-state match for each proposal as of June 30, 2011.

<u>Institution</u>	<u>Proposal</u>	<u>Federal Grants used as Non-State Matching Funds</u>	
		<u>Total Qualifying As Non-State Match</u>	<u>Amount Used As Non-State Match</u>
Clemson	Optical Materials	\$ 772,961	\$ 772,961
MUSC	Proteomics	1,375,919	1,313,697
MUSC	Marine Genomics	2,927,730	2,208,577
MUSC	Translational Cancer Therapeutics	6,174,089	3,001,905
MUSC	Cancer Drug Discovery	6,292,518	3,395,490
MUSC	Gastrointestinal Cancer	3,221,264	2,438,472
MUSC	Vision Science	1,956,478	1,605,443
MUSC	Tobacco-Related Malignancies	3,221,264	2,402,904
MUSC	Renal Disease Biomarkers	268,520	268,520
MUSC	Advanced Tissue Biofabrication	1,739,507	1,450,042
USC	Nanostructures	1,444,820	1,444,820
USC	Brain Imaging	1,336,000	1,336,000
USC	Polymer Nanocomposites	2,020,110	1,868,060
USC	Hydrogen Fuel Cell Economy	661,451	661,451
USC	Renewable Fuel Cells	970,516	970,516
USC	Solid Oxide Fuel Cells	1,256,609	502,530
USC	Childhood Neurotherapeutics	1,243,106	1,168,428
USC	Data Analysis	533,444	533,444
		<u>\$ 37,416,306</u>	<u>\$ 27,343,260</u>

**Note 5. Subsequent Events**

Subsequent events have been evaluated through November 18, 2011, the date these financial statements were available to be issued. There were no material events that required recognition or additional disclosure in these financial statements.



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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Review Board  
South Carolina Centers of Economic Excellence  
Columbia, South Carolina

We have audited the financial statements of the South Carolina Centers of Economic Excellence for the year ended June 30, 2011, and have issued our report thereon dated November 18, 2011. We conducted our audit 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.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered South Carolina Centers of Economic Excellence's internal control over financial reporting (internal control) as a basis for designing our auditing procedures 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 Program's internal control. Accordingly, we do not express an opinion on the effectiveness of the Program's internal control.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we would consider to be significant deficiencies or material weaknesses, as defined above.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether South Carolina Centers of Economic Excellence's financial statements are free of 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 that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information of management, the Review Board, the South Carolina Budget and Control Board, and the General Assembly and is not intended to be and should not be used by anyone other than those specified parties.

*Derrick Stubbs + Stith LLP*

November 18, 2011