

**College of Southern Maryland
Foundation, Inc.**

Annual Financial Report

For the Years Ended June 30, 2009 and 2008

**COLLEGE OF SOUTHERN MARYLAND FOUNDATION, INC.
TABLE OF CONTENTS
FOR THE YEARS ENDED JUNE 30, 2009 AND 2008**

REPORT OF INDEPENDENT AUDITORS	1
FINANCIAL STATEMENTS	
Statements of Financial Position	2
Statements of Activities	3
Statements of Cash Flows	4
Notes to Financial Statements	5 - 11
REPORT OF INDEPENDENT AUDITORS ON SUPPLEMENTAL INFORMATION	12
SUPPLEMENTAL INFORMATION FOR THE YEAR ENDED JUNE 30, 2009	
Schedule of Changes in Net Assets	13 - 15
Schedule of Investments	16

REPORT OF INDEPENDENT AUDITORS

Board of Directors
College of Southern Maryland Foundation, Inc.
La Plata, MD 20646-0910

We have audited the accompanying statements of financial position of College of Southern Maryland Foundation, Inc. as of June 30, 2009 and 2008 and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of College of Southern Maryland Foundation, Inc. as of June 30, 2009 and 2008 and the changes in its net assets and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.



A Professional Corporation
Bethesda, MD
October 16, 2009

COLLEGE OF SOUTHERN MARYLAND FOUNDATION, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2009 AND 2008

	<u>2009</u>	<u>2008</u>
<u>ASSETS</u>		
ASSETS		
Cash and cash equivalents	\$ 469,968	\$ 253,113
Investments	3,624,298	3,054,150
Pledges receivable	1,103,838	1,051,846
TOTAL ASSETS	<u>\$ 5,198,104</u>	<u>\$ 4,359,109</u>
<u>LIABILITIES AND NET ASSETS</u>		
LIABILITIES		
Accounts payable and accrued expenses	\$ 31,721	\$ 137,482
NET ASSETS		
Unrestricted	1,390,863	476,450
Temporarily restricted	905,809	1,095,011
Permanently restricted	2,869,711	2,650,166
TOTAL NET ASSETS	<u>5,166,383</u>	<u>4,221,627</u>
	<u>\$ 5,198,104</u>	<u>\$ 4,359,109</u>

COLLEGE OF SOUTHERN MARYLAND FOUNDATION, INC.
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2009 AND 2008

	2009			2008				
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
SUPPORT AND REVENUE								
Contributions	\$ 1,109,778	\$ 663,447	\$ 42,108	\$ 1,815,333	\$ 185,874	\$ 853,999	\$ 156,924	\$ 1,196,797
Investment income (loss)	(62,752)	(421,282)	-	(484,034)	(37,421)	(337,568)	-	(374,989)
Donated services and facilities	279,254	-	-	279,254	457,606	-	-	457,606
Net assets released from restrictions - satisfaction of program restrictions	181,367	(181,367)	-	-	399,848	(399,848)	-	-
	<u>1,507,647</u>	<u>60,798</u>	<u>42,108</u>	<u>1,610,553</u>	<u>1,005,907</u>	<u>116,583</u>	<u>156,924</u>	<u>1,279,414</u>
EXPENSES								
Scholarships	143,234	-	-	143,234	318,415	-	-	318,415
Technology donation	11,684	-	-	11,684	40,708	-	-	40,708
CSM Children's Center donation	18,700	-	-	18,700	36,723	-	-	36,723
P.E. Wellness Center donation	511	-	-	511	1,898	-	-	1,898
ST Equipment donation	-	-	-	-	22,000	-	-	22,000
Ward Virts Piano Project donation	10,400	-	-	10,400	12,495	-	-	12,495
Park Service donation	287	-	-	287	-	-	-	-
Other donations	61,655	-	-	61,655	46,715	-	-	46,715
Awards for banquets	6,375	-	-	6,375	5,470	-	-	5,470
Investment management fees	2,423	-	-	2,423	2,210	-	-	2,210
Meetings	5,999	-	-	5,999	2,538	-	-	2,538
Licenses and fees	704	-	-	704	636	-	-	636
Printing	24,543	-	-	24,543	2,156	-	-	2,156
Legal and accounting	11,031	-	-	11,031	10,237	-	-	10,237
Administrative expenses	5,447	-	-	5,447	-	-	-	-
Other special events	18,033	-	-	18,033	29,525	-	-	29,525
(Recovery of) bad debt expense	(7,046)	-	72,563	65,517	2,918	-	-	2,918
Donated services and facilities	279,254	-	-	279,254	457,606	-	-	457,606
	<u>593,234</u>	<u>-</u>	<u>72,563</u>	<u>665,797</u>	<u>992,250</u>	<u>-</u>	<u>-</u>	<u>992,250</u>
INCREASE (DECREASE) IN NET ASSETS	914,413	60,798	(30,455)	944,756	13,657	116,583	156,924	287,164
TRANSFER	-	(250,000)	250,000	-	-	-	-	-
NET ASSETS AT BEGINNING OF YEAR	476,450	1,095,011	2,650,166	4,221,627	462,793	978,428	2,493,242	3,934,463
NET ASSETS AT END OF YEAR	<u>\$ 1,390,863</u>	<u>\$ 905,809</u>	<u>\$ 2,869,711</u>	<u>\$ 5,166,383</u>	<u>\$ 476,450</u>	<u>\$ 1,095,011</u>	<u>\$ 2,650,166</u>	<u>\$ 4,221,627</u>

COLLEGE OF SOUTHERN MARYLAND FOUNDATION, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2009 AND 2008

	2009	2008
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase in net assets	\$ 944,756	\$ 287,164
Adjustments to reconcile increase in net assets to net cash provided by operating activities		
Contribution of investments	-	(49,550)
Change in fair value of investments	484,139	716,396
Realized (gain) loss on sale of investments	218,439	(926)
Bad debt expense	65,517	2,918
Pledges receivable discount to present value	(49,008)	45,519
Permanently restricted contributions	(42,108)	(156,924)
(Increase) decrease in		
Pledges receivable	(68,496)	(626,694)
Increase (decrease) in		
Accounts payable and accrued expenses	(105,762)	137,140
	<u>1,447,477</u>	<u>355,043</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of investments	(1,772,873)	(651,420)
Proceeds from sale of investments	500,143	202,748
	<u>(1,272,730)</u>	<u>(448,672)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Permanently restricted contributions	42,108	156,924
INCREASE IN CASH AND CASH EQUIVALENTS	216,855	63,295
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	253,113	189,818
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 469,968</u>	<u>\$ 253,113</u>

NONCASH TRANSACTIONS

During the year ended June 30, 2008, the Foundation received a contribution of mutual funds valued at \$49,550.

COLLEGE OF SOUTHERN MARYLAND FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2009 AND 2008

NOTE 1: ORGANIZATION

College of Southern Maryland Foundation, Inc. (the Foundation) operates exclusively for charitable and educational purposes, including but not limited to receiving contributions, investing and reinvesting any gifts or other donations, and awarding scholarships and grants for the benefit of the College of Southern Maryland (the College), its students or faculty.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the Foundation are prepared on the accrual basis of accounting, in accordance with accounting principles generally accepted in the United States of America.

Accounting 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, liabilities and contingencies at the date of the statement of financial position and revenue and expenses during the reporting period. Actual results could differ from these estimates.

Pledges Receivable

Unconditional pledges to give represent promises from donors to contribute monies for the Foundation's programs and activities. Such pledges are recognized as support when the pledge is made. Unconditional pledges to give where payment is due in the next year are recognized at their net realizable amounts. Unconditional pledges to give where payment is due in subsequent years are recognized at the present value of their net realizable amounts, using a discount rate.

Allowance for Uncollectible Pledges

A provision for uncollectible pledges has been established by management for the years ended June 30, 2009 and 2008. Any pledges deemed to be uncollectible are written off at the time of such determination.

Investments

Investments are stated at fair value. Both realized and unrealized gains and losses in fair value are reflected in the statements of activities.

Contributions

Contributions are recognized as received, except in the case of pledged contributions, which are recognized in the year of the donor's pledge, subject to a discount factor.

Contributions that are expendable, but restricted as to their use or the timing of their use, are initially recorded as temporarily restricted revenues. When a donor's restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions.

Subsequent Events

In preparing these financial statements, management of the Foundation has evaluated events and transactions for potential recognition or disclosure through October 16, 2009.

Non-cash Contributions

Non-cash contributions are recorded at their fair value on the date of receipt. Certain non-cash items received are donated to the College for educational support.

NOTES TO FINANCIAL STATEMENTS

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Cash and Cash Equivalents

All highly liquid investments purchased with a maturity of three months or less are considered cash equivalents.

Net Assets

Net assets, which result from contributions or other inflows of assets from donors, are reported as unrestricted or restricted based on the stipulations of the donor. Unrestricted net assets are the portion of net assets that are neither temporarily nor permanently restricted by donor stipulations on their use. Temporarily restricted net assets are the portion of net assets whose use is limited by donor-imposed stipulations that can be removed by the passage of time or action of the Foundation pursuant to those stipulations. Permanently restricted net assets are the portion of net assets whose use is limited by donor-imposed stipulations that cannot be removed by the passage of time or action of the Foundation.

Scholarships

Scholarships are expensed when approved by the Board of Directors.

NOTE 3: INCOME TAXES

The Foundation is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and related state statutes, except for taxes on unrelated business income. The Foundation did not have any unrelated business income for the years ended June 30, 2009 and 2008.

In December 2008, the Financial Accounting Standards Board issued FASB Staff Position (FSP) 48-3, "Effective Date of FASB Interpretation No. 48 for Certain Nonpublic Enterprises." FSP 48-3 permits an entity within its scope to defer the effective date of FASB Interpretation 48, *Accounting for Uncertainty in Income Taxes (FIN 48)*, to its annual financial statements for fiscal years beginning after December 15, 2008. The Foundation has elected to defer the implementation of FIN 48 for the year ended June 30, 2009. Management of the Foundation evaluates its tax positions using the provisions of SFAS No. 5, *Accounting for Contingencies*. Accordingly, a loss contingency is recognized when it is probable that a liability has been incurred and the amount of the loss can be reasonably estimated. No such loss has been recognized for the years ended June 30, 2009 and 2008.

NOTE 4: FUNCTIONAL EXPENSES

Expenses of the Foundation by function are:

	2009	2008
Program expenses	\$ 372,088	\$ 623,828
Management and general	130,869	65,009
Fundraising and direct expenses	162,840	303,413
	<u>\$ 665,797</u>	<u>\$ 992,250</u>

NOTE 5: INVESTMENTS

At June 30, 2009 and 2008, the Foundation's investments were in certificates of deposit and mutual funds summarized as follows:

	2009	2008
Certificates of deposit	\$ 1,127,427	\$ -
Bond funds	940,984	1,072,624
Equity funds	1,555,887	1,981,526
	<u>\$ 3,624,298</u>	<u>\$ 3,054,150</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 5: INVESTMENTS - continued

Investment income from these investments for the years ended June 30, 2009 and 2008 was as follows:

	<u>2009</u>	<u>2008</u>
Interest and dividends	\$ 218,544	\$ 340,481
Realized gain (loss) on sale of investments	<u>(218,439)</u>	<u>926</u>
	105	341,407
Change in fair value of investments	<u>(484,139)</u>	<u>(716,396)</u>
	<u>\$ (484,034)</u>	<u>\$ (374,989)</u>

NOTE 6: FAIR VALUE

The Foundation adopted Statement of Financial Accounting Standards No. 157 (SFAS 157), "*Fair Value Measurements*" as of July 1, 2008. SFAS 157 applies to all financial instruments that are being measured and reported on a fair value basis. SFAS 157 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, establishes a fair value reporting hierarchy and defines three broad levels of inputs (the assumptions that market participants would use in pricing the asset or liability) as noted below:

Level 1

Inputs are quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. Level 1 assets may include securities that are traded in an active exchange market or actively traded over-the-counter markets.

Level 2

Valuation based on directly or indirectly observable inputs other than quoted prices included within Level 1 such as: quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active or inputs other than quoted prices that are observable or can be corroborated to observable market data for substantially the full term of the asset or liability.

Level 3

Valuation based on unobservable inputs for the asset or liability. Level 3 assets may include financial instruments whose value is determined using pricing models with internally developed assumptions, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

The Foundation's investments in mutual funds are valued using quoted prices in active markets for identical assets that the reporting entity has the ability to access at the measurement date. The certificates of deposit held by the Foundation are not actively traded, therefore the value is based on observable inputs, such as the pricing structure established and published by the issuer. The valuation methodology did not change during the year ended June 30, 2009.

NOTES TO FINANCIAL STATEMENTS

NOTE 6: FAIR VALUE - continued

As of June 30, 2009, assets measured at fair value on a recurring basis are summarized by level within the fair value hierarchy as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total Fair Value</u>
Certificates of deposit	\$ -	\$ 1,127,427	\$ -	\$ 1,127,427
Equity funds	1,555,887	-	-	1,555,887
Bond funds	940,984	-	-	940,984
	<u>\$ 2,496,871</u>	<u>\$ 1,127,427</u>	<u>\$ -</u>	<u>\$ 3,624,298</u>

NOTE 7: PLEDGES RECEIVABLE

Pledges receivable is composed of pledges for the following purposes:

	<u>2009</u>	<u>2008</u>
Technology at the Prince Frederick campus	\$ 1,302	\$ 1,302
Technology at the Leonardtown campus	5,000	15,180
Technology at the La Plata campus	402	1,140
Children's Learning Center	35,270	50,486
P.E. Wellness Center	9,012	9,463
Scholarships	312,944	480,825
Ward Virts Piano Project	5,000	15,000
ISTEM	156,291	73,056
Trades & Technologies	278,668	162,536
Nursing & Healthcare	178,169	67,222
Educational Excellence	43,527	51,785
Kids College	40,000	50,000
Unrestricted	116,750	109,329
State Matching Funds (PDIP) restricted to endowments	5,655	107,301
	<u>1,187,990</u>	<u>1,194,625</u>
Discount to net present value	(81,047)	(130,055)
Allowance for uncollectible pledges	(3,105)	(12,724)
	<u>\$ 1,103,838</u>	<u>\$ 1,051,846</u>

The Foundation expects to collect pledges receivable at June 30, 2009 in the following periods:

2010	\$ 310,556
2011	292,478
2012	292,478
2013	292,478
	<u>1,187,990</u>
Discount to net present value	(81,047)
Allowance for uncollectible pledges	(3,105)
	<u>\$ 1,103,838</u>

Discount to net present value was computed at June 30, 2009 and 2008 using a rate of 5%.

NOTES TO FINANCIAL STATEMENTS

NOTE 8: RELATED PARTIES

The College donated to the Foundation consulting services, personnel services, facilities and support for the Major Gifts Campaign, including travel, printing, office and advertising costs valued at \$277,915 and \$426,206 in 2009 and 2008, respectively. These donations are reflected in the financial statements as both support and expense.

The Foundation paid the College \$252,846 and \$484,424 in 2009 and 2008, respectively, for scholarships and other contributions.

NOTE 9: DONATED SERVICES AND FACILITIES

During the years ended June 30, 2009 and 2008, the value of donated goods and services recognized in the accompanying statements of activities as both support and expense was \$279,254 and \$457,606, respectively, and included the following:

	<u>2009</u>	<u>2008</u>
Personnel services and facilities relating to general purposes, and consulting services, travel, office and advertising costs in support of the Major Gifts Campaign donated by the College of Southern Maryland	\$ 277,915	\$ 426,206
Goods and facilities donated for fundraising activities	<u>1,339</u>	<u>31,400</u>
	<u>\$ 279,254</u>	<u>\$ 457,606</u>

NOTE 10: ENDOWMENTS

The Foundation's endowments consist of 40 individual funds (the Funds) established for a variety of purposes. As required by generally accepted accounting principles (GAAP), net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

The Board of Trustees of the Foundation has interpreted the State Prudent Management of Institutional Funds Act (SPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowments, (b) the original value of subsequent gifts to the permanent endowments, and (c) accumulations to the permanent endowments made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by SPMIFA. In accordance with SPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- (a) The duration and preservation of the fund
- (b) The purposes of the Foundation and the donor-restricted endowment fund
- (c) General economic conditions
- (d) The possible effect of inflation and deflation
- (e) The expected total return from income and the appreciation of investments
- (f) Other resources of the Foundation
- (g) The investment policies of the Foundation

NOTES TO FINANCIAL STATEMENTS

NOTE 10: ENDOWMENTS - continued

The Foundation had the following changes in the endowment net assets during the year ended June 30, 2009:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets at beginning of year	\$ -	\$ 25,359	\$ 2,650,166	\$ 2,675,525
Contributions	-	22,000	42,108	64,108
Appropriation of endowment assets for expenditure	-	(24,304)	-	(24,304)
Endowment net assets after contributions and expenditures	-	23,055	2,692,274	2,715,329
Investment return				
Investment income	-	112,038	-	112,038
Net appreciation (depreciation) realized and unrealized	-	(360,182)	-	(360,182)
Net asset reclassification based on change in law	(248,144)	248,144	-	-
Endowment net assets after reclassification	(248,144)	23,055	2,692,274	2,467,185
Other changes				
Uncollectible pledge	-	-	(72,563)	(72,563)
Donor requested endowment of previously unendowed gift	-	(250,000)	250,000	-
Endowment net assets at end of year	<u>\$ (248,144)</u>	<u>\$ (226,945)</u>	<u>\$ 2,869,711</u>	<u>\$ 2,394,622</u>

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor restricted endowment funds may fall below the level that the donor or SPMIFA requires the Foundation to retain as a fund of perpetual duration. In accordance with GAAP, deficiencies of this nature that are reported in unrestricted net assets were \$248,144 as of June 30, 2009. These deficiencies resulted from unfavorable market fluctuations that occurred shortly after the investment of new permanently restricted contributions and continued appropriation for certain programs that was deemed prudent by the Board of Trustees.

Return Objectives and Risk Parameters

The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets consist of those assets of donor-restricted funds that the Foundation must hold in perpetuity or for a donor-specified period(s). Under this policy, as approved by the Board of Trustees, the endowment assets are invested in a manner that is intended to produce results that exceed the return of a target policy comprised of 65% S&P 500 index funds and 35% Barclay Aggregate Bond index funds, while assuming a moderate level of investment risk. The Foundation expects its endowment funds, over time, to provide an average rate of return of approximately 3% over the inflation rate annually. Actual returns in any given year may vary from this amount.

NOTE 10: ENDOWMENTS - continued

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Spending Policy and How the Investment Objectives Relate to Spending Policy

The Foundation has a policy of appropriating for distribution each year up to 5% of its endowment fund's average fair value, using the previous calendar year's beginning and ending market value of each endowed fund, not to exceed the income realized over the preceding calendar year. In establishing this policy, the Foundation considered the long-term expected return on its endowment. Accordingly, over the long term, the Foundation expects the current spending policy to allow its endowments to grow at an average of 7% annually. This is consistent with the Foundation's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

NOTE 11: TRANSFER

During the year ended June 30, 2009, a donor who had pledged a contribution to the Foundation during the year ended June 30, 2008 decided to permanently restrict their contribution. This amount is shown as a transfer from temporarily restricted net assets to permanently restricted net assets in the statement of activities.

REPORT OF INDEPENDENT AUDITORS ON SUPPLEMENTAL INFORMATION

Board of Directors
College of Southern Maryland Foundation, Inc.
La Plata, MD 20646-0910

Our audits of the financial statements of College of Southern Maryland Foundation, Inc. for the years ended June 30, 2009 and 2008 were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedules (Schedule of Changes in Net Assets and Schedule of Investments) are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



A Professional Corporation
Bethesda, MD
October 16, 2009

COLLEGE OF SOUTHERN MARYLAND FOUNDATION, INC.
SCHEDULE OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2009

	Market Value at June 30, 2008	Investment Income	Contributions	Scholarship Awards	Other Additions (Deductions)	Market Value at June 30, 2009
UNRESTRICTED NET ASSETS						
Undesignated gifts and bequests	\$ 411,044	\$ (61,713)	\$ 1,052,514	\$ (10,387)	\$ (79,565)	\$ 1,311,893
Golf & Tennis Classic	31,158	264	47,264	(20,000)	(12,626)	46,060
Technology Acct - State Matching Funds	4,512	(709)	-	-	-	3,803
Theatritext @ St. Mary's	57	(9)	-	-	-	48
Jaycees Educational Assistance Program	561	63	10,000	(10,050)	15	589
Library Memorial	4,118	(648)	-	-	-	3,470
R. Fisher Endowment Fund	25,000	-	-	-	-	25,000
	<u>476,450</u>	<u>(62,752)</u>	<u>1,109,778</u>	<u>(40,437)</u>	<u>(92,176)</u>	<u>1,390,863</u>
TEMPORARILY RESTRICTED NET ASSETS						
Alumni Scholarship	6,074	(954)	-	-	-	5,120
Christopher Chinault Scholarship	(68)	(7,786)	-	-	-	(7,854)
Tony Hungerford Memorial Endowment Fund	(1,740)	(8,312)	-	-	-	(10,052)
J. Ivey Cline Memorial Scholarship	(37)	(2,305)	-	-	-	(2,342)
Harland R. & Lulu P. Cravat Memorial Scholarship	44,259	(6,818)	-	(3,000)	-	34,441
We Salute Our Troops - Desert Storm Scholarship	(221)	(437)	-	(50)	-	(708)
Matthew W. Hancock Memorial Scholarship	333	(52)	-	-	-	281
James C. Mitchell Nursing Scholarship	33,622	(8,425)	-	-	-	25,197
Civista Medical Center	(124)	(1,552)	-	-	-	(1,676)
Fanny Louise Sullivan Sine Henderson Scholarship	4,688	(519)	650	(310)	89	4,598
Mary Croft Ward Scholarship	155	(509)	-	-	-	(354)
Bill Wood Memorial Scholarship	18,900	(2,955)	-	(100)	30	15,875
Helen and Henry Lawlor Scholarship	8,786	(4,915)	-	-	-	3,871
Joanne Zwick Memorial Scholarship	(742)	(1,455)	-	-	-	(2,197)
McDonough Charity School	(1,546)	(36,560)	-	-	-	(38,106)
Castles and Foundations Fund	(1,579)	(7,669)	-	-	-	(9,248)
Walter Grove II Endowment Fund	(2,308)	(8,953)	-	-	-	(11,261)
L.K. Farrall II Endowment Fund	(36)	(7,449)	-	-	-	(7,485)
Wm. B. and Vivian M. King Endowment Fund	(13,868)	(178,292)	-	-	-	(192,160)
Russell G. Croft	(603)	(17,213)	-	-	-	(17,816)
Ed Matthews, Jr. Endowment Fund	(471)	(3,120)	-	-	-	(3,591)
William Lyon Endowment Fund	(567)	(2,949)	-	-	-	(3,516)
Albert L. Edler, Jr. Memorial	273	(2,242)	-	(2,000)	-	(3,969)
McWilliams Family Trust	(997)	(3,565)	-	-	-	(4,562)
Dr. Nallan Ramakrishna Scholarship	(624)	(2,903)	-	-	-	(3,527)
Calvert Chamber Fund	(668)	(3,240)	-	-	-	(3,908)
Thomas F. Goldsmith Fund	(1,848)	(9,136)	-	-	-	(10,984)
Marguerite Cox Family Memorial	(412)	(3,545)	-	-	-	(3,957)
Robert Ware Strauss SMSC	21,536	(3,384)	-	-	-	18,152
Nursing Equipment Fund	519	(83)	-	-	-	436
P.E. Wellness Center	8,809	-	(24)	-	(385)	8,400
Technology @ Prince Frederick	976	-	-	-	(1)	975
Technology @ Leonardtown	14,573	-	1,222	-	(11,037)	4,758
Technology @ La Plata	856	-	(41)	-	(418)	397
CSM Children's Center	51,134	-	3,637	-	(17,396)	37,375
Southern Maryland Studies Center Fund	18,038	(2,897)	983	-	(233)	15,891
Marrick Properties	(561)	(16,191)	-	-	-	(16,752)
Gary Merrill	103	(330)	-	-	-	(227)
Leonardtown SA Kickoff Scholarship	3,384	(532)	-	-	-	2,852
J. Rice & M. Fauth Memorial	139	(8,556)	-	(389)	-	(8,806)
Ward Virts Piano Project	14,716	(21)	911	-	(10,400)	5,206
ADF Bingo - Kids College	46,956	-	696	(10,402)	-	37,250
Calvert County 350th Anniversary Endowment	(23)	(2,039)	-	-	-	(2,062)
Shani J. Whipple Scholarship	4,932	(722)	(95)	(158)	63	4,020
J. Shultz-Collins Scholarship	23	(4)	-	-	-	19
Jack L. Sprague Scholarship	-	-	1,306	(1,306)	-	-
Calvert County Chamber Scholarship	-	-	925	(925)	-	-
St. Mary's Country Scholarship Endowment Fund	6,759	(5,202)	20,000	(20,000)	-	1,557
Veterans Education Endowment Fund	39,497	(11,437)	2,000	(2,000)	-	28,060
Mercantile Southern Maryland Bank	86,705	958	-	(27,444)	-	60,219

SCHEDULE OF CHANGES IN NET ASSETS

	Market Value at June 30, 2008	Investment Income	Contributions	Scholarship Awards	Other Additions (Deductions)	Market Value at June 30, 2009
St. Mary's Health Department Scholarship	\$ 53	\$ (8)	\$ -	\$ -	\$ -	\$ 45
Robert W. Sibole Scholarship	47	(7)	-	-	-	40
William D. Bauer Memorial Endowment	3,544	(2,128)	-	-	-	1,416
R. Fisher Endowment Fund	3,754	(4,518)	-	-	-	(764)
General Scholarship Fund	1,169	-	1,557	(2,798)	148	76
CLC Scholarship Fund	3,764	-	(32)	(3,778)	130	84
Leonardtown SGA Endowment Fund	865	(2,335)	-	-	-	(1,470)
Elaine Ryan Legacy Fund	45,233	(6,910)	(850)	(474)	377	37,376
Wyvill Teacher Ed Endowment Scholarship	(678)	(1,702)	-	(1,794)	-	(4,174)
C&M McAllister Endowment Fund	(653)	(2,787)	-	-	-	(3,440)
Beers Scholarship Fund	222,746	2,553	13,868	(909)	(250,342)	(12,084)
Louis P. Jenkins, Sr Endowment Fund	(4,039)	(8,909)	-	-	-	(12,948)
Nu Zeta Omega Scholarship	-	-	1,200	(1,200)	-	-
Milton Somers Scholarship	1,500	-	-	(1,500)	-	-
Celebration of the Arts	26,980	(3,988)	393	-	(1,427)	21,958
Helen J Todd Scholarship	-	-	10,000	(10,000)	-	-
Neale C Slater Memorial Scholarship	(2,660)	(4,347)	-	-	-	(7,007)
Prince Frederick Student Association Scholarship	-	-	15,000	(1,000)	-	14,000
Tri County 40/8 Nurse Scholarship	45	-	-	(50)	15	10
Renee Mundy Math Endowment	(419)	(1,481)	-	(510)	-	(2,410)
Boone & Edelen Scholarship	-	-	500	(500)	-	-
ISTEM	80,651	1,005	158,855	-	(39,342)	201,169
Trades & Technologies	178,051	-	259,180	-	483	437,714
Nursing & Healthcare	70,990	-	123,014	-	888	194,892
Educational Excellence Fund	57,214	-	13,554	-	188	70,956
Endowed Scholarship Fund	(397)	(393)	-	-	-	(790)
Chandler Keys	53	(8)	-	-	-	45
Bradley Gottfriend Endowment	-	(310)	-	-	-	(310)
Kavetsky Family Endowment	(504)	(739)	-	-	-	(1,243)
JF Raley, Jr. STEM Scholarship	-	-	23,338	-	-	23,338
G Lawrence Robey Scholarship	-	-	2,100	(2,100)	-	-
BN Guerrieri Memorial Scholarship	-	-	650	(650)	-	-
ISSSWDC	-	-	5,000	(5,000)	-	-
MD Motor Truck Association Scholarship	-	-	2,450	(2,450)	-	-
Schweir & LaFleur Scholarship	-	-	1,500	-	-	1,500
	<u>1,095,011</u>	<u>(421,282)</u>	<u>663,447</u>	<u>(102,797)</u>	<u>(328,570)</u>	<u>905,809</u>
PERMANENTLY RESTRICTED NET ASSETS						
Christopher Chinault Scholarship	50,000	-	-	-	-	50,000
James C. Mitchell Nursing Scholarship	20,000	-	-	-	-	20,000
Civista Medical Center	10,000	-	-	-	-	10,000
J. Ivey Cline Scholarship	14,708	-	-	-	-	14,708
Mary Croft Ward Scholarship	3,045	-	15	-	-	3,060
Joanne Zwick Memorial Scholarship	10,000	-	-	-	-	10,000
Helen and Henry Lawlor Scholarship	22,500	-	-	-	-	22,500
We Salute Our Troops - Desert Storm Scholarship	3,045	-	15	-	-	3,060
Tony Hungerford Memorial Endowment Fund	54,385	-	1,432	-	-	55,817
Wm. B. and Vivian M. King Endowment Fund	1,153,598	-	2,555	-	-	1,156,153
McDonough Charity School	234,441	-	63	-	-	234,504
Castles and Foundations Fund	50,393	-	-	-	-	50,393
Walter Grove II Endowment Fund	60,179	-	8,517	-	-	68,696
L.K. Farrall II Endowment Fund	47,448	-	-	-	-	47,448
Russell G. Croft	110,352	-	300	-	-	110,652
Ed Matthews, Jr. Endowment Fund	20,789	-	113	-	-	20,902
William Lyon Endowment Fund	19,336	-	-	-	-	19,336
Albert L. Edler, Jr. Memorial	14,000	-	2,000	-	-	16,000
McWilliams Family Trust	23,777	-	7,797	-	-	31,574
Calvert Chamber Fund	21,288	-	-	-	-	21,288
Dr. Nallan Ramakrishna Scholarship	19,100	-	-	-	-	19,100
Thomas F. Goldsmith Fund	60,000	-	-	-	-	60,000
Marguerite Cox Family Memorial	30,958	-	1,894	-	-	32,852
Marrick Properties	103,615	-	-	-	-	103,615
Gary Merrill	2,000	-	-	-	-	2,000

See Notes to Financial Statements

SCHEDULE OF CHANGES IN NET ASSETS

	Market Value at June 30, 2008	Investment Income	Contributions	Scholarship Awards	Other Additions (Deductions)	Market Value at June 30, 2009
J. Rice & M. Fauth Memorial	\$ 54,319	\$ -	\$ 389	\$ -	\$ -	\$ 54,708
Calvert County 350th Anniversary Endowment	13,000	-	-	-	-	13,000
St. Mary's County Scholarship Endowment Fund	35,100	-	5,000	-	-	40,100
Veterans Education Endowment Fund	33,571	-	75	-	-	33,646
William D. Bauer Memorial Endowment	82,801	-	(238)	-	(72,563)	10,000
Leonardtown SGA Endowment Fund	14,000	-	-	-	-	14,000
Wyvill Teacher Ed Endowment Scholarship	14,275	-	301	-	-	14,576
C&M McAllister Endowment Fund	18,625	-	2,425	-	-	21,050
Beers Scholarship Fund	-	-	(10,409)	-	250,000	239,591
Louis P. Jenkins, Sr. Endowment Fund	61,000	-	-	-	-	61,000
Neale C Slater Memorial Scholarship	30,545	-	1,225	-	-	31,770
Renee Mundy Math Endowment	10,304	-	147	-	-	10,451
Endowed Scholarship Fund	104,681	-	18,353	-	-	123,034
Bradley Gottfried Endowment	9,308	-	139	-	-	9,447
Kavetsky Family Endowment	9,680	-	-	-	-	9,680
	<u>2,650,166</u>	<u>-</u>	<u>42,108</u>	<u>-</u>	<u>177,437</u>	<u>2,869,711</u>
TOTAL NET ASSETS	<u>\$ 4,221,627</u>	<u>\$ (484,034)</u>	<u>\$ 1,815,333</u>	<u>\$ (143,234)</u>	<u>\$ (243,309)</u>	<u>\$ 5,166,383</u>

Note: The market value amounts above include pledges receivable at year end.

COLLEGE OF SOUTHERN MARYLAND FOUNDATION, INC.
SCHEDULE OF INVESTMENTS
JUNE 30, 2009

INVESTMENTS	Units	Cost Basis	Market Value	% Yield		Estimated Annual Income
				Cost	Market	
Bond funds						
PNC Funds						
Limited Maturity Bond Fund	42,519	\$ 433,919	\$ 447,749	3.59	3.49	\$ 15,574
Total Return Bond Fund	34,490	335,299	345,533	4.74	4.62	15,888
High Yield Bond Portfolio	24,858	<u>197,273</u>	<u>147,702</u>	7.84	10.57	<u>15,472</u>
		<u>966,491</u>	<u>940,984</u>			<u>46,934</u>
Equity funds						
PNC Funds						
Diversified Real Estate Fund	9,515	154,181	38,727	2.56	10.18	3,940
International Equity Fund	15,101	251,414	129,569	0.79	1.55	1,996
Capital Opportunities Fund	19,617	218,442	111,618	-	-	-
Blackrock Funds						
US Opportunities Portfolio Fund	4,486	110,000	121,352	0.08	0.08	89
Capital Appreciation Fund	12,440	203,111	160,730	-	-	-
Large Cap Core Fund	42,247	616,813	358,253	-	-	-
Equity Dividend Fund	20,557	534,484	273,201	0.81	1.59	4,317
Other Funds						
Harbor Fund	3,469	125,000	149,768	2.86	2.39	3,573
JP Morgan US Large Cap Core Fund	6,309	90,000	92,686	0.49	0.48	442
T Rowe Price Growth Stock Fund	5,417	<u>115,000</u>	<u>119,983</u>	0.10	0.10	<u>108</u>
		<u>2,418,445</u>	<u>1,555,887</u>			<u>14,465</u>
Certificates of deposit						
Community Bank of Tri-County						
	-	550,000	560,140	-	-	-
Maryland Bank and Trust						
	-	<u>565,000</u>	<u>567,287</u>	-	-	<u>-</u>
		<u>1,115,000</u>	<u>1,127,427</u>			<u>-</u>
TOTAL INVESTMENTS		<u><u>\$ 4,499,936</u></u>	<u><u>\$ 3,624,298</u></u>			<u><u>\$ 61,399</u></u>