

**COLLEGE OF SOUTHERN MARYLAND
FOUNDATION, INC.
La Plata, Maryland**

(A component unit of the College of Southern Maryland)

**FINANCIAL STATEMENTS
June 30, 2014 and 2013**

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www.cliftonlarsonallen.com

INDEPENDENT AUDITORS' REPORT

Board of Directors
College of Southern Maryland Foundation, Inc.
La Plata, Maryland

Report on the Financial Statements

We have audited the accompanying financial statements of College of Southern Maryland Foundation, Inc. which comprise the statement of financial position as of June 30, 2014 and 2013, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the College of Southern Maryland Foundation, Inc. as of June 30, 2014 and 2013 and the changes in its financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedules of changes in net assets and investments are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

A handwritten signature in black ink that reads "CliftonLarsonAllen LLP". The signature is written in a cursive, flowing style.

CliftonLarsonAllen LLP

Baltimore, Maryland
September 22, 2014

FINANCIAL STATEMENTS

COLLEGE OF SOUTHERN MARYLAND FOUNDATION, INC.
STATEMENTS OF FINANCIAL POSITION
June 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
ASSETS		
Cash and cash equivalents	\$ 1,277,842	\$ 1,217,906
Investments	6,526,570	5,709,956
Beneficial interest in charitable trust	1,978,232	1,719,889
Pledges receivable, net	<u>317,683</u>	<u>376,803</u>
TOTAL ASSETS	<u>\$ 10,100,327</u>	<u>\$ 9,024,554</u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable and accrued expenses	\$ <u>11,585</u>	\$ <u>17,996</u>
NET ASSETS		
Unrestricted	1,521,551	1,443,570
Temporarily restricted	5,061,899	4,145,125
Permanently restricted	<u>3,505,292</u>	<u>3,417,863</u>
Total net assets	<u>10,088,742</u>	<u>9,006,558</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 10,100,327</u>	<u>\$ 9,024,554</u>

The accompanying notes are an integral part of the financial statements.

COLLEGE OF SOUTHERN MARYLAND FOUNDATION, INC.
STATEMENTS OF ACTIVITIES
Years Ended June 30, 2014 and 2013

	2014				2013			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
SUPPORT AND REVENUE								
Contributions	\$ 185,308	\$ 258,162	\$ 87,429	\$ 530,899	\$ 136,716	\$ 330,778	\$ 280,175	\$ 747,669
Investment income	193,293	701,316	-	894,609	133,654	432,511	-	566,165
Donated services and facilities	221,073	-	-	221,073	182,391	-	-	182,391
In-kind contributions	3,167	2,182	-	5,349	7,459	26,153	-	33,612
Change in value of beneficial interest in a charitable trust	-	258,343	-	258,343	-	82,874	-	82,874
Adjustment for uncollectible pledges	-	-	-	-	-	-	(1,938)	(1,938)
Net assets reclassified by donor	-	-	-	-	-	(90,000)	90,000	-
Net assets released from restrictions: satisfaction of program restrictions	<u>303,229</u>	<u>(303,229)</u>	<u>-</u>	<u>-</u>	<u>312,918</u>	<u>(312,918)</u>	<u>-</u>	<u>-</u>
Total support and revenue	<u>906,070</u>	<u>916,774</u>	<u>87,429</u>	<u>1,910,273</u>	<u>773,138</u>	<u>469,398</u>	<u>368,237</u>	<u>1,610,773</u>
EXPENSES								
Program services	475,673	-	-	475,673	473,659	-	-	473,659
General and administrative	153,590	-	-	153,590	99,606	-	-	99,606
Fund raising and direct	<u>198,826</u>	<u>-</u>	<u>-</u>	<u>198,826</u>	<u>168,832</u>	<u>-</u>	<u>-</u>	<u>168,832</u>
Total expenses	<u>828,089</u>	<u>-</u>	<u>-</u>	<u>828,089</u>	<u>742,097</u>	<u>-</u>	<u>-</u>	<u>742,097</u>
INCREASE IN NET ASSETS	77,981	916,774	87,429	1,082,184	31,041	469,398	368,237	868,676
NET ASSETS, BEGINNING OF YEAR	<u>1,443,570</u>	<u>4,145,125</u>	<u>3,417,863</u>	<u>9,006,558</u>	<u>1,412,529</u>	<u>3,675,727</u>	<u>3,049,626</u>	<u>8,137,882</u>
NET ASSETS, END OF YEAR	<u>\$ 1,521,551</u>	<u>\$ 5,061,899</u>	<u>\$ 3,505,292</u>	<u>\$ 10,088,742</u>	<u>\$ 1,443,570</u>	<u>\$ 4,145,125</u>	<u>\$ 3,417,863</u>	<u>\$ 9,006,558</u>

The accompanying notes are an integral part of the financial statements.

COLLEGE OF SOUTHERN MARYLAND FOUNDATION, INC.
STATEMENTS OF CASH FLOWS
Years Ended June 30, 2014 and 2013

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase in net assets	\$ 1,082,184	\$ 868,676
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Change in fair value of investments	(722,393)	(388,512)
Realized gain on sale of investments	1,991	(4,531)
Bad debt expense	-	1,938
Pledges receivable discount to present value	(9,020)	(7,915)
Change in value of beneficial interest in charitable trust	(258,343)	(82,874)
Permanently restricted contributions	(87,429)	(280,175)
Effect of changes in operating assets and liabilities:		
Pledges receivable	59,120	(35,971)
Accounts payable and accrued expenses	(6,411)	3,708
	<u>59,699</u>	<u>74,344</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of investments	(2,186,404)	(523,314)
Proceeds of sales of investments	2,099,212	366,864
	<u>(87,192)</u>	<u>(156,450)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Permanently restricted contributions	87,429	280,175
Net cash provided by financing activities	<u>87,429</u>	<u>280,175</u>
INCREASE IN CASH AND CASH EQUIVALENTS	59,936	198,069
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>1,217,906</u>	<u>1,019,837</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 1,277,842</u>	<u>\$ 1,217,906</u>
SUPPLEMENTAL DISCLOSURE OF NONCASH TRANSACTIONS		
Donated goods and services	<u>\$ 226,422</u>	<u>\$ 216,003</u>

The accompanying notes are an integral part of the financial statements.

COLLEGE OF SOUTHERN MARYLAND FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2014 and 2013

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.

Cash and Cash Equivalents

Cash and short-term investments with maturities at dates of purchase of three months or less are classified as cash equivalents. Cash equivalents include U.S. Treasury securities and other short-term, highly liquid investments and are carried at cost plus accrued interest, which approximates fair value.

Investments

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

Beneficial Interest in Charitable Trust

The Foundation recognizes a beneficial interest in an irrevocable charitable remainder trust at estimated fair value, and classifies these interests in accordance with donor imposed restrictions, if any, in the Statement of Activities.

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.

COLLEGE OF SOUTHERN MARYLAND FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2014 and 2013

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Allowance for Uncollectible Pledges

A provision for uncollectible pledges has been established by management for the years ended June 30, 2014 and 2013. Any pledges deemed to be uncollectible are written off at the time of such determination.

Classification of 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. All unrestricted funds are for use of the Foundation's supporting activities. Unrestricted net assets generally result from unrestricted contributions, less expenses incurred in receiving unrestricted contributions, raising contributions, and performing administrative functions. Temporarily restricted net assets generally result from contributions and other inflows of 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. Income from these assets can be unrestricted or restricted based on donor stipulation.

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 support. 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. Donated gifts, facilities, professional services, and materials and supplies are recorded at their estimated fair value as of the date of the donation.

In-kind 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.

Contributed Services

A substantial number of unpaid volunteers have made significant contributions of their time and services to the Foundation. The value of this contributed time is not reflected in these financial statements since it is not susceptible to objective measurement of valuation. The College has allowed the Foundation to utilize office space on its campus. The utilities, water, and the space provided at no cost to the Foundation are not deemed significant. There are no amounts for utilities, water and the space reflected in the financial statements.

COLLEGE OF SOUTHERN MARYLAND FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2014 and 2013

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Scholarships

Scholarships are expensed when approved by the Board of Directors.

Reclassifications

Certain 2013 amounts have been reclassified in conformity with the 2014 presentation. These reclassifications had no effect on net assets and the changes therein.

NOTE 3 – INCOME TAXES

The Foundation is exempt from income taxes, except for taxes on unrelated business income, under Section 501(c)(3) of the Internal Revenue Code and related state statutes. The Foundation did not have any unrelated business income for the years ended June 30, 2014 and 2013. Returns for the fiscal years 2010 to 2013 remain subject to examination by federal and state tax jurisdictions.

Accounting principles generally accepted in the United States of America require management of an organization to evaluate tax positions taken by the organization and recognize an income tax liability if the organization has taken a position that more likely than not would not be sustained upon examination by the Internal Revenue Service. Management has evaluated the tax positions taken by the Foundation and concluded that as of June 30, 2013 there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements.

NOTE 4 – INVESTMENTS

At June 30, 2014 and 2013, the Foundation's investments were in mutual funds summarized as follows:

		<u>2014</u>		
<u>Investment</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized Gain</u>	
Mutual Funds				
Equity funds	\$ 2,996,748	\$ 4,445,780	\$ 1,449,032	
Bond funds	2,050,143	2,080,790	30,647	
Total	<u>\$ 5,046,892</u>	<u>\$ 6,526,570</u>	<u>\$ 1,479,678</u>	
		<u>2013</u>		
<u>Investment</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized Gain/ (Loss)</u>	
Mutual Funds				
Equity funds	\$ 2,819,667	\$ 3,614,582	\$ 794,915	
Bond funds	2,133,010	2,095,374	(37,636)	
Total	<u>\$ 4,952,677</u>	<u>\$ 5,709,956</u>	<u>\$ 757,279</u>	

COLLEGE OF SOUTHERN MARYLAND FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2014 and 2013

NOTE 4 – INVESTMENTS (CONTINUED)

Investment income from these investments for the years ended June 30, 2014 and 2013 was as follows:

	2014	2013
Interest and dividends	\$ 174,207	\$ 173,122
Realized (loss) gain on sale of investments	(1,991)	4,531
	172,216	177,653
Unrealized gain on investments	722,393	388,512
Total	\$ 894,609	\$ 566,165

NOTE 5 – FAIR VALUE

Accounting principles generally accepted in the United States of America define 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, establish a fair value reporting hierarchy and define three broad levels of inputs (the assumptions that market participants would use in pricing the asset or liability) as noted below:

Level 1

Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Foundation has the ability to access.

Level 2

Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets.
- Quoted prices for identical or similar assets or liabilities in inactive markets.
- Inputs other than quoted prices that are observable for the asset or liabilities.
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3

Valuation is 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.

COLLEGE OF SOUTHERN MARYLAND FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2014 and 2013

NOTE 5 – FAIR VALUE (CONTINUED)

The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value level to another. In such instances, the transfer is reported at the end of the reporting period.

For the year ended June 30, 2014, there were no transfers in or out of Levels 1, 2 or 3.

Mutual Funds

The Foundation's investments in mutual funds are valued using quoted prices in active markets for identical assets at the measurement date. Based on the inputs identified these investments are considered Level 1.

Beneficial interest in charitable trust

The Foundation's interest in a charitable trust is valued using the present value of the estimated future cash receipts from the trust's assets. The Foundation used a risk free rate of return which was risk-adjusted to determine the discount rate of 5% for the year ended June 30, 2014 and 2013. Based on the inputs the beneficial interest in charitable trust is considered Level 3.

As of June 30, 2014 and 2013, assets measured at fair value on a recurring basis are summarized by level within the fair value hierarchy as follows:

2014	Level 1	Level 2	Level 3	Total Fair Value
Mutual Funds				
Equity funds	\$ 4,445,780	\$ -	\$ -	\$ 4,445,780
Bond funds	2,080,790	-	-	2,080,790
	<u>6,526,570</u>	<u>-</u>	<u>-</u>	<u>6,526,570</u>
Beneficial interest in charitable trust	<u>-</u>	<u>-</u>	<u>1,978,232</u>	<u>1,978,232</u>
Total	<u>\$ 6,526,570</u>	<u>\$ -</u>	<u>\$ 1,978,232</u>	<u>\$ 8,504,802</u>

2013	Level 1	Level 2	Level 3	Total Fair Value
Mutual Funds				
Equity funds	\$ 3,614,582	\$ -	\$ -	\$ 3,614,582
Bond funds	2,095,374	-	-	2,095,374
	<u>5,709,956</u>	<u>-</u>	<u>-</u>	<u>5,709,956</u>
Beneficial interest in charitable trust	<u>-</u>	<u>-</u>	<u>1,719,889</u>	<u>1,719,889</u>
Total	<u>\$ 5,709,956</u>	<u>\$ -</u>	<u>\$ 1,719,889</u>	<u>\$ 7,429,845</u>

COLLEGE OF SOUTHERN MARYLAND FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2014 and 2013

NOTE 5 – FAIR VALUE (CONTINUED)

The following is a reconciliation of the beginning and ending balances of assets and liabilities measured at fair value on a recurring basis using significant unobservable (Level 3) inputs during the year ended June 30:

	<u>2014</u>	<u>2013</u>
Balance, July 1	\$ 1,719,889	\$ 1,637,016
Change in value of benefit interest in charitable trust	<u>258,343</u>	<u>82,873</u>
Balance, June 30	<u><u>\$ 1,978,232</u></u>	<u><u>\$ 1,719,889</u></u>

NOTE 6 – PLEDGES RECEIVABLE

Pledges receivable is composed of pledges for the following purposes:

	<u>2014</u>	<u>2013</u>
Children's Learning Center	\$ 5,000	\$ 5,000
Scholarships	221,500	217,950
Ward Virts Piano Project	6,000	6,000
ISTEM	-	20,000
Trades and Technologies	10,050	11,140
Nursing and Healthcare	-	20,000
Educational Excellence	19,500	19,500
Kids College	30,000	40,000
Temporarily Restricted Other	41,172	41,172
Unrestricted	<u>11,200</u>	<u>31,500</u>
	344,422	412,262
Discount to net present value	(21,939)	(30,659)
Allowance for uncollectible pledges	<u>(4,800)</u>	<u>(4,800)</u>
Total	<u><u>\$ 317,683</u></u>	<u><u>\$ 376,803</u></u>

The Foundation expects to collect contributions receivable in the following years ended June 30:

2015	\$ 136,543
2016	66,493
2017	47,493
2018	24,493
2019	56,700
Thereafter	<u>12,700</u>
	344,422
Discount to net present value	(21,939)
Allowance for uncollectible pledges	<u>(4,800)</u>
Total	<u><u>\$ 317,683</u></u>

COLLEGE OF SOUTHERN MARYLAND FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2014 and 2013

NOTE 6 – PLEDGES RECEIVABLE (CONTINUED)

Discount to net present value was computed at June 30, 2014 and 2013 using a rate of 5%.

NOTE 7- BENEFICIAL INTEREST IN A CHARITABLE TRUST

The beneficial interest in a charitable trust represents the present value of future distributions the Foundation expects to receive from its beneficial interest in this trust. The present value of future distributions is an estimate calculated at the time the Foundation becomes aware of its beneficial interest in an applicable trust and is based on the trust value at that time plus certain discount factors and actuarial assumptions. The discount rate used for June 30, 2014 and 2013 was 5%. Changes in the value of the beneficial interest in the trust (principally discount amortization) are reflected in the statement of activities.

During 2013, the Foundation became aware of its beneficial interests in a charitable trust which was established in 2006 to hold title to approximately 70 acres of land located near Waldorf, Maryland. Under the terms of the trust, the beneficiaries of the trust are to receive at least an annual distribution from the trust of all investment earnings on the trust assets, not to exceed 7%, for a period of twenty years following funding. The 20 year period will expire on July 31, 2026. In 2006, the trustee sold the land for a \$4,000,000 note bearing interest at 7% maturing in July 2011. In 2009, the trustee agreed to reduce the note to \$3,350,000 to reflected impairments in the underlying value of the land due to adverse economic conditions. In 2011, the trustee extended the notes maturity to June 2016. In June 2013, the trust received a note payment of \$2,000,000, which was deposited with the local bank’s trust department for investment. The following is the discounted net present value of the Foundation’s beneficial interest in the charitable trust:

	<u>2014</u>	<u>2013</u>
Value of charitable trust	\$ 3,667,531	\$ 3,350,000
Discount to net present value	<u>(1,689,299)</u>	<u>(1,630,111)</u>
Total	<u>\$ 1,978,232</u>	<u>\$ 1,719,889</u>

NOTE 8 – DONATED SERVICES AND FACILITIES

During the years ended June 30, 2014 and 2013, the value of donated goods and services recognized in the accompanying Statements of Activities as both support and expenses was \$221,073 and \$182,391, respectively, and included the following:

	<u>2014</u>	<u>2013</u>
Salaries and benefits	\$ 202,674	\$ 165,958
Conferences, meetings, and travel	10,124	4,402
Professional services and public relations	1,996	8,572
Printing	2,279	1,607
Office supplies	<u>4,000</u>	<u>1,852</u>
Total	<u>\$ 221,073</u>	<u>\$ 182,391</u>

COLLEGE OF SOUTHERN MARYLAND FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2014 and 2013

NOTE 9 – PROGRAM EXPENSES

The program service expenses of the Foundation included support for the following programs:

	<u>2014</u>	<u>2013</u>
Celebration of Arts	\$ 3,363	\$ 7,137
Children's Learning	-	1,750
ISTEM	15,536	41,630
Kids College	150	20,940
Nursing/Healthcare	11,983	2,000
Awards for banquet	7,796	8,622
Leading Edge Awards	8,250	17,125
Other	21,279	17,021
Athletics	17,000	-
Adjunct Faculty	2,000	15,000
Trades & Technology	10,000	15,000
Twilight Series	2,000	-
Wart Virts	8,075	6,000
Wellness	23,826	22,635
Scholarship & Grants	344,415	298,799
Total	<u>\$ 475,673</u>	<u>\$ 473,659</u>

NOTE 10 – ENDOWMENTS

The Foundation's endowments consist of approximately 50 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 Directors 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:

COLLEGE OF SOUTHERN MARYLAND FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2014 and 2013

NOTE 10 – ENDOWMENTS (CONTINUED)

- 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 The expected total return from income and the appreciation of investments;
- e) Other resources of the Foundation;
- f) The investment policies of the Foundation.

The Foundation had the following changes in the endowment net assets (including pledges receivable of \$602,764 and \$766,957 as of June 30, 2014 and 2013, respectively) during the years ended June 30, 2014 and 2013:

	2014			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
Endowment net assets, beginning of year	\$ -	\$ 817,406	\$ 3,417,863	\$ 4,235,269
Contributions	-	3,033	87,429	90,462
Appropriation of endowment assets for expenditure	-	(47,231)	-	(47,231)
Endowment net assets after contributions and expenditures	-	773,208	3,505,292	4,278,500
Investment return:				
Investment income	-	566,082	-	566,082
Endowment net assets after investment income	-	1,339,290	3,505,292	4,844,582
Other changes:				
Redirection by donor of prior gift	-	(6,550)	-	(6,550)
Adjustment for uncollectible pledge	-	-	-	-
Endowment net assets, end of year	\$ -	\$ 1,332,740	\$ 3,505,292	\$ 4,838,032

COLLEGE OF SOUTHERN MARYLAND FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2014 and 2013

NOTE 10 – ENDOWMENTS (CONTINUED)

	2013			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
Endowment net assets, beginning of year	\$ -	\$ 418,676	\$ 3,049,626	\$ 3,468,302
Contributions	-	-	280,175	280,175
Appropriation of endowment assets for expenditure	-	(21,663)	-	(21,663)
Endowment net assets after contributions and expenditures	-	397,013	3,329,801	3,726,814
Investment return:				
Investment income	-	356,421	-	356,421
Endowment net assets after investment income	-	753,434	3,329,801	4,083,235
Other changes:				
Redirection by donor of prior gift		63,972	90,000	153,972
Adjustment for uncollectible pledge	-	-	(1,938)	(1,938)
Endowment net assets, end of year	\$ -	\$ 817,406	\$ 3,417,863	\$ 4,235,269

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 \$5,650 and \$3,337 as of June 30, 2014 and 2013.

Return Objectives and Risk Parameters

The Foundation implemented investment and spending policies for endowment assets that attempted 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 Directors in April 2010, the Board of Directors specifies that endowment assets are invested in a manner that is intended to produce results that exceed the return of a target policy comprised of 32% S&P 500 index funds, 8% Russell 2000 funds, 10% MSCI EAFE funds, 35% Barclay Aggregate index fund, 10% Treasury bills, and 5% 90-day Treasury bills, while assuming a moderate level of investment risk.

Under the updated investment policy, the Foundation expects its endowment funds, over time, to provide an average rate of return of approximately 4.5% above the trailing 3-year CPI. Actual returns in any given year may vary from this amount.

COLLEGE OF SOUTHERN MARYLAND FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2014 and 2013

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 annually appropriating for distribution a target of 5% of the previous twelve quarters' average market value of its endowment funds, not to exceed 7% of the current average market value of the endowment. 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 investment policy to allow its endowments to earn an average return that 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 – NET ASSET RESTRICTIONS

Net assets were restricted at June 30 for the following purposes:

	<u>2014</u>	<u>2013</u>
Unrestricted:		
Undesignated	\$ 1,496,549	\$ 1,418,570
Board designated for scholarships	25,000	25,000
Total unrestricted	<u>1,521,549</u>	<u>1,443,570</u>
Temporarily Restricted Net Assets:		
Academic programs	507,647	491,250
Childcare center	519,446	463,993
Endowed scholarships	1,332,739	844,061
Institutional support	15,344	12,916
Public service	84,615	82,052
Scholarships	609,683	517,721
Student support	14,196	13,243
Beneficial interests in charitable trusts	<u>1,978,231</u>	<u>1,719,889</u>
Total temporarily restricted	<u>5,061,901</u>	<u>4,145,125</u>
Permanently Restricted Net Assets:		
Endowed scholarships	3,390,292	3,302,863
Program support	<u>115,000</u>	<u>115,000</u>
Total permanently restricted	<u>3,505,292</u>	<u>3,417,863</u>
Total	<u>\$ 10,088,742</u>	<u>\$ 9,006,558</u>

COLLEGE OF SOUTHERN MARYLAND FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2014 and 2013

NOTE 11 – NET ASSET RESTRICTIONS (CONTINUED)

Temporarily restricted net assets released from restrictions were as follows:

	<u>2014</u>	<u>2013</u>
Scholarships	\$ 219,847	\$ 178,825
Program Support	83,382	134,093
Total	<u>\$ 303,229</u>	<u>\$ 312,918</u>

NOTE 12 – EXPENSES BY NATURAL CLASSIFICATIONS

The financial statements show expenses by functional expense classification for the College. The following table reflects expenses for the years ended June 30, 2014 and 2013 by natural classification:

	<u>2014</u>	<u>2013</u>
Salary, wages, and benefits	\$ 204,344	\$ 169,578
Supplies and materials	13,144	18,866
Contracted services	56,293	113,196
Conferences and meetings	11,792	11,112
Insurance, interest, licenses and fees	73,204	12,142
Scholarships	344,415	298,799
Other	124,897	118,404
Total	<u>\$ 828,089</u>	<u>\$ 742,097</u>

NOTE 13 – RELATED PARTIES

The College donated consulting services, personnel services, facilities and support for fundraising and donor cultivation activities, including travel, printing, office and advertising costs to the Foundation valued at \$221,073 and \$182,391 in 2014 and 2013, respectively. These donations are reflected in the financial statements as both support revenue and expense.

The Foundation paid the College \$344,415 and \$298,798 in 2014 and 2013, respectively, for scholarships and other contributions. The Foundation received in-kind contributions on behalf of the College of equipment and supplies totaling \$2,182 and \$26,153 for the years ended June 30, 2014 and 2013, respectively. These contributions are reflected as contributions to the College. Total in-kind contributions received for the years ended June 30, 2014 and 2013 totaled \$5,349 and \$33,612, respectively.

NOTE 15 – SUBSEQUENT EVENTS

The Foundation has evaluated subsequent events through September 22, 2014, the date the financial statements were available to be issued. Events or transactions occurring after June 30, 2014, but prior to September 22, 2014 that provided additional evidence about conditions that existed at June 30, 2014 have been recognized in the financial statements for the year ended June 30, 2014. Events or transactions that provided evidence about conditions that did not exist at June 30, 2014 but arose before the financial statements were available to be issued have not been recognized in the financial statements for the year ended June 30, 2014.

SUPPLEMENTAL INFORMATION

COLLEGE OF SOUTHERN MARYLAND FOUNDATION, INC.
SCHEDULE OF CHANGES IN NET ASSETS
Year Ended June 30, 2014

	<u>Net Assets June 30, 2013</u>	<u>Investment Income</u>	<u>Contributions</u>	<u>Scholarship Awards</u>	<u>Other (Deductions)</u>	<u>Adjustment for Uncollectible Pledges</u>	<u>Net Assets June 30, 2014</u>
UNRESTRICTED NET ASSETS							
Undesignated							
Undesignated gifts and bequests	\$ 1,323,759	\$ 187,303	\$ 145,725	\$ (123,019)	\$ (146,566)	\$ -	\$ 1,387,202
Golf & Tennis Classic	76,412	3,502	42,750	-	(32,652)	-	90,012
Technology Acct - State Matching Funds	5,744	889	-	-	-	-	6,633
Theatritext @ St. Mary's	73	12	-	-	-	-	85
Jaycees Educational Assistance Program	7,341	776	-	(1,550)	-	-	6,567
Library Memorial	5,242	811	-	-	-	-	6,053
	<u>1,418,570</u>	<u>193,293</u>	<u>188,475</u>	<u>(124,569)</u>	<u>(179,218)</u>	<u>-</u>	<u>1,496,551</u>
Board designated							
R. Fisher Endowment Fund	25,000	-	-	-	-	-	25,000
	<u>1,443,570</u>	<u>193,293</u>	<u>188,475</u>	<u>(124,569)</u>	<u>(179,218)</u>	<u>-</u>	<u>1,521,551</u>

COLLEGE OF SOUTHERN MARYLAND FOUNDATION, INC.
SCHEDULE OF CHANGES IN NET ASSETS
Year Ended June 30, 2014
(Continued)

	Net Assets June 30, 2013	Investment Income	Contributions	Scholarship Awards	Other Additions (Deductions)	Adjustment for Uncollectible Pledges	Net Assets June 30, 2014
TEMPORARILY RESTRICTED NET ASSETS							
Undesignated - Hassanein Charitable Trust	\$ 1,719,889	\$ 258,342	\$ -	\$ -	\$ -	\$ -	\$ 1,978,231
Alumni Scholarship	1,120	150	-	(500)	-	-	770
Christopher Chinault Scholarship	11,774	9,436	-	(2,600)	-	-	18,610
Tony Hungerford Memorial Endowment Fund	13,607	11,044	-	(1,230)	-	-	23,421
J. Ivey Cline Memorial Scholarship	3,246	2,778	-	-	-	-	6,024
Harland R. & Lulu P. Cravat Memorial Scholarship	50,084	7,621	-	(3,000)	-	-	54,705
We Salute Our Troops - Desert Storm Scholarship	(382)	415	-	-	-	-	33
Matthew W. Hancock Memorial Scholarship	424	65	-	-	-	-	489
James C. Mitchell Nursing Scholarship	28,311	7,391	-	(1,000)	-	-	34,702
Civista Medical Center	2,573	1,945	-	-	-	-	4,518
Fanny Louise Sullivan Sine Henderson Scholarship	2,866	143	500	(750)	-	-	2,759
Mary Croft Ward Scholarship	821	601	-	-	-	-	1,422
Bill Wood Memorial Scholarship	23,151	3,503	120	-	-	-	26,774
Helen and Henry Lawlor Scholarship	13,733	5,685	-	(1,600)	-	-	17,818
Joanne Zwick Memorial Scholarship	1,331	1,724	-	(450)	-	-	2,605
McDonough Charity School	54,359	44,435	-	(9,500)	-	-	89,294
Castles and Foundations Fund	9,679	9,281	-	(520)	-	-	18,440
Walter Grove II Endowment Fund	16,600	14,043	-	(1,000)	-	-	29,643
L. K. Farrall II Endowment Fund	10,886	8,911	-	(2,500)	-	-	17,297
Wm. B. and Vivian M. King Endowment Fund	278,200	197,833	-	-	-	-	476,033
Russell G. Croft	25,878	21,253	-	(2,000)	-	-	45,131
Ed Matthews, Jr. Endowment Fund	4,749	3,969	-	-	-	-	8,718
William Lyon Endowment Fund	4,559	3,697	-	-	-	-	8,256
Albert L. Edler, Jr. Memorial	(630)	3,202	-	(800)	-	-	1,772

COLLEGE OF SOUTHERN MARYLAND FOUNDATION, INC.
SCHEDULE OF CHANGES IN NET ASSETS
Year Ended June 30, 2014
(Continued)

	Net Assets June 30, 2013	Investment Income	Contributions	Scholarship Awards	Other Additions (Deductions)	Adjustment for Uncollectible Pledges	Net Assets June 30, 2014
TEMPORARILY RESTRICTED NET ASSETS (Continued)							
McWilliams Family Trust	\$ 4,411	\$ 4,519	\$ 533	\$ (1,200)	\$ -	\$ -	\$ 8,263
Dr. Nallan Ramakrishna Scholarship	3,624	5,398	-	(475)	-	-	8,547
Calvert Chamber Fund	(2,491)	3,060	-	-	-	-	569
Thomas F. Goldsmith Fund	11,214	10,877	-	(3,000)	-	-	19,091
Marguerite Cox Family Memorial	7,160	6,056	-	(1,125)	-	-	12,091
Robert Ware Straus SMSC	27,417	4,242	-	-	-	-	31,659
Nursing Equipment Fund	125	24	-	-	-	-	149
P.E. Wellness Center	13,243	519	24,260	-	(23,826)	-	14,196
Technology @ Prince Frederick	1,698	263	-	-	-	-	1,961
Technology @ Leonardtown	9,880	1,430	528	-	-	-	11,838
Technology @ La Plata	1,338	207	-	-	-	-	1,545
CSM Children's Center	463,993	55,321	132	-	-	-	519,446
Southern Maryland Studies Center Fund	26,832	3,309	519	-	-	-	30,660
Marrick Properties	27,605	20,341	-	-	-	-	47,946
Gary Merrill	678	414	-	-	-	-	1,092
Leonardtown SA Kickoff Scholarship	842	130	-	(17)	-	-	955
J. Rice & M. Fauth Memorial	14,606	10,668	-	(1,336)	-	-	23,937
Ward Virts Piano Project	24,945	410	2,236	-	(8,075)	-	19,516
ADF Bingo - Kids College	50,626	-	6,526	(13,256)	(150)	-	43,746
Calvert County 350th Anniversary Endowment	2,913	2,431	-	(650)	-	-	4,694
Shani J. Whipple Scholarship	7,852	1,956	500	-	-	-	10,308
J. Schultz-Collins Scholarship	34	5	-	-	-	-	39

COLLEGE OF SOUTHERN MARYLAND FOUNDATION, INC.
SCHEDULE OF CHANGES IN NET ASSETS
Year Ended June 30, 2014
(Continued)

	Net Assets June 30, 2013	Investment Income	Contributions	Scholarship Awards	Other Additions (Deductions)	Adjustment for Uncollectible Pledges	Net Assets June 30, 2014
TEMPORARILY RESTRICTED NET ASSETS (Continued)							
Jack L. Sprague Scholarship	\$ 200	\$ -	\$ 500	\$ (200)	\$ -	\$ -	\$ 500
Calvert County Chamber Scholarship	9,021	1,096	500	(3,680)	-	-	6,937
St. Mary's County Scholarship Endowment Fund	24,148	11,449	20,000	(21,500)	-	-	34,097
Veterans Education Endowment Fund	50,836	13,423	-	-	-	-	64,259
Mercantile Southern Maryland Bank	51,903	2,906	-	(40,000)	(10,000)	-	4,809
St. Mary's Health Department Scholarship	67	100	-	-	-	-	167
Robert W. Sibole Scholarship	61	9	-	-	-	-	70
William D. Bauer Memorial Endowment	11,178	1,697	-	(700)	-	-	12,175
R. Fisher Endowment Fund	11,606	5,664	-	-	-	-	17,270
General Scholarship Fund	44,453	3,631	14,476	(9,822)	-	-	52,739
CLC Scholarship Fund	500	-	48	-	-	-	548
Leonardtown SGA Endowment Fund	4,925	2,928	-	-	-	-	7,853
Elaine Ryan Legacy Fund	49,920	7,685	-	-	-	-	57,605
Wyvill Teacher Ed Endowment Scholarship	512	2,763	-	(325)	-	-	2,950
C&M McAllister Endowment Fund	6,444	5,972	-	(1,300)	-	-	11,116
Beers Scholarship Fund	42,703	44,903	-	(6,000)	-	-	81,606
Louis P. Jenkins, Sr. Endowment Fund	9,235	10,752	-	(3,000)	-	-	16,987
Nu Zeta Omega Scholarship	1,896	-	-	(1,200)	-	-	696
Milton Somers Scholarship	4,000	-	-	(2,000)	-	-	2,000
Celebration of the Arts	30,275	4,431	3,097	-	(3,363)	-	34,440

COLLEGE OF SOUTHERN MARYLAND FOUNDATION, INC.
SCHEDULE OF CHANGES IN NET ASSETS
Year Ended June 30, 2014
(Continued)

	Net Assets June 30, 2013	Investment Income	Contributions	Scholarship Awards	Other Additions (Deductions)	Adjustment for Uncollectible Pledges	Net Assets June 30, 2014
TEMPORARILY RESTRICTED NET ASSETS (Continued)							
Helen J. Todd Scholarship	\$ 19,500	\$ -	\$ 10,000	\$ (500)	\$ -	\$ -	\$ 29,000
Neale C. Slater Memorial Scholarship	3,563	7,108	-	(1,200)	-	-	9,471
Prince Frederick Student Association Scholarship	17,542	2,667	-	(1,000)	-	-	19,209
Tri County 40/8 Nurse Scholarship	1,719	-	800	(400)	-	-	2,119
Renee Mundy Math Endowment	1,811	1,963	-	(525)	-	-	3,249
Charles County Technology Scholarship	(750)	-	-	-	-	-	(750)
Boone & Edelen Scholarship	585	-	3,325	(500)	-	-	3,410
ISTEM	195,878	6,334	14,682	-	(15,536)	-	201,358
Trades & Technologies	59,288	2,703	27,669	-	(10,000)	-	79,660
Nursing & Healthcare	236,233	5,746	5,585	(10,000)	(11,982)	-	225,582
Educational Excellence Fund	61,506	4,015	1,631	-	-	-	67,152
Endowed Scholarship Fund	14,204	10,794	-	-	-	-	24,997
Chandler Keys	67	11	-	-	-	-	78
Bradley Gottfried Endowment	1,741	1,716	-	-	-	-	3,457
Kavetsky Family Endowment	1,071	1,231	-	(320)	-	-	1,983
JF Faley, Jr. STEM Scholarship	5,453	844	-	-	-	-	6,297
BN Guerrieri Memorial Scholarship	-	-	650	(650)	-	-	-
ISSSWDC	-	-	-	-	-	-	-
Schweir & LaFleur Scholarship	3,000	-	4,500	(3,000)	-	-	4,500
Gary D. Smith Memorial Scholarship	1,410	-	200	(500)	-	-	1,110
Sidney Waugh Memorial Scholarship	3,333	2	1,698	(400)	-	-	4,633
J Morton Memorial Scholarship	1,065	-	1,980	(782)	-	-	2,263
W. Martinez Jr. Memorial Scholarship	1,776	-	1,500	(1,500)	-	-	1,776
SMWL Scholarship Fund	-	-	3,000	(2,000)	-	-	1,000
Jane H., Sypher Scholarship	2,743	-	2,300	(1,000)	-	-	4,043

COLLEGE OF SOUTHERN MARYLAND FOUNDATION, INC.
SCHEDULE OF CHANGES IN NET ASSETS
Year Ended June 30, 2014
(Continued)

	Net Assets June 30, 2013	Investment Income	Contributions	Scholarship Awards	Other Additions (Deductions)	Adjustment for Uncollectible Pledges	Net Assets June 30, 2014
TEMPORARILY RESTRICTED NET ASSETS (Continued)							
Charles County Women's Club	\$ 242	\$ -	\$ 250	\$ -	\$ -	\$ -	\$ 492
Ziencik-Hess Memorial Scholarship	1,379	-	863	(700)	-	-	1,542
NRL Federal Credit Union Scholarship	-	-	-	-	-	-	-
NET Annual Scholarship Fund	72,893	17,590	2,000	(1,875)	-	-	90,608
Home Towne RE Scholarship	4,000	-	2,500	(2,750)	-	-	3,750
County Inns and Suites	-	-	-	(750)	-	-	(750)
Woodey Theatre Scholarship	711	-	600	(650)	-	-	661
Ruth Mathes Scholarship	2,500	-	-	(2,500)	-	-	-
TCMDAC/Delta Sigma Theta	500	-	750	(500)	-	-	750
APA & SAL Scholarship	500	-	500	(500)	-	-	500
Adjunct Faculty Merit	2,446	1	1,208	(1,000)	-	-	2,655
Adjunct Faculty Need	2,446	1	1,524	(3,000)	-	-	971
Old Line Bank Business Scholarship	39,605	-	930	(6,500)	-	-	34,035
Darrow Memorial Scholarship	5,600	-	3,000	(1,500)	-	-	7,100
Connie Kite Memorial Scholarship	1,599	93	1,000	(1,000)	-	-	1,692
DL Smith Memorial Art Scholarship	5,635	-	2,525	(1,000)	-	-	7,160
E Lilly Memorial Nursing	400	7	1,600	(1,000)	-	-	1,007
Coldwell Banker J Lilly-CTIT	900	12	1,400	(1,000)	-	-	1,312
Brad and Linda Gottfried Scholarship	1,000	17	2,520	(1,200)	-	-	2,337
McNelis Family Scholarship	-	-	2,952	(1,000)	-	-	1,952
Charles County Chamber Commerce	1,500	-	1,000	(1,000)	-	-	1,500
Zonta RAVE Walk Scholarship	6,250	-	10,095	(5,000)	-	-	11,345
WCCCA Scholarship	1,400	-	-	-	-	-	1,400
Charles Nurse/ Health Scholarship	-	-	-	(4,900)	-	-	(4,900)
Chaney Endowment	6,944	14,505	-	-	-	-	21,449
TJ Murray Memorial Scholarship	1,500	-	1,000	(1,000)	-	-	1,500
S Behmke Legacy Fund	2,192	2	376	(704)	-	-	1,866

COLLEGE OF SOUTHERN MARYLAND FOUNDATION, INC.
SCHEDULE OF CHANGES IN NET ASSETS
Year Ended June 30, 2014
(Continued)

	Net Assets June 30, 2013	Investment Income	Contributions	Scholarship Awards	Additions (Deductions)	Uncollectible Pledges	Net Assets June 30, 2014
TEMPORARILY RESTRICTED NET ASSETS (Continued)							
Ives Freedom Scholarship Fund	\$ 1,000	\$ -	\$ -	\$ (500)	\$ -	\$ -	\$ 500
SoMD Bluecrabs Strikeout	1,000	-	-	(1,000)	-	-	-
TLLOPP Fraternity Scholarship	-	-	1,000	(1,000)	-	-	-
Lucy Detig Endowed Scholarship	7	4,565	-	-	-	-	4,572
SMECO Engineers Endowment	(164)	1,522	-	-	-	-	1,358
CR Posten Memorial Fund	1,061	164	1,000	(1,000)	-	-	1,225
JL & WCS Charity Endowment	(82)	761	-	-	-	-	679
CSF Scholarship Fund	874	8	674	-	-	-	1,556
Arc Southern MD Media Scholarship	500	-	-	(500)	-	-	-
P Facchina, Jr Scholarship	1,500	-	-	-	-	-	1,500
J Zanelotti, Sr Memorial Scholarship	1,900	-	1,588	-	-	-	3,488
Arc Southern MD Nurse Scholarship	500	-	-	(500)	-	-	-
Captain B Robertson Endowment	(246)	2,307	-	-	-	-	2,061
SGA-SHS Annual Fund	-	-	5,464	(4,528)	(300)	-	636
SGA-SHS Endowment	8,806	1,522	-	-	-	-	10,328
Our Earth Scholarship	984	152	3,500	-	-	-	4,636
SBA Scholarship Fund	1,000	-	-	-	-	-	1,000
GRPA Scholarship	1,500	-	-	-	-	-	1,500
Bowes HVAC Scholarship	1,000	-	-	-	-	-	1,000
ESFCU Scholarship/Faculty	(150)	-	3,000	(1,800)	(150)	-	900
Women in Transition	-	-	1,500	(1,000)	-	-	500

COLLEGE OF SOUTHERN MARYLAND FOUNDATION, INC.
SCHEDULE OF CHANGES IN NET ASSETS
Year Ended June 30, 2014
(Continued)

	Net Assets June 30, 2013	Investment Income	Contributions	Scholarship Awards	Other Additions (Deductions)	Adjustment for Uncollectible Pledges	Net Assets June 30, 2014
TEMPORARILY RESTRICTED NET ASSETS (Continued)							
Desiree Angel Osvatics	\$ -	\$ -	\$ 258	\$ -	\$ -	\$ -	\$ 258
Adjunct Faculty Endowment	-	973	-	-	-	-	973
Grainger Family Endowment	-	407	-	-	-	-	407
Grimm & Parker Endowment	-	325	-	-	-	-	325
J Patak Memorial Endowment	-	260	6,000	(4,477)	-	-	1,783
H Willoughby Foundation Scholarship	-	297	6,000	-	-	-	6,297
BT Sanders Memorial Scholarship	-	-	1,000	-	-	-	1,000
Travel Studies Scholarship	-	-	1,924	-	-	-	1,924
O Stinson Memorial Engineering	-	-	1,000	-	-	-	1,000
Nyce Annual Scholarship	-	76	3,405	-	-	-	3,481
Nyce Scholarship Endowment	-	142	-	-	-	-	142
Bailey Memorial Nurse Endowment	-	80	-	-	-	-	80
McDonough Foundation Annual Scholarship	-	281	17,000	-	-	-	17,281
P Cangelosi Memorial Scholarship	-	-	13,444	-	-	-	13,444
Total temporarily restricted net assets	<u>4,145,125</u>	<u>959,659</u>	<u>260,344</u>	<u>(219,847)</u>	<u>(83,382)</u>	<u>-</u>	<u>5,061,899</u>

COLLEGE OF SOUTHERN MARYLAND FOUNDATION, INC.
SCHEDULE OF CHANGES IN NET ASSETS
Year Ended June 30, 2014
(Continued)

	Net Assets June 30, 2013	Investment Income	Contributions	Scholarship Awards	Other Additions (Deductions)	Adjustment for Uncollectible Pledges	Net Assets June 30, 2014
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	3,063	-	-	-	-	-	3,063
Joanne Zwick Memorial Scholarship	10,000	-	-	-	-	-	10,000
Helen and Henry Lawlor Scholarship	23,500	-	-	-	-	-	23,500
We Salute Our Troops - Desert Storm Scholarship	3,063	-	-	-	-	-	3,063
Toney Hungerford Memorial Endowment Fund	59,130	-	-	-	-	-	59,130
Wm. B. and Vivian M. King Endowment Fund	1,156,150	-	-	-	-	-	1,156,150
McDonough Charity School	234,547	-	-	-	-	-	234,547
Castles and Foundation Fund	50,393	-	-	-	-	-	50,393
Walter Grove II Endowment Fund	78,324	-	1,645	-	-	-	79,969
L.K. Farrall III Endowment Fund	47,448	-	-	-	-	-	47,448
Russell G. Croft	111,752	-	200	-	-	-	111,952
Ed Matthews, Jr. Endowment Fund	20,908	-	-	-	-	-	20,908
William Lyon Endowment Fund	19,336	-	-	-	-	-	19,336
Albert L. Edler, Jr. Memorial	23,000	-	2,000	-	-	-	25,000
McWilliams Family Trust	31,974	-	650	-	-	-	32,624
Calvert Chamber Fund	21,999	-	177	-	-	-	22,176
Dr. Nallan Ramakrishna Scholarship	49,100	-	-	-	-	-	49,100
Thomas F. Goldsmith Fund	60,000	-	-	-	-	-	60,000
Marguerite Cox Family Memorial	34,041	-	1,175	-	-	-	35,216
Marrick Properties	103,870	-	-	-	-	-	103,870
Gary Merrill	2,000	-	-	-	-	-	2,000

COLLEGE OF SOUTHERN MARYLAND FOUNDATION, INC.
SCHEDULE OF CHANGES IN NET ASSETS
Year Ended June 30, 2014
(Continued)

	Net Assets June 30, 2013	Investment Income	Contributions	Scholarship Awards	Other Additions (Deductions)	Adjustment for Uncollectible Pledges	Net Assets June 30, 2014
PERMANENTLY RESTRICTED NET ASSETS (Continued)							
J. Rice & M. Fauth Memorial	\$ 54,708	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 54,708
Calvert County 350th Anniversary Endowment	13,271	-	-	-	-	-	13,271
St. Mary's County Scholarship Endowment Fund	50,100	-	-	-	-	-	50,100
Veterans Education Endowment Fund	36,913	-	1,000	-	-	-	37,913
William D. Bauer Memorial Endowment	-	-	-	-	-	-	-
Leonardtown SGA Endowment Fund	14,000	-	-	-	-	-	14,000
Wyvill Teacher Ed Endowment Scholarship	17,635	-	740	-	-	-	18,375
C&M McAllister Endowment Fund	32,215	-	-	-	-	-	32,215
Beers Scholarship Fund	249,997	-	-	-	-	-	249,997
Louise P. Jenkins, Sr. Endowment Fund	61,000	-	-	-	-	-	61,000
Neale C Slater Memorial Scholarship	77,201	-	3,270	-	-	-	80,471
Renee Munday Math Endowment	10,949	-	-	-	-	-	10,949
Endowed Scholarship Fund	125,548	-	3,914	-	-	-	129,462
Bradley Gottfried Endowment	10,375	-	1,300	-	-	-	11,675
Kavetsky Family Endowment	7,000	-	-	-	-	-	7,000
Shani J Whipple Scholarship	5,452	-	-	-	-	-	5,452
NET Annual Scholarship	100,000	-	-	-	-	-	100,000
Chaney Endowment	114,762	-	238	-	-	-	115,000
Lucy Detig Endowed Scholarship	30,000	-	-	-	-	-	30,000
SMECO Engineers Endowment	89,943	-	3,247	-	-	-	93,190

COLLEGE OF SOUTHERN MARYLAND FOUNDATION, INC.
SCHEDULE OF CHANGES IN NET ASSETS
Year Ended June 30, 2014
(Continued)

	Net Assets June 30, 2013	Investment Income	Contributions	Scholarship Awards	Other Additions (Deductions)	Adjustment for Uncollectible Pledges	Net Assets June 30, 2014
PERMANENTLY RESTRICTED NET ASSETS (Continued)							
JL & WCS Charity Endowment	\$ 14,762	\$ -	\$ 238	\$ -	\$ -	\$ -	\$ 15,000
Captain B Robertson Endowment	15,110	-	1,060	-	-	-	16,170
SGA-SHS Endowment	10,000	-	12	-	-	-	10,012
Adjunct Faculty Endowment	15,000	-	1,213	-	-	-	16,213
Grainger Family Endowment	23,616	-	681	-	-	-	24,297
Grimm& Parker Endowment	-	-	14,762	-	-	-	14,762
J Patak Memorial Endowment	-	-	14,531	-	-	-	14,531
Nyce Scholarship Endowment	-	-	6,317	-	-	-	6,317
Bailey Memorial Nurse Endowment	-	-	14,762	-	-	-	14,762
HV Scotland, Jr/III Memorial Endowment	-	-	14,297	-	-	-	14,297
Total permanently restricted net assets	<u>3,417,863</u>	<u>-</u>	<u>87,429</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,505,292</u>
Total net assets	<u>\$ 9,006,558</u>	<u>\$ 1,152,952</u>	<u>\$ 536,248</u>	<u>\$ (344,416)</u>	<u>\$ (262,600)</u>	<u>\$ -</u>	<u>\$ 10,088,742</u>

COLLEGE OF SOUTHERN MARYLAND FOUNDATION, INC.
SCHEDULE OF INVESTMENTS
June 30, 2014

	Units	Cost Basis	Market Value	% Yield		Estimated Annual Income
				Cost	Market	
INVESTMENTS						
Bond funds						
Vanguard Total Bond	158,905	\$ 1,698,876	\$ 1,720,940	0.00%	0.00%	\$ -
Eaton Vance Floating Rate Notes	16,815	157,175	158,125	4.28%	4.25%	6,726
Nuveen Preferred Securities	11,462	194,093	201,725	6.20%	5.97%	12,035
		<u>2,050,143</u>	<u>2,080,790</u>	0.92%	0.90%	<u>18,761</u>
Equity funds						
MFS Value Fund	188,653	417,671	644,098	22.58%	14.64%	94,327
Schwab S&P 500 Index Fund	34,302	642,265	1,059,591	2.62%	1.59%	16,808
Harbor Capital Appreciation	10,867	378,140	643,527	0.49%	0.29%	1,847
Conestoga Small Cap	17,104	343,839	579,986	0.10%	0.06%	342
American Beacon International	16,840	264,406	366,782	2.74%	1.97%	7,241
Retun Global Strategy	17,649	192,218	197,143	0.00%	0.00%	-
Artisan International Fund	11,701	235,595	368,919	1.34%	0.86%	3,159
Harding Loevner Emerging Markets	3,383	156,475	177,716	0.00%	0.00%	-
Cohen & Steers Realty Shares	2,799	171,140	202,757	2.24%	1.89%	3,835
Credit Suisse Commodity	26,657	195,000	205,261	2.46%	2.34%	4,798
		<u>2,996,748</u>	<u>4,445,780</u>	4.42%	2.98%	<u>132,358</u>
Total investments		<u>\$ 5,046,892</u>	<u>\$ 6,526,570</u>	2.99%	2.32%	<u>\$ 151,119</u>