

**COLLEGE OF SOUTHERN MARYLAND FOUNDATION, INC.**  
**(A Component Unit of the College of Southern Maryland)**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTAL INFORMATION**

**YEARS ENDED JUNE 30, 2018 AND 2017**

**COLLEGE OF SOUTHERN MARYLAND FOUNDATION, INC.  
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## 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. (the Foundation) which comprise the statements of financial position as of June 30, 2018 and 2017, and the related statements of activities and cash flows for the years 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 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 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 Foundation as of June 30, 2018 and 2017 and the changes in its net assets 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.

*CliftonLarsonAllen LLP*

**CliftonLarsonAllen LLP**

Baltimore, Maryland  
September 18, 2018

**COLLEGE OF SOUTHERN MARYLAND FOUNDATION, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30, 2018 AND 2017**

	2018	2017
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 1,403,751	\$ 1,737,861
Investments	8,815,513	7,608,956
Beneficial Interest in Charitable Trusts	2,553,690	2,355,676
Pledges Receivable, Net	393,600	513,966
Total Assets	\$ 13,166,554	\$ 12,216,459
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Accounts Payable and Accrued Expenses	\$ 36,699	\$ 40,609
<b>NET ASSETS</b>		
Unrestricted		
Board-Designated	25,000	25,000
Undesignated	855,029	1,228,063
Total Unrestricted	880,029	1,253,063
Temporarily Restricted	6,480,844	5,902,229
Permanently Restricted	5,768,982	5,020,558
Total Net Assets	13,129,855	12,175,850
Total Liabilities and Net Assets	\$ 13,166,554	\$ 12,216,459

See accompanying Notes to Financial Statements.

**COLLEGE OF SOUTHERN MARYLAND FOUNDATION, INC.**  
**STATEMENTS OF ACTIVITIES**  
**YEARS ENDED JUNE 30, 2018 AND 2017**

	2018				2017			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
<b>SUPPORT AND REVENUE</b>								
Contributions	\$ 76,273	\$ 342,505	\$ 460,668	\$ 879,446	\$ 130,801	\$ 687,371	\$ 907,989	\$ 1,726,161
Investment Income	22,819	662,623	-	685,442	22,362	685,051	-	707,413
Donated Services and Facilities	314,615	-	-	314,615	292,515	-	-	292,515
In-Kind Contributions	61,223	9,491	-	70,714	16,537	31,385	-	47,922
Change in Value of Beneficial Interest in Charitable Trusts	-	198,014	-	198,014	-	164,632	-	164,632
Adjustment for Uncollectible Pledges	-	-	-	-	-	(9,740)	9,740	-
Net Assets Reclassified by Donor	(254,264)	(33,492)	287,756	-	-	-	-	-
Net Assets Released from Restrictions:								
Satisfaction of Program Restrictions	600,526	(600,526)	-	-	593,855	(593,855)	-	-
Total Support and Revenue	<u>821,192</u>	<u>578,615</u>	<u>748,424</u>	<u>2,148,231</u>	<u>1,056,070</u>	<u>964,844</u>	<u>917,729</u>	<u>2,938,643</u>
<b>EXPENSES</b>								
Program Services	627,031	-	-	627,031	714,740	-	-	714,740
General and Administrative	225,796	-	-	225,796	183,796	-	-	183,796
Fund Raising and Direct	341,399	-	-	341,399	275,924	-	-	275,924
Total Expenses	<u>1,194,226</u>	<u>-</u>	<u>-</u>	<u>1,194,226</u>	<u>1,174,460</u>	<u>-</u>	<u>-</u>	<u>1,174,460</u>
<b>CHANGE IN NET ASSETS</b>	(373,034)	578,615	748,424	954,005	(118,390)	964,844	917,729	1,764,183
Net Assets - Beginning of Year	<u>1,253,063</u>	<u>5,902,229</u>	<u>5,020,558</u>	<u>12,175,850</u>	<u>1,371,453</u>	<u>4,937,385</u>	<u>4,102,829</u>	<u>10,411,667</u>
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 880,029</u>	<u>\$ 6,480,844</u>	<u>\$ 5,768,982</u>	<u>\$ 13,129,855</u>	<u>\$ 1,253,063</u>	<u>\$ 5,902,229</u>	<u>\$ 5,020,558</u>	<u>\$ 12,175,850</u>

See accompanying Notes to Financial Statements.

**COLLEGE OF SOUTHERN MARYLAND FOUNDATION, INC.**  
**STATEMENTS OF CASH FLOWS**  
**YEARS ENDED JUNE 30, 2018 AND 2017**

	2018	2017
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ 954,005	\$ 1,764,183
Adjustments to Reconcile Change in Net Assets		
Change in Fair Value of Investments	(350,964)	(421,106)
Realized Gain on Sale of Investments	(12,765)	(18,415)
Change in Value of Beneficial Interest in Charitable Trusts	(198,014)	(164,632)
Permanently Restricted Contributions	(460,668)	(907,989)
Effects of Changes in Operating Assets and Liabilities:		
Charitable Remainder Contributions	-	(293,731)
Pledges Receivable	120,366	(18,162)
Accounts Payable and Accrued Expenses	(3,910)	(121,572)
Net Cash Provided (Used) by Operating Activities	48,050	(181,424)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of Investments	(1,836,417)	(725,976)
Proceeds of Sales of Investments	993,589	387,583
Net Cash Used by Investing Activities	(842,828)	(338,393)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Permanently Restricted Contributions	460,668	907,989
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(334,110)	388,172
Cash and Cash Equivalents - Beginning of Year	1,737,861	1,349,689
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	\$ 1,403,751	\$ 1,737,861
<b>SUPPLEMENTAL DISCLOSURE OF NONCASH TRANSACTIONS</b>		
Donated Goods and Services	\$ 385,329	\$ 340,437

See accompanying Notes to Financial Statements.

**COLLEGE OF SOUTHERN MARYLAND FOUNDATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018 AND 2017**

**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 Trusts**

The Foundation recognizes its beneficial interest in irrevocable charitable remainder trusts at estimated fair value, and classifies this interest in accordance with donor-imposed restrictions in the statement of financial position.

**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, 2018 AND 2017**

**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, 2018 and 2017. Any pledges deemed to be uncollectible are written off at the time of such determination. There was no allowance recorded as of June 30, 2018 and 2017.

**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 and include resources that have been designated for special use by the Board of Directors. 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**

In-kind contributions are reflected as contributions at fair value at the date of donation and are reported as unrestricted support unless specific donor stipulations specify how donated assets must be used.

**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 the recognition criteria was not. 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, 2018 AND 2017**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Scholarships**

Scholarships are expensed when approved by the Board of Directors.

**Reclassification of Prior Year Presentation**

Certain prior year amounts have been reclassified for consistency with the current year presentation. These reclassifications had no effect on net assets or 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, 2018 and 2017.

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 IRS. Management has evaluated the tax positions taken by the Foundation and concluded that as of June 30, 2018 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, 2018 and 2017, the Foundation's investments were in mutual funds summarized as follows:

Investment	2018		
	Cost	Fair Value	Unrealized Gain (Loss)
Mutual Funds			
Equity Funds	\$ 5,496,412	\$ 6,347,351	\$ 850,939
Fixed Income Funds	2,498,997	2,468,162	(30,835)
Total	<u>\$ 7,995,409</u>	<u>\$ 8,815,513</u>	<u>\$ 820,104</u>
Investment	2017		
	Cost	Fair Value	Unrealized Gain
Mutual Funds			
Equity Funds	\$ 5,057,507	\$ 5,503,624	\$ 446,117
Fixed Income Funds	2,095,074	2,105,332	10,258
Total	<u>\$ 7,152,581</u>	<u>\$ 7,608,956</u>	<u>\$ 456,375</u>

**COLLEGE OF SOUTHERN MARYLAND FOUNDATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018 AND 2017**

**NOTE 4 INVESTMENTS (CONTINUED)**

Investment income from these investments for the years ended June 30, 2018 and 2017 was as follows:

	2018	2017
Interest and Dividends	\$ 321,713	\$ 267,892
Realized Gain on Sale of Investments	12,765	18,415
	334,478	286,307
Unrealized Gain on Investments	350,964	421,106
Total	\$ 685,442	\$ 707,413

**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, 2018 AND 2017**

**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, 2018, 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 trusts:* The Foundation's interest in charitable trusts are 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 years ended June 30, 2018 and 2017. Based on the inputs the beneficial interest in charitable trusts are considered Level 3.

As of June 30, 2018 and 2017, assets measured at fair value on a recurring basis are summarized by level within the fair value hierarchy as follows:

2018	Level 1	Level 2	Level 3	Total Fair Value
Mutual Funds				
Equity Funds	\$ 6,347,351	\$ -	\$ -	\$ 6,347,351
Bond Funds	2,468,162	-	-	2,468,162
	<u>8,815,513</u>	-	-	<u>8,815,513</u>
Beneficial Interest in Charitable Trust	-	-	2,553,690	2,553,690
Total	<u>\$ 8,815,513</u>	<u>\$ -</u>	<u>\$ 2,553,690</u>	<u>\$ 11,369,203</u>

2017	Level 1	Level 2	Level 3	Total Fair Value
Mutual Funds				
Equity Funds	\$ 5,503,624	\$ -	\$ -	\$ 5,503,624
Bond Funds	2,105,332	-	-	2,105,332
	<u>7,608,956</u>	-	-	<u>7,608,956</u>
Beneficial Interest in Charitable Trust	-	-	2,355,676	2,355,676
Total	<u>\$ 7,608,956</u>	<u>\$ -</u>	<u>\$ 2,355,676</u>	<u>\$ 9,964,632</u>

**COLLEGE OF SOUTHERN MARYLAND FOUNDATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018 AND 2017**

**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 years ended June 30:

	<u>2018</u>	<u>2017</u>
Balance, July 1	\$ 2,355,676	\$ 1,906,969
Contributions	-	284,075
Change in Value of Benefit Interest in Charitable Trusts	198,014	164,632
Balance, June 30	<u>\$ 2,553,690</u>	<u>\$ 2,355,676</u>

**NOTE 6 PLEDGES RECEIVABLE**

Pledges receivable is composed of pledges for the following purposes:

	<u>2018</u>	<u>2017</u>
Scholarships	\$ 551,390	\$ 640,965
Ward Virts Piano Project	2,000	2,000
Trades and Technologies	14,000	19,000
Wellness	2,000	3,000
Insurance Funding	38,000	38,792
Undesignated	30,437	50,654
	<u>637,827</u>	<u>754,411</u>
Discount to Net Present Value	(244,227)	(240,445)
Total	<u>\$ 393,600</u>	<u>\$ 513,966</u>

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

<u>Year Ending June 30,</u>	<u>Amount</u>
2019	\$ 143,987
2020	80,840
2021	39,000
2022	14,000
2023	14,000
Thereafter	<u>346,000</u>
Total	637,827
Discount to Net Present Value	(244,227)
Total	<u>\$ 393,600</u>

Discount to net present value was computed using a risk free rate of return of 5%.

**COLLEGE OF SOUTHERN MARYLAND FOUNDATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018 AND 2017**

**NOTE 7 BENEFICIAL INTEREST IN CHARITABLE TRUSTS**

Beneficial interest in charitable trusts represents the present value of future distributions the Foundation expects to receive from its beneficial interest in two trusts. 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, 2018 and 2017 was 5%. Changes in the value of the beneficial interest in the trusts (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.

During fiscal year 2016 the Foundation was granted a charitable remainder trust. Under the trust agreement, the beneficiary is entitled to receive an amount equal to 5% of the net fair market value of the trust value until the recipient's death.

The following is the discounted net present value of the Foundation's beneficial interest in the charitable trusts:

	<u>2018</u>	<u>2017</u>
Value of Charitable Trusts	\$ 3,956,668	\$ 3,816,385
Discount to Net Present Value	(1,402,978)	(1,460,709)
Total	<u>\$ 2,553,690</u>	<u>\$ 2,355,676</u>

**NOTE 8 DONATED SERVICES AND FACILITIES**

During the years ended June 30, 2018 and 2017, the value of donated goods and services recognized in the accompanying Statements of Activities as both support and expenses was \$314,615 and \$292,515, respectively, and included the following:

	<u>2018</u>	<u>2017</u>
Salaries and Benefits	\$ 288,700	\$ 257,561
Conferences, Meetings, and Travel	13,787	14,029
Professional Services and Public Relations	6,171	11,180
Printing and Other	5,957	9,745
Total	<u>\$ 314,615</u>	<u>\$ 292,515</u>

**COLLEGE OF SOUTHERN MARYLAND FOUNDATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018 AND 2017**

**NOTE 9 PROGRAM EXPENSES**

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

	2018	2017
Athletics	\$ 36,128	\$ 56,357
Celebration of Arts	16,450	6,035
Children's Learning	-	9,716
Academic Programs	18,366	35,302
ISTEM	109,082	58,026
Nursing/Healthcare	-	21,171
Other	26,739	35,671
Scholarships	408,266	464,811
Trades & Technology	-	18,901
Ward Virts	12,000	8,750
Total	\$ 627,031	\$ 714,740

**NOTE 10 ENDOWMENTS**

The Foundation's endowments consist of approximately 60 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. The endowment consists of donor restricted endowment funds and board-designated endowments.

**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.

**COLLEGE OF SOUTHERN MARYLAND FOUNDATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018 AND 2017**

**NOTE 10 ENDOWMENTS (CONTINUED)**

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 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 \$167,150 and \$224,691) during the years ended June 30, 2018 and 2017:

	2018			
	Unrestricted (Board Designated)	Temporarily Restricted	Permanently Restricted	Total
Endowment Net Assets, Beginning	\$ 25,000	\$ 1,688,996	\$ 5,020,558	\$ 6,734,554
Contributions	-	-	460,668	460,668
Appropriation of Endowment Assets for Expenditures	-	(191,782)	-	(191,782)
Endowment Net Assets after Contributions and Expenditures	25,000	1,497,214	5,481,226	7,003,440
Investment Return:				
Investment Income	-	545,626	-	545,626
Endowment Net Assets after Investment Income	25,000	2,042,840	5,481,226	7,549,066
Other Changes:				
Redirection by Donor of Prior Gift	-	(33,492)	287,756	254,264
Endowment Net Assets, End of Year	<u>\$ 25,000</u>	<u>\$ 2,009,348</u>	<u>\$ 5,768,982</u>	<u>\$ 7,803,330</u>



**COLLEGE OF SOUTHERN MARYLAND FOUNDATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018 AND 2017**

**NOTE 10 ENDOWMENTS (CONTINUED)**

	2017			
	Unrestricted (Board Designated)	Temporarily Restricted	Permanently Restricted	Total
Endowment Net Assets, Beginning of Year	\$ 25,000	\$ 1,406,657	\$ 4,102,829	\$ 5,534,486
Contributions	-	-	907,989	907,989
Appropriation of Endowment Assets for Expenditures	-	(250,044)	-	(250,044)
Endowment Net Assets After Contributions and Expenditures	25,000	1,156,613	5,010,818	6,192,431
Investment Return:				
Investment Income	-	542,123	-	542,123
Endowment Net Assets After Investment Income	25,000	1,698,736	5,010,818	6,734,554
Other Changes:				
Redirection by Donor of Prior Gift	-	(9,740)	9,740	-
Endowment Net Assets, End of Year	<u>\$ 25,000</u>	<u>\$ 1,688,996</u>	<u>\$ 5,020,558</u>	<u>\$ 6,734,554</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 should be reported in unrestricted net assets. There were no deficiencies at June 30, 2018 and 2017.

**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 November 2015, the Board of Directors specifies that endowment assets are invested in a manner that is intended to produce results that exceed the return of two weighted indices comprised of either 65% Wilshire 500 total market index and 35% Barclay Capital Aggregate Bond Index, or 65% S&P Global Market Index and 35% Barclays Capital Global Aggregate Index, 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, 2018 AND 2017**

**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 twenty quarters' average market value of its endowment funds. 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:

	2018	2017
<b>Unrestricted:</b>		
Undesignated	\$ 855,029	\$ 1,228,063
Board Designated for Scholarships	25,000	25,000
Total Unrestricted	880,029	1,253,063
<b>Temporarily Restricted Net Assets:</b>		
Academic programs	187,755	281,815
Childcare Center	553,830	508,757
Endowed Scholarships	1,996,918	1,663,475
Indian Head NRC Velocity Center Research Program	93,058	61,305
Institutional Support	21,519	19,883
Public Service	48,106	47,125
Scholarships	1,310,177	1,237,569
Student Support	5,911	17,213
Beneficial Interests in Charitable Trusts	2,263,570	2,065,087
Total Temporarily Restricted	6,480,844	5,902,229
<b>Permanently Restricted Net Assets:</b>		
Endowed Scholarships	4,839,220	4,636,561
Indian Head NRC Velocity Center Research Program	734,762	228,997
Program Support	195,000	155,000
Total Permanently Restricted	5,768,982	5,020,558
Total	\$ 13,129,855	\$ 12,175,850

**COLLEGE OF SOUTHERN MARYLAND FOUNDATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018 AND 2017**

**NOTE 11 NET ASSET RESTRICTIONS (CONTINUED)**

Temporarily restricted net assets released from restrictions were as follows:

	2018	2017
Scholarships	\$ 398,306	\$ 462,311
Program Support	202,220	131,544
Total	<u>\$ 600,526</u>	<u>\$ 593,855</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, 2018 and 2017 by natural classification:

	2018	2017
Salary, Wages, and Benefits	\$ 288,700	\$ 265,817
Supplies and Materials	26,242	21,746
Contracted Services	69,689	131,544
Conferences and Meetings	141,591	139,330
Insurance, Interest, Licenses and Fees	-	1,093
Scholarships	408,266	464,811
Other	259,738	150,119
Total	<u>\$ 1,194,226</u>	<u>\$ 1,174,460</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 \$314,615 and \$292,515 in 2018 and 2017, respectively. These donations are reflected in the financial statements as both support revenue and expense.

The Foundation paid the College \$660,058 and \$636,749 in 2018 and 2017, respectively, for scholarships and other contributions. As of June 30, 2018 and 2017 the Foundation's accounts payable balance includes \$36,702 and \$40,609 due to the College for funds advanced by the College on their behalf, respectively.

**COLLEGE OF SOUTHERN MARYLAND FOUNDATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018 AND 2017**

**NOTE 14 SUBSEQUENT EVENTS**

The Foundation has evaluated subsequent events through September 18, 2018, the date the financial statements were available to be issued. Events or transactions occurring after June 30, 2018, but prior to September 18, 2018 that provided additional evidence about conditions that existed at June 30, 2018 have been recognized in the financial statements for the year ended June 30, 2018. Events or transactions that provided evidence about conditions that did not exist at June 30, 2018 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, 2018.

**COLLEGE OF SOUTHERN MARYLAND FOUNDATION, INC.**  
**SCHEDULE OF CHANGES IN NET ASSETS**  
**YEAR ENDED JUNE 30, 2018**

	Net Assets June 30, 2017	Investment Income	Contributions	Scholarship Awards	Other (Deductions)	Other Adjustments	Net Assets June 30, 2018
<b>UNRESTRICTED NET ASSETS</b>							
Undesignated							
Undesignated gifts and bequests	\$ 1,127,109	\$ 19,728	\$ 76,112	\$ (51,388)	\$ (149,973)	\$ (254,264)	\$ 767,324
Special Events	81,656	1,978	59,104	-	(69,635)	-	73,103
Student Services	865	-	1,920	-	-	-	2,785
Technology Acct - State Matching Funds	7,706	383	-	-	(8,089)	-	-
Jaycees Educational Assistance Program	3,261	283	-	-	-	-	3,544
Library Memorial	7,466	447	360	-	-	-	8,273
Total Undesignated	1,228,063	22,819	137,496	(51,388)	(227,697)	(254,264)	855,029
Board Designated							
R. Fisher Endowment Fund	25,000	-	-	-	-	-	25,000
Total Unrestricted Net Assets	1,253,063	22,819	137,496	(51,388)	(227,697)	(254,264)	880,029
<b>TEMPORARILY RESTRICTED NET ASSETS</b>							
Undesignated - Hassanein Charitable Trust	2,065,186	188,891	9,491	-	-	-	2,263,568
A Suttan Memorial Scholarship	-	(33)	1,851	-	-	-	1,818
ADF Bingo - Kids College	8,173	-	5,000	(6,885)	-	-	6,288
Adjunct Faculty Endowment	4,248	3,269	-	(1,400)	-	-	6,117
Adjunct Faculty Merit	871	-	775	(1,000)	424	-	1,070
Adjunct Faculty Need	401	3	20	-	(424)	-	-
Albert L. Edler, Jr. Memorial	2,247	2,479	-	(640)	-	-	4,086
Alumni Scholarship	3,221	49	805	(1,000)	-	-	3,075
APA & SAL Scholarship	1,375	2	-	(500)	-	-	877
Arc Southern MD Media Scholarship	501	1	-	-	-	-	502
AVSI Scholarship Fund	-	14	3,750	(3,750)	-	-	14
B Wheatley Memorial Endowment	919	1,384	-	-	-	-	2,303
Bailey Memorial Nurse Endowment	3,404	2,941	-	(750)	-	-	5,595
Beers Scholarship Fund	96,341	29,839	-	(14,250)	-	-	111,930
Besche Family Scholarship	20,000	260	-	(7,000)	-	-	13,260
Bill Montgomery Memorial Scholarship	392	38	231	-	-	-	661
Bill Wood Memorial Scholarship	30,719	2,657	85	-	-	-	33,461
BN Guerrieri Memorial Scholarship	-	-	1,300	(1,300)	-	-	-
Boone & Edelen Scholarship	3,510	7	75	-	-	-	3,592

**COLLEGE OF SOUTHERN MARYLAND FOUNDATION, INC.**  
**SCHEDULE OF CHANGES IN NET ASSETS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2018**

	Net Assets June 30, 2017	Investment Income	Contributions	Scholarship Awards	Other (Deductions)	Other Adjustments	Net Assets June 30, 2018
<b>TEMPORARILY RESTRICTED NET ASSETS (Continued)</b>							
Brad & Linda Gottfried Scholarship	\$ 1,945	\$ 160	\$ -	\$ (1,000)	\$ -	\$ -	\$ 1,105
Bradley Gottfried Endowment	6,006	2,218	-	(690)	-	-	7,534
Building Futures Scholarship	85,270	4,856	5,887	(9,301)	-	-	86,712
C&M McAllister Endowment Fund	16,544	4,302	-	(2,000)	-	-	18,846
Calvert County 350th Anniversary Endowment	5,818	1,634	-	-	-	-	7,452
Calvert County Chamber Endowment	547	2,288	-	(1,350)	43	-	1,528
Calvert County Chamber Scholarship	43	-	-	-	(43)	-	-
Captain B Robertson Endowment	3,836	2,154	-	(890)	-	-	5,100
Castles and Foundations Fund	17,476	5,863	-	(1,537)	-	-	21,802
Celebration of the Arts	45,480	3,528	10,086	(6,487)	(16,450)	-	36,157
Chaney Endowment	32,579	19,662	-	(5,000)	-	-	47,241
Chaney Workforce Development	-	99	5,000	-	-	-	5,099
Charles County Chamber Commerce	1,500	4	1,000	(500)	-	-	2,004
Charles County Women's Club	750	-	-	(750)	-	-	-
Charles Nurse/Health Scholarship	9,900	9	-	(6,580)	-	-	3,329
Christopher Chinault Scholarship	22,335	6,192	-	(4,500)	-	-	24,027
Civista Medical Center	6,841	1,462	-	-	-	-	8,303
CK Walsh Memorial Scholarship	13,706	711	2,581	(1,200)	-	-	15,798
CLC Scholarship Fund	758	341	2,000	-	-	-	3,099
Coldwell Banker J Lilly-CTIT	3,765	369	1,249	(480)	-	-	4,903
Community Bank of the Chesapeake Annual	21,867	-	1,285	(4,872)	-	-	18,280
Community Bank of the Chesapeake Endowment	1,726	2,783	-	-	-	-	4,509
Connie Kite Memorial Scholarship	3,911	120	1,467	(1,500)	-	-	3,998
Constellation Energy (formerly NET Annual Scholarship)	55,659	13,515	-	-	-	-	69,174
CR Posten Memorial Fund	1,466	145	-	(1,000)	-	-	611
CSF Scholarship Fund	4,040	8	1,675	(1,500)	-	-	4,223
CSM Children's Center	508,757	43,834	1,239	-	-	-	553,830
D Fredette Memorial Endowment	-	223	-	-	-	-	223
D Fredette Memorial Scholarship	20,150	543	3,971	(1,000)	-	(20,000)	3,664
Darrow Memorial Scholarship	2,600	2	-	(1,500)	-	-	1,102

**COLLEGE OF SOUTHERN MARYLAND FOUNDATION, INC.**  
**SCHEDULE OF CHANGES IN NET ASSETS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2018**

	Net Assets June 30, 2017	Investment Income	Contributions	Scholarship Awards	Other (Deductions)	Other Adjustments	Net Assets June 30, 2018
<b>TEMPORARILY RESTRICTED NET ASSETS (Continued)</b>							
DL Smith Memorial Art Scholarship	\$ 9,427	\$ 169	\$ 1,539	\$ (2,500)	\$ -	\$ -	\$ 8,635
Dr. Elvear B Johnson Scholarship	500	-	-	(500)	-	-	-
Dr. Nallan Ramakrishna Scholarship	17,269	11,371	-	(2,300)	-	-	26,340
Dr. Richard Fleming Scholarship	-	20	1,850	-	-	-	1,870
E Lilly Memorial Nursing	2,191	41	1,167	(1,000)	-	-	2,399
Ed Matthews, Jr Endowment Fund	10,181	2,674	-	(1,300)	-	-	11,555
Educational Excellence Fund	54,775	4,474	-	(2,000)	(12,050)	-	45,199
Elaine Ryan Legacy Fund	39,027	3,379	25	-	-	-	42,431
Endowed Scholarship Fund	45,828	13,215	-	-	-	-	59,043
Entrepreneur & Innovation Institute	61,305	31,753	-	-	-	-	93,058
ESFCU Scholarship/Faculty	2,501	-	3,000	(5,501)	-	-	-
Fanny Louise Sullivan Sine Henderson Scholarship	1,987	119	-	(1,000)	-	-	1,106
FB Trueman Scholarship Calvert County	17,917	918	10,000	(15,500)	-	-	13,335
Franklin Endowed Scholarship	-	117	-	-	-	-	117
Gambrill Scholarship Fund	2,844	5	-	-	-	-	2,849
Gary Merrill	1,592	312	-	-	-	-	1,904
General Scholarship Fund	226,069	3,567	50,946	(16,180)	(1,466)	-	262,936
Grainger Family Endowment	3,407	2,122	-	(500)	-	-	5,029
Grimm & Parker Endowment	2,731	1,564	-	-	-	-	4,295
H Willoughby Foundation Scholarship	6,238	129	-	-	-	-	6,367
Harland R. & Lulu R. Cravat Memorial Scholarship	59,031	5,125	-	-	-	-	64,156
Health Sciences Scholarship	21,400	2,337	-	(9,522)	-	-	14,215
Helen and Henry Lawlor Scholarship	17,257	3,504	-	(1,800)	-	-	18,961
Helen J. Todd Scholarship	60,250	1,497	20,000	(5,500)	-	-	76,247
Hempstead Family Scholarship	8,782	41	801	(2,000)	-	-	7,624
Holt Memorial Nursing Scholarship	1,987	2	13	(500)	-	-	1,502
HV Scotland, Jr/III Memorial Endowment	1,928	1,706	-	-	-	-	3,634
ISSWDC	1,000	2	1,000	(1,000)	-	-	1,002
ISTEM	173,387	14,294	21,512	-	(109,082)	-	100,111
Ives Freedom Scholarship Fund	1,573	-	-	(1,573)	-	-	-
J Patak Memorial Annual Scholarship	561	49	-	-	-	-	610

**COLLEGE OF SOUTHERN MARYLAND FOUNDATION, INC.**  
**SCHEDULE OF CHANGES IN NET ASSETS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2018**

	Net Assets June 30, 2017	Investment Income	Contributions	Scholarship Awards	Other (Deductions)	Other Adjustments	Net Assets June 30, 2018
<b>TEMPORARILY RESTRICTED NET ASSETS (Continued)</b>							
J Zanelotti, Sr Memorial Scholarship	\$ 6,415	\$ 13	\$ 1,978	\$ (1,000)	\$ -	\$ -	\$ 7,406
J&M Harms Endowed Scholarship	33,610	45,746	-	(4,500)	-	-	74,856
J. Ivey Cline Memorial Scholarship	6,187	1,807	-	(1,305)	-	-	6,689
J. Morton Memorial Scholarship	3,464	58	25	(1,305)	-	-	2,242
J. Rice & M. Fauth Memorial	36,103	7,857	-	(1,849)	-	-	42,111
Jack L Sprague Scholarship	500	2	1,100	(500)	-	-	1,102
James C. Mitchell Nursing Scholarship	34,105	4,629	-	(3,500)	-	-	35,234
Jane H. Sypher Scholarship	10,108	219	3,270	(2,000)	-	-	11,597
JF Raley, Jr. STEM Scholarship	7,343	365	-	-	(7,707)	-	1
JL & WCS Charity Endowment	3,153	1,574	-	(500)	-	-	4,227
Joanne Zwick Memorial Scholarship	2,388	1,066	-	(500)	-	-	2,954
John Sine Memorial Endowment	-	266	-	-	-	-	266
Jude House Rec Scholarship	-	86	5,500	-	-	-	5,586
Kavetsky Family Endowment	2,049	786	-	-	-	-	2,835
DM Krankowski Memorial	500	-	1,000	(500)	-	-	1,000
DM Krankowski Memorial Endowment	314	278	-	-	-	-	592
L. K. Farrall II Endowment Fund	18,565	5,703	-	(1,450)	-	-	22,818
LaPlata Rotary Energy/Trades Scholarship	26,197	-	(351)	-	-	-	25,846
Leonardtown Rotary Heroes Scholarship	-	17	1,000	-	-	-	1,017
Leonardtown SA Kickoff Scholarship	1,109	83	-	(500)	-	(692)	-
Leonardtown SGA Endowment Fund	10,885	2,168	-	-	-	-	13,053
Lilly Memorial Endowment Scholarship	2,152	1,491	-	-	-	-	3,643
Louis P. Jenkins, Sr. Endowment Fund	21,163	7,110	-	(1,200)	-	-	27,073
Lucy Detig Endowed Scholarship	7,026	3,171	-	(2,350)	-	-	7,847
M Dale Family Endowment	-	334	-	-	-	-	334
M Shasho Memorial Endowment	-	133	-	-	-	-	133
M Shasho Memorial Scholarship	11,013	921	-	(2,000)	-	-	9,934
Marguerite Cox Family Memorial	14,163	5,591	-	(1,050)	-	-	18,704
Marrick Properties	69,838	15,166	-	(6,166)	-	-	78,838
Mary Boyd Memorial Nurse Scholarship	-	32	1,395	(1,000)	-	-	427



**COLLEGE OF SOUTHERN MARYLAND FOUNDATION, INC.**  
**SCHEDULE OF CHANGES IN NET ASSETS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2018**

	Net Assets June 30, 2017	Investment Income	Contributions	Scholarship Awards	Other (Deductions)	Other Adjustments	Net Assets June 30, 2018
<b>TEMPORARILY RESTRICTED NET ASSETS (Continued)</b>							
Matthew W. Hancock Memorial Scholarship	\$ 568	\$ 49	\$ -	\$ -	\$ -	\$ -	\$ 617
McDonough Charity School	109,617	30,536	-	(7,500)	-	-	132,653
McDonough Foundation Annual Scholarship	11,296	767	-	(6,000)	-	-	6,063
McNelis Family Scholarship	21	68	1,000	-	-	-	1,089
McWilliams Family Trust	8,191	2,999	-	(1,125)	-	-	10,065
MD Motor Truck Association Scholarship	5,119	10	-	(1,930)	-	-	3,199
Mercantile Southern Maryland Bank	938	96	-	(1,034)	-	-	-
Michael A Weaver Jr Scholarship	-	46	1,000	-	-	-	1,046
Middleton Nurse Scholarship	11,968	269	4,732	(5,000)	-	-	11,969
Montgomery Endowment Scholarship	2,017	1,813	-	-	-	-	3,830
Neale C Slater Memorial Scholarship	16,043	6,975	-	(2,600)	-	-	20,418
NET Annual Scholarship	37,564	3,261	-	-	-	-	40,825
NRL Federal Credit Union Scholarship	-	-	2,000	(2,000)	-	-	-
Nu Zeta Omega Scholarship	2,396	3	-	(600)	-	-	1,799
Nursing & Healthcare	50,010	4,394	11,325	(6,991)	-	-	58,738
Nyce Annual Scholarship	7,492	471	1,789	(2,400)	-	-	7,352
Nyce Scholarship Endowment	1,727	1,632	-	-	-	-	3,359
O Stinson Memorial Engineering	2,961	155	46	(500)	7,707	-	10,369
Old Line Bank Step-Up Annual Scholarship	88,947	112	(5,534)	(5,500)	-	-	78,025
Our Earth Endowment	6,274	1,785	-	(500)	-	-	7,559
P Cangelosi Memorial Scholarship	1,666	2,395	-	(1,125)	-	-	2,936
P Facchina, Jr Scholarship	1,000	3	1,000	(500)	-	-	1,503
PE Wellness Center	17,213	-	24,826	-	(36,128)	-	5,911
Presidential Scholarship Program	17,124	49	26,000	(17,124)	-	-	26,049
Prince Frederick Student Association Scholarship	20,059	1,722	-	(1,000)	-	-	20,781
R. Fisher Endowment Fund	24,108	4,264	-	-	-	-	28,372
Renee Mundy Math Endowment	4,177	1,300	-	(670)	-	-	4,807

**COLLEGE OF SOUTHERN MARYLAND FOUNDATION, INC.**  
**SCHEDULE OF CHANGES IN NET ASSETS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2018**

	Net Assets June 30, 2017	Investment Income	Contributions	Scholarship Awards	Other (Deductions)	Other Adjustments	Net Assets June 30, 2018
<b>TEMPORARILY RESTRICTED NET ASSETS (Continued)</b>							
RK Sisters at Heart Scholarship	\$ 12,592	\$ 517	\$ 6,060	\$ (1,500)	\$ -	\$ (16,064)	\$ 1,605
Robert W Straus Trust	35,627	3,093	-	-	-	-	38,720
Russel G. Croft	62,413	15,124	-	(5,010)	-	-	72,527
Ruth Mathes Scholarship	1,250	2	2,500	(2,500)	-	-	1,252
S Behmke Legacy Fund	14,241	286	315	(1,000)	-	-	13,842
SA @ La Plata Kickoff Scholarship	-	10	500	(500)	-	-	10
SA Matin Scholarship Endowment	-	1,114	-	-	-	-	1,114
Salta Family/Direct Mail Scholarship	-	531	15,000	-	-	-	15,531
SBA Scholarship Fund	-	-	1,010	(1,000)	-	-	10
Schwier & LaFleur Scholarship	9,000	16	3,000	(3,750)	-	-	8,266
SGA-SHS Annual Fund	828	-	480	(1,308)	-	-	-
SGA-SHS Endowment	3,223	1,581	-	(427)	-	-	4,377
Shani J Whipple Scholarship	11,016	1,431	-	(350)	-	-	12,097
Sidney Waugh Memorial Scholarship	2,720	107	2,570	(500)	-	-	4,897
SMECO Administrative Professional Scholarship	-	36	1,210	-	-	-	1,246
SMECO Administrative Professional Scholarship	-	14	1,805	-	-	-	1,819
SMECO Engineers Endowment	6,738	5,361	-	(1,300)	-	-	10,799
SMECO Pre-Apprentice Scholarship	-	44	-	(2,052)	-	4,264	2,256
SMWL Scholarship Fund	10,031	20	3,900	(3,000)	-	-	10,951
Southern Maryland Studies Center Fund	36,713	2,004	740	-	-	-	39,457
St. Mary's County Scholarship Annual	-	(506)	25,000	(23,000)	-	-	1,494
St. Mary's County Scholarship Endowment Fund	42,349	8,924	-	(3,412)	-	-	47,861
St. Mary's SARC Scholarship	5,000	9	-	-	-	-	5,009
Technology @ La Plata	1,794	156	-	-	-	-	1,950
Technology @ Leonardtown	15,809	1,232	48	-	-	-	17,089
Technology @ Prince Frederick	2,280	201	-	-	-	-	2,481

**COLLEGE OF SOUTHERN MARYLAND FOUNDATION, INC.**  
**SCHEDULE OF CHANGES IN NET ASSETS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2018**

	Net Assets June 30, 2017	Investment Income	Contributions	Scholarship Awards	Other (Deductions)	Other Adjustments	Net Assets June 30, 2018
<b>TEMPORARILY RESTRICTED NET ASSETS</b> (Continued)							
TJ Murray Memorial Scholarship	\$ 1,500	\$ 4	\$ -	\$ (500)	\$ 1,000	\$ -	\$ 2,004
TLLOPP Fraternity Scholarship	1,000	-	-	-	-	(1,000)	-
Tony Hungerford Memorial Endowment Fund	27,683	7,518	-	(3,237)	-	-	31,964
Toribio Career Starters	1,000	-	-	-	-	-	1,000
TPP Pathways Scholarship	-	111	10,000	-	-	-	10,111
Trades & Technologies	84,836	5,597	4,821	(570)	(2,325)	-	92,359
Travel Studies Endowment	1,736	1,531	-	-	-	-	3,267
Travel Studies Scholarship	2,878	32	-	(730)	-	-	2,180
Tri County 40/8 Nurse Scholarship	2,519	5	800	(800)	-	-	2,524
Veterans Education Endowment Fund	78,163	10,158	-	(4,800)	-	-	83,521
W. Martinez Jr. Memorial Scholarship	2,276	4	1,500	(1,500)	-	-	2,280
Walter Grove II Endowment Fund	30,331	9,855	-	(4,800)	-	-	35,386
Ward Virts Piano Project	10,412	61	10,176	-	(12,000)	-	8,649
WCCCA Scholarship	1,400	3	20	-	-	-	1,423
We Salute Our Troops - Desert Storm Scholarship	533	312	-	-	-	-	845
William D Bauer Memorial Endowment	13,108	1,125	-	(1,000)	-	-	13,233
William Lyon Endowment Fund	10,668	2,605	-	-	-	-	13,273
Wm. B. and Vivian M. King Endowment Fund	560,629	144,044	-	(74,417)	-	-	630,256
Women in Transition	-	-	500	(500)	-	-	-
Woodey Theatre Scholarship	1,261	2	561	(500)	-	-	1,324
Wyvill Teacher Ed Endowment Scholarship	2,685	1,881	-	(1,000)	-	-	3,566
Ziencik-Hess Memorial Scholarship	1,467	4	1,058	(500)	-	-	2,029
Zonta RAVE Walk Scholarship	255	116	2,545	(2,000)	-	-	916
Total Temporarily Restricted Net Assets	5,902,229	860,637	351,996	(412,025)	(188,501)	(33,492)	6,480,844

**COLLEGE OF SOUTHERN MARYLAND FOUNDATION, INC.**  
**SCHEDULE OF CHANGES IN NET ASSETS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2018**

	Net Assets June 30, 2017	Investment Income	Contributions	Scholarship Awards	Other (Deductions)	Other Adjustments	Net Assets June 30, 2018
<b>PERMANENTLY RESTRICTED NET ASSETS</b>							
Adjunct Faculty Endowment	\$ 33,713	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 33,713
Albert L. Edler, Jr Memorial	26,450	-	-	-	-	-	26,450
B Wheatley Memorial Endowment	15,017	-	-	-	-	-	15,017
Bailey Memorial Nurse Endowment	39,843	-	157	-	-	-	40,000
Beers Scholarship Fund	250,291	-	-	-	-	-	250,291
Bradley Gottfried Endowment	66,887	-	-	-	-	-	66,887
C&M McAllister Endowment Fund	33,265	-	-	-	-	-	33,265
Calvert County 350th Anniversary Endowment	13,000	-	-	-	-	-	13,000
Calvert County Chamber Endowment	25,585	-	1,500	-	-	-	27,085
Captain B Robertson Endowment	21,170	-	-	-	-	-	21,170
Castles and Foundations Fund	50,393	-	-	-	-	-	50,393
Chaney Endowment	195,000	-	-	-	-	-	195,000
Christopher Chinault Scholarship	50,000	-	-	-	-	-	50,000
Civista Medical Center	10,000	-	-	-	-	-	10,000
Community Bank of the Chesapeake Endowment	73,461	-	1,539	-	-	-	75,000
Constellation Energy	100,000	-	-	-	-	-	100,000
D Fredette Memorial Endowment	-	-	-	-	-	20,000	20,000
Dr. Nallan Ramakrishna Scholarship	114,100	-	-	-	-	-	114,100

**COLLEGE OF SOUTHERN MARYLAND FOUNDATION, INC.**  
**SCHEDULE OF CHANGES IN NET ASSETS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2018**

	Net Assets June 30, 2017	Investment Income	Contributions	Scholarship Awards	Other (Deductions)	Other Adjustments	Net Assets June 30, 2018
<b>PERMANENTLY RESTRICTED NET ASSETS (Continued)</b>							
Endowed Scholarship Fund	\$ 106,157	\$ -	\$ 575	\$ -	\$ -	\$ -	\$ 106,732
Entrepreneur & Innovation Institute	228,997	-	255,765	-	-	250,000	734,762
Franklin Endowed Scholarship	-	-	15,000	-	-	-	15,000
Gary Merrill	2,000	-	-	-	-	-	2,000
Grainger Family Endowment	24,948	-	52	-	-	-	25,000
Grimm & Parker Endowment	15,000	-	1,250	-	-	-	16,250
Helen and Henry Lawlor Scholarship	23,500	-	-	-	-	-	23,500
HV Scotland, Jr/III Memorial Endowment	17,717	-	-	-	-	-	17,717
J Patak Memorial Endowment	15,243	-	-	-	-	-	15,243
J Rice & M Fauth Memorial	54,707	-	-	-	-	-	54,707
J&M Harms Endowed Scholarship	791,662	-	-	-	(2,530)	-	789,132
J. Ivey Cline Scholarship	14,708	-	-	-	-	-	14,708
James C. Mitchell Nursing Scholarship	20,000	-	-	-	-	-	20,000
JL & WCS Charity Endowment	15,000	-	-	-	-	1,000	16,000
Joanne Zwick Memorial Scholarship	10,000	-	-	-	-	-	10,000
John Sine Memorial Endowment	-	-	15,100	-	-	-	15,100
Kavetsky Family Endowment	7,000	-	-	-	-	-	7,000
DM Krankowski Memorial Endowment	2,885	-	500	-	-	-	3,385
L. K. Farrall II Endowment Fund	47,448	-	-	-	-	-	47,448
Leonardtwn SGA Endowment Fund	14,000	-	-	-	-	692	14,692
Lilly Memorial Endowment Scholarship	15,025	-	-	-	-	-	15,025
Louis P Jenkins, Sr Endowment Fund	61,000	-	-	-	-	-	61,000

**COLLEGE OF SOUTHERN MARYLAND FOUNDATION, INC.**  
**SCHEDULE OF CHANGES IN NET ASSETS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2018**

	Net Assets June 30, 2017	Investment Income	Contributions	Scholarship Awards	Other (Deductions)	Other Adjustments	Net Assets June 30, 2018
<b>PERMANENTLY RESTRICTED NET ASSETS</b> (Continued)							
M Dale Family Endowment	\$ -	\$ -	\$ 30,000	\$ -	\$ -	\$ -	\$ 30,000
M Shasho Memorial Endowment	14,688	-	2,022	-	-	-	16,710
Marguerite Cox Family Memorial	53,298	-	2,883	-	-	-	56,181
Marrick Properties	103,870	-	-	-	-	-	103,870
Mary Croft Ward Scholarship	3,063	-	-	-	-	-	3,063
McDonough Charity School	243,722	-	-	-	-	-	243,722
McWilliams Family Trust	26,457	-	700	-	-	-	27,157
Montgomery Endowment Scholarship	15,448	-	15,175	-	-	-	30,623
Neale C Slater Memorial Scholarship	100,011	-	5,000	-	-	-	105,011
Nyce Scholarship Endowment	16,757	-	1,380	-	-	-	18,137
Our Earth Endowment	14,400	-	-	-	-	-	14,400
P Cangelosi Memorial Scholarship	24,607	-	6,667	-	-	-	31,274
Renee Mundy Math Endowment	10,949	-	-	-	-	-	10,949
RK Sisters at Heart Endowment	-	-	-	-	-	16,064	16,064
Russel G. Croft	112,552	-	200	-	-	-	112,752
SA Matin Scholarship Endowment	-	-	100,000	-	-	-	100,000
SGA-SHS Endowment	15,026	-	59	-	-	-	15,085
Shani J Whipple Scholarship	5,547	-	-	-	-	-	5,547
SMECO Engineers Endowment	97,465	-	(233)	-	-	-	97,232
St. Mary's County Scholarship Endowment Fund	50,100	-	-	-	-	-	50,100
Thomas F. Goldsmith Fund	60,000	-	-	-	-	-	60,000
Tony Hungerford Memorial Endowment Fund	59,633	-	-	-	-	-	59,633
Travel Studies Endowment	15,276	-	6,084	-	-	-	21,360
Veterans Education Endowment Fund	39,911	-	-	-	-	-	39,911
Walter Grove II Endowment Fund	83,940	-	1,723	-	-	-	85,663
We Salute Our Troops - Desert Storm Scholarship	3,063	-	-	-	-	-	3,063
William Lyon Endowment Fund	19,336	-	-	-	-	-	19,336
Wm. B. and Vivian M. King Endowment Fund	1,156,149	-	-	-	-	-	1,156,149
Wyvill Teacher Ed Endowment Scholarship	19,210	-	-	-	-	-	19,210
Total Permanently Restricted Net Assets	5,020,558	-	463,198	-	(2,530)	287,756	5,768,982
Total Net Assets	\$ 12,175,850	\$ 883,456	\$ 952,690	\$ (463,413)	\$ (418,728)	\$ -	\$ 13,129,855

**COLLEGE OF SOUTHERN MARYLAND FOUNDATION, INC.**  
**SCHEDULE OF INVESTMENTS**  
**JUNE 30, 2018**

	Units	Cost Basis	Market Value	% Yield		Estimated Income	Symbol
				Cost	Market		
<b>INVESTMENTS</b>							
Fixed income funds							
DODGE & COX FUNDS INCOME FUND	33,778	\$ 457,822	\$ 451,610	2.04	2.06	\$ 9,321	DODFX
PIMCO LOW DURATION FD INSTL	65,238	641,181	634,767	1.78	1.80	11,414	PTLDX
PIMCO TOTAL RET FD INSTL	42,424	434,834	422,964	2.49	2.56	10,837	PTTRX
PIMCO FOREIGN BD FD INSTL (HEDGED)	16,631	231,387	236,199	1.86	1.82	4,309	PFORX
T ROWE PRICE INSTL INTL BOND FUND	24,380	226,908	213,811	1.83	1.95	4,160	RPISX
VANGUARD INFLATION-PROTECT SEC ADMIRAL	20,873	506,865	508,811	3.16	3.15	16,002	VAIPX
		<u>2,498,997</u>	<u>2,468,162</u>	2.24	2.27	<u>56,043</u>	
Equity Funds							
AMERFUNDS AMCAP F3 CL	8,147	228,547	271,716	0.00	0.00	1,583	FMACX
AMER FUNDS EUROPACIFIC GRWTH	4,091	198,004	219,092	1.76	1.59	2,181	FEUPX
AMER FUNDS WA MUTUAL FD CL F3	12,187	501,239	540,232	0.00	0.00	10,784	FWMIX
DFA INTL REAL ESTATE SEC PTF	55,839	283,155	287,008	1.37	1.35	12,261	DFITX
DFA US MICRO CAP FD	5,921	116,525	139,974	0.72	0.60	861	DFSCX
DFA INT'L SML PTF	5,241	93,139	108,593	1.51	1.29	2,225	DFISX
DFA INT'L SM CAP VAL PORT	3,326	73,500	72,074	1.91	1.95	544	DFSVX
DFA US SMALL CAP VALUE PORT	3,921	134,361	156,131	6.21	5.34	3,200	DFISX
DFA US LARGE CAP VALUE PORT	14,159	478,965	537,742	1.74	1.55	9,406	DFLVX
DODGE & COX FUNDS INTL STK FD	5,293	211,603	227,655	1.84	1.71	4,698	DODFX
T ROWE PRICE INTL VALUE EQUITY	13,206	170,863	188,846	0.00	0.00	4,487	TRTIX
T ROWE PRICE NEW ERA 1	4,300	140,205	159,300	0.00	0.00	3,123	TRNEX
T ROWE PRICE INSTL LRG CAP GRTH	4,937	150,890	204,196	0.00	0.00	389	TRLGX
VANGUARD PREC MTLN & MNNG FD	8,043	78,026	77,936	2.91	2.91	2,707	RPISX
VANGUARD ENERGY FUND ADMIRAL	3,800	343,880	406,830	1.33	1.13	12,254	VGELX
VANGUARD REIT INDEX ADMIRAL	6,430	701,804	741,729	3.26	3.08	19,285	VGSLX
VANGUARD INTRNL GROWTH ADM	2,213	153,457	220,240	2.26	1.57	1,786	VWILX
VANGUARD SMALL CAP VAL INDX ADM	5,146	231,630	300,109	2.36	1.82	5,384	VSIAX
VANGUARD SM CAP GRTH INDX ADM.	2,286	100,919	141,285	1.31	0.94	921	VSGAX
VANGUARD INTRNTL VALUE FUND	5,679	189,272	217,860	2.89	2.51	4,202	VTRIX
VANGUARD GROWTH INDEX ADM	3,493	197,483	269,392	1.15	0.84	2,787	VIGAX
VANGUARD VALUE INDEX FUND ADM	13,387	435,983	542,021	2.43	1.95	12,482	VVIAX
VANGUARD WORLD EX US SM CAP ETF	1,468	149,426	169,422	0.00	0.00	4,775	VSS
VANGUARD MATERIALS INDEX ADM	2,208	133,536	147,968	1.50	1.35	2,427	VMIAX
		<u>5,496,412</u>	<u>6,347,351</u>	1.67	1.45	<u>124,752</u>	
Total Investments		<u>\$ 7,995,409</u>	<u>\$ 8,815,513</u>	1.86	0.02	<u>\$ 180,795</u>	