

COLLEGE OF SOUTHERN MARYLAND FOUNDATION, INC.
(A component unit of the College of Southern Maryland)

FINANCIAL STATEMENTS

JUNE 30, 2016 AND 2015

**COLLEGE OF SOUTHERN MARYLAND FOUNDATION, INC.
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YEARS ENDED JUNE 30, 2016 AND 2015**

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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. which comprise the statement of financial position as of June 30, 2016 and 2015, 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.

Board of Directors
College of Southern Maryland Foundation, Inc.

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, 2016 and 2015 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 cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Baltimore, Maryland
October 4, 2016

COLLEGE OF SOUTHERN MARYLAND FOUNDATION, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2016 AND 2015

	2016	2015
ASSETS		
Cash and cash equivalents	\$ 1,613,660	\$ 1,349,689
Investments	6,557,415	6,515,262
Beneficial interest in charitable trust	1,906,969	1,937,962
Pledges receivable, net	495,804	229,610
 Total Assets	 \$ 10,573,848	 \$ 10,032,523
 LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable and accrued expenses	\$ 162,181	\$ 16,962
 NET ASSETS		
Unrestricted		
Board-designated	25,000	25,000
Undesignated	1,346,453	1,379,949
Total unrestricted	1,371,453	1,404,949
 Temporarily restricted	4,937,385	4,947,939
Permanently restricted	4,102,829	3,662,673
 Total net assets	 10,411,667	 10,015,561
 Total Liabilities and Net Assets	 \$ 10,573,848	 \$ 10,032,523

See accompanying Notes to Financial Statements.

COLLEGE OF SOUTHERN MARYLAND FOUNDATION, INC.
STATEMENTS OF ACTIVITIES
YEARS ENDED JUNE 30, 2016 AND 2015

	2016				2015			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
SUPPORT AND REVENUE								
Contributions	\$ 329,014	\$ 483,549	\$ 440,406	\$ 1,252,969	\$ 112,895	\$ 425,217	\$ 165,303	\$ 703,415
Investment income	(5,047)	164,001	-	158,954	39,804	158,979	-	198,783
Donated services and facilities	296,478	-	-	296,478	216,429	-	-	216,429
In-kind contributions	46,947	18,480	-	65,427	11,952	17,060	-	29,012
Change in value of beneficial interest in a charitable trust	-	(30,993)	-	(30,993)	-	(40,270)	-	(40,270)
Adjustment for uncollectible pledges	-	-	(250)	(250)	(9,675)	(29,159)	(36,367)	(75,201)
Net assets reclassified by donor	-	-	-	-	(15,000)	(13,445)	28,445	-
Net assets released from restrictions: satisfaction of program restrictions	645,591	(645,591)	-	-	632,342	(632,342)	-	-
Total support and revenue	<u>1,312,983</u>	<u>(10,554)</u>	<u>440,156</u>	<u>1,742,585</u>	<u>988,747</u>	<u>(113,960)</u>	<u>157,381</u>	<u>1,032,168</u>
EXPENSES								
Program services	885,739	-	-	885,739	766,851	-	-	766,851
General and administrative	193,157	-	-	193,157	113,933	-	-	113,933
Fund raising and direct	267,583	-	-	267,583	224,565	-	-	224,565
Total expenses	<u>1,346,479</u>	<u>-</u>	<u>-</u>	<u>1,346,479</u>	<u>1,105,349</u>	<u>-</u>	<u>-</u>	<u>1,105,349</u>
CHANGE IN NET ASSETS	(33,496)	(10,554)	440,156	396,106	(116,602)	(113,960)	157,381	(73,181)
NET ASSETS, BEGINNING OF YEAR	<u>1,404,949</u>	<u>4,947,939</u>	<u>3,662,673</u>	<u>10,015,561</u>	<u>1,521,551</u>	<u>5,061,899</u>	<u>3,505,292</u>	<u>10,088,742</u>
NET ASSETS, END OF YEAR	<u>\$ 1,371,453</u>	<u>\$ 4,937,385</u>	<u>\$ 4,102,829</u>	<u>\$ 10,411,667</u>	<u>\$ 1,404,949</u>	<u>\$ 4,947,939</u>	<u>\$ 3,662,673</u>	<u>\$ 10,015,561</u>

See accompanying Notes to Financial Statements.

COLLEGE OF SOUTHERN MARYLAND FOUNDATION, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2016 AND 2015

	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 396,106	\$ (73,181)
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Change in fair value of investments	1,046,110	441,388
Realized gain on sale of investments	(978,361)	(428,956)
Bad debt expense	25	75,201
Change in value of beneficial interest in charitable trust	30,993	40,270
Permanently restricted contributions	(440,406)	(165,303)
Effect of changes in operating assets and liabilities:		
Pledges receivable	(266,219)	12,872
Accounts payable and accrued expenses	145,219	5,377
Net cash used by operating activities	(66,533)	(92,332)
 CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of investments	(6,959,354)	(2,940,801)
Proceeds of sales of investments	6,849,452	2,939,677
Net cash used by investing activities	(109,902)	(1,124)
 CASH FLOWS FROM FINANCING ACTIVITIES		
Permanently restricted contributions	440,406	165,303
 INCREASE IN CASH AND CASH EQUIVALENTS	263,971	71,847
 CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	1,349,689	1,277,842
 CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 1,613,660	\$ 1,349,689
 SUPPLEMENTAL DISCLOSURE OF NONCASH TRANSACTIONS		
Donated goods and services	\$ 361,905	\$ 245,441
Donated land	\$ 120,000	\$ -

See accompanying Notes to Financial Statements.

COLLEGE OF SOUTHERN MARYLAND FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015

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 this interest in accordance with donor imposed restrictions 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, 2016 AND 2015

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, 2016 and 2015. 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 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

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, 2016 AND 2015

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Scholarships

Scholarships are expensed when approved by the Board of Directors.

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, 2016 and 2015.

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, 2016 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, 2016 and 2015, the Foundation's investments were in mutual funds summarized as follows:

2016			
Investment	Cost	Fair Value	Unrealized Gain
Mutual Funds			
Equity funds	\$ 4,656,619	\$ 4,637,743	\$ (18,876)
Fixed Income funds	1,840,838	1,919,671	78,834
Total	<u>\$ 6,497,457</u>	<u>\$ 6,557,415</u>	<u>\$ 59,958</u>
2015			
Investment	Cost	Fair Value	Unrealized Gain/ (Loss)
Mutual Funds			
Equity funds	\$ 3,446,259	\$ 4,507,866	\$ 1,061,607
Fixed Income funds	2,030,684	2,007,396	(23,288)
Total	<u>\$ 5,476,943</u>	<u>\$ 6,515,262</u>	<u>\$ 1,038,319</u>

COLLEGE OF SOUTHERN MARYLAND FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015

NOTE 4 INVESTMENTS (CONTINUED)

Investment income from these investments for the years ended June 30, 2016 and 2015 was as follows:

	2016	2015
Interest and dividends	\$ 226,703	\$ 211,215
Realized (loss) gain on sale of investments	978,361	428,956
	1,205,064	640,171
Unrealized (loss)/ gain on investments	(1,046,110)	(441,388)
Total	\$ 158,954	\$ 198,783

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.

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.

COLLEGE OF SOUTHERN MARYLAND FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015

NOTE 5 FAIR VALUE (CONTINUED)

For the year ended June 30, 2016, 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, 2016 and 2015. Based on the inputs the beneficial interest in charitable trust is considered Level 3.

As of June 30, 2016 and 2015, assets measured at fair value on a recurring basis are summarized by level within the fair value hierarchy as follows:

2016	Level 1	Level 2	Level 3	Total Fair Value
Mutual Funds				
Equity funds	\$ 4,637,743	\$ -	\$ -	\$ 4,637,743
Bond funds	1,919,671	-	-	1,919,671
	<u>6,557,415</u>	<u>-</u>	<u>-</u>	<u>6,557,415</u>
Beneficial interest in charitable trust	-	-	1,906,969	1,906,969
Total	<u>\$ 6,557,415</u>	<u>\$ -</u>	<u>\$ 1,906,969</u>	<u>\$ 8,464,384</u>
2015	Level 1	Level 2	Level 3	Total Fair Value
Mutual Funds				
Equity funds	\$ 4,507,866	\$ -	\$ -	\$ 4,507,866
Bond funds	2,007,396	-	-	2,007,396
	<u>6,515,262</u>	<u>-</u>	<u>-</u>	<u>6,515,262</u>
Beneficial interest in charitable trust	-	-	1,937,962	1,937,962
Total	<u>\$ 6,515,262</u>	<u>\$ -</u>	<u>\$ 1,937,962</u>	<u>\$ 8,453,224</u>

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:

	2016	2015
Balance, July 1	\$ 1,937,962	\$ 1,978,232
Change in value of benefit interest in charitable trust	(30,993)	(40,270)
Balance, June 30	<u>\$ 1,906,969</u>	<u>\$ 1,937,962</u>

COLLEGE OF SOUTHERN MARYLAND FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015

NOTE 6 PLEDGES RECEIVABLE

Pledges receivable is composed of pledges for the following purposes:

	2016	2015
Scholarships	\$ 591,346	\$ 138,068
Ward Virts Piano Project	2,000	4,000
Trades and Technologies	20,000	27,000
Wellness	4,000	-
Kids College	20,000	20,000
Insurance Funding	39,585	40,379
Undesignated	61,437	250,000
	<u>738,368</u>	<u>479,447</u>
Discount to net present value	(242,564)	(249,837)
Total	<u>\$ 495,804</u>	<u>\$ 229,610</u>

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

2017	\$ 143,939
2018	70,993
2019	110,436
2020	41,000
2021	13,000
Thereafter	<u>359,000</u>
Total	738,368
Discount to net present value	<u>(242,564)</u>
Total	<u>\$ 495,804</u>

Discount to net present value was computed using a risk free rate of return for U.S. Treasuries matching the timing of the scheduled pledge payment, ranging from .6% to 3.5%.

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, 2016 and 2015 was 5%. Changes in the value of the beneficial interest in the trust (principally discount amortization) are reflected in the statement of activities.

COLLEGE OF SOUTHERN MARYLAND FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015

NOTE 7 BENEFICIAL INTEREST IN A CHARITABLE TRUST (CONTINUED)

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 June 2013 and May 2015, the trust received a payment of \$2,000,000, and \$1,350,000, respectively, 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:

	2016	2015
Value of charitable trust	\$ 3,202,911	\$ 3,419,748
Discount to net present value	(1,295,942)	(1,481,786)
Total	\$ 1,906,969	\$ 1,937,962

NOTE 8 DONATED SERVICES AND FACILITIES

During the years ended June 30, 2016 and 2015, the value of donated goods and services recognized in the accompanying Statements of Activities as both support and expenses was \$296,478 and \$216,429, respectively, and included the following:

	2016	2015
Salaries and benefits	\$ 244,018	\$ 197,196
Conferences, meetings, and travel	27,247	3,808
Professional services and public relations	12,990	10,107
Printing and other	12,223	5,318
Total	\$ 296,478	\$ 216,429

NOTE 9 PROGRAM EXPENSES

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

COLLEGE OF SOUTHERN MARYLAND FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015

NOTE 9 PROGRAM EXPENSES (CONTINUED)

	2016	2015
Adjunct Faculty	\$ -	\$ 15,000
Athletics	-	30,088
Awards for banquet	-	8,410
Celebration of Arts	6,950	75
Children's Learning	75,000	3,210
Diversity Institute	-	600
Educational Excellence	150	-
Entrepreneurial & Innovation	10,000	-
ISTEM	61,475	70,500
Kids College	-	366
Leading Edge Awards	-	2,350
Nonprofit Institute	-	1,600
Nursing/Healthcare	1,200	116,575
Other	164,907	1,000
Sbdc	-	13,000
Scholarships	507,015	470,272
Southern Maryland Studies Center	1,000	-
Study Abroad Programs	15,000	-
Trades & Technology	-	25,405
Wart Virts	9,500	8,400
Wellness	33,542	-
Total	\$ 885,739	\$ 766,851

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. 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, 2016 AND 2015

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 \$149,830 and \$602,763) during the years ended June 30, 2016 and 2015:

	2016			Total
	Unrestricted (Board Designated)	Temporarily Restricted	Permanently Restricted	
Endowment net assets, beginning of year	\$ 25,000	\$ 1,364,576	\$ 3,662,673	\$ 5,052,249
Contributions	-	-	440,406	440,406
Appropriation of endowment assets for expenditure	-	(97,852)	-	(97,852)
Endowment net assets after contributions and expenditures	25,000	1,266,724	4,103,079	5,394,803
Investment return:				
Investment income	-	139,933	-	139,933
Endowment net assets after investment income	25,000	1,406,657	4,103,079	5,534,736
Other changes:				
Redirection by donor of prior gift	-	-	-	-
Adjustment for uncollectible pledge	-	-	(250)	(250)
Endowment net assets, end of year	<u>\$ 25,000</u>	<u>\$ 1,406,657</u>	<u>\$ 4,102,829</u>	<u>\$ 5,534,486</u>

COLLEGE OF SOUTHERN MARYLAND FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015

NOTE 10 ENDOWMENTS (CONTINUED)

	2015			
	Unrestricted (Board Designated)	Temporarily Restricted	Permanently Restricted	Total
	\$	\$	\$	\$
Endowment net assets, beginning of year	19,350	1,332,740	3,505,292	4,857,382
Contributions	-	-	165,303	165,303
Appropriation of endowment assets for expenditure	-	(89,876)	-	(89,876)
Endowment net assets after contributions and expenditures	19,350	1,242,864	3,670,595	4,932,809
Investment return:				
Investment income	5,650	121,712	-	127,362
Endowment net assets after investment income	25,000	1,364,576	3,670,595	5,060,171
Other changes:				
Transfer of investment income			-	-
Redirection by donor of prior gift	-	-	28,445	28,445
Adjustment for uncollectible pledge	-	-	(36,367)	(36,367)
Endowment net assets, end of year	<u>\$ 25,000</u>	<u>\$ 1,364,576</u>	<u>\$ 3,662,673</u>	<u>\$ 5,052,249</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, 2016 and 2015.

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, 2016 AND 2015

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:

	2016	2015
Unrestricted:		
Undesignated	\$ 1,346,453	\$ 1,379,949
Board designated for scholarships	25,000	25,000
Total unrestricted	1,371,453	1,404,949
Temporarily Restricted Net Assets:		
Academic programs	380,154	342,214
Childcare center	531,411	531,404
Endowed scholarships	1,412,723	1,273,905
Institutional support	17,333	16,806
Public service	43,273	84,207
Scholarships	631,529	745,873
Student support	13,993	15,568
Beneficial interests in charitable trusts	1,906,969	1,937,962
Total temporarily restricted	4,937,385	4,947,939
Permanently Restricted Net Assets:		
Endowed scholarships	3,947,829	3,507,673
Program support	155,000	155,000
Total permanently restricted	4,102,829	3,662,673
Total	\$ 10,411,667	\$ 10,015,561

COLLEGE OF SOUTHERN MARYLAND FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015

NOTE 11 NET ASSET RESTRICTIONS (CONTINUED)

Temporarily restricted net assets released from restrictions were as follows:

	2016	2015
Scholarships	\$ 507,015	\$ 347,134
Program Support	138,576	268,148
Fundraising	-	17,060
Total	\$ 645,591	\$ 632,342

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, 2016 and 2015 by natural classification:

	2016	2015
Salary, wages, and benefits	\$ 248,864	\$ 202,376
Supplies and materials	22,888	13,806
Contracted services	187,138	49,385
Conferences and meetings	44,909	3,808
Insurance, interest, licenses and fees	1,093	86,625
Scholarships	507,015	347,134
Other	334,572	402,215
Total	\$ 1,346,479	\$ 1,105,349

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 \$296,478 and \$216,429 in 2016 and 2015, respectively. These donations are reflected in the financial statements as both support revenue and expense.

The Foundation paid the College \$594,762 and \$470,272 in 2016 and 2015, respectively, for scholarships and other contributions. As of June 30, 2016 the Foundation's accounts payable balance includes \$126,825 due to the College for funds advance by the College on their behalf. There was no payable balance as of June 30, 2015.

COLLEGE OF SOUTHERN MARYLAND FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015

NOTE 14 – SUBSEQUENT EVENTS

The Foundation has evaluated subsequent events through October 4, 2016, the date the financial statements were available to be issued. Events or transactions occurring after June 30, 2016, but prior to October 4, 2016 that provided additional evidence about conditions that existed at June 30, 2016 have been recognized in the financial statements for the year ended June 30, 2016. Events or transactions that provided evidence about conditions that did not exist at June 30, 2016 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, 2016.

COLLEGE OF SOUTHERN MARYLAND FOUNDATION, INC.
SCHEDULE OF CHANGES IN NET ASSETS
YEAR ENDED JUNE 30, 2016

	Net Assets June 30, 2015	Investment Income	Contributions	Scholarship Awards	Other (Deductions)	Adjustment for Uncollectible Pledges	Net Assets June 30, 2016
UNRESTRICTED NET ASSETS							
Undesignated							
Undesignated gifts and bequests	\$ 1,291,969	\$ (5,505)	\$ 246,897	\$ (93,452)	\$ (228,667)	\$ -	\$ 1,211,242
Golf & Tennis Classic	69,756	78	128,774	-	(80,637)	-	117,971
Technology Acct - State Matching Funds	6,831	162	-	-	-	-	6,993
Student Services	-	-	215	-	-	-	215
Theatritext @ St. Mary's	88	-	-	-	-	-	88
Jaycees Educational Assistance Program	5,071	70	-	(1,654)	-	-	3,487
Library Memorial	6,234	148	75	-	-	-	6,457
Total undesignated	<u>1,379,949</u>	<u>(5,047)</u>	<u>375,961</u>	<u>(95,106)</u>	<u>(309,304)</u>	<u>-</u>	<u>1,346,453</u>
Board designated							
R. Fisher Endow ment Fund	25,000	-	-	-	-	-	25,000
Total unrestricted net assets	<u>1,404,949</u>	<u>(5,047)</u>	<u>375,961</u>	<u>(95,106)</u>	<u>(309,304)</u>	<u>-</u>	<u>1,371,453</u>
TEMPORARILY RESTRICTED NET ASSETS							
Undesignated - Hassanein Charitable Trust	1,937,961	(30,993)	-	-	-	-	1,906,968
Alumni Scholarship	794	101	2,465	(500)	-	-	2,860
Christopher Chinault Scholarship	17,760	1,610	-	-	-	-	19,370
Tony Hungerford Memorial Endow ment Fund	23,891	1,933	-	(2,500)	-	-	23,324
J. Ivey Cline Memorial Scholarship	5,794	465	-	(950)	-	-	5,309
Harland R. & Lulu P. Cravat Memorial Scholarship	53,338	1,244	-	(1,000)	-	-	53,582
We Salute Our Troops - Desert Storm Scholarship	127	75	-	-	-	-	202
Matthew W. Hancock Memorial Scholarship	504	11	-	-	-	-	515
James C. Mitchell Nursing Scholarship	34,036	1,255	-	(2,500)	-	-	32,791
Civista Medical Center	4,932	354	-	-	-	-	5,286
LaPlata Rotary Energy/Trades Scholarship	30,000	-	-	(1,353)	-	-	28,647
Fanny Louise Sullivan Sine Henderson Scholarship	2,041	121	850	(500)	-	-	2,512
Mary Croft Ward Scholarship	1,557	109	-	-	-	-	1,666
Bill Wood Memorial Scholarship	27,678	691	120	(700)	-	-	27,789
Helen and Henry Law lor Scholarship	17,355	924	-	(2,000)	-	-	16,279
Joanne Zwick Memorial Scholarship	2,444	282	-	(600)	-	-	2,126
McDonough Charity School	91,923	8,194	-	(11,000)	-	-	89,117
Castles and Foundations Fund	17,264	1,564	-	(3,000)	-	-	15,828
Walter Grove II Endow ment Fund	31,374	2,626	-	(7,200)	-	-	26,800

COLLEGE OF SOUTHERN MARYLAND FOUNDATION, INC.
SCHEDULE OF CHANGES IN NET ASSETS
YEAR ENDED JUNE 30, 2016
(CONTINUED)

	Net Assets June 30, 2015	Investment Income	Contributions	Scholarship Awards	Other Additions (Deductions)	Adjustment for Uncollectible Pledges	Net Assets June 30, 2016
TEMPORARILY RESTRICTED NET ASSETS (Continued)							
Wm. B. and Vivian M. King Endowment Fund	\$ 476,343	\$ 42,359	\$ -	\$ (80,000)	\$ -	\$ -	\$ 438,702
L. K. Farrall II Endowment Fund	17,353	1,460	-	(3,000)	-	-	15,813
Russell G. Croft	46,826	3,766	-	(2,500)	-	-	48,092
Ed Matthews, Jr. Endowment Fund	9,113	705	-	(650)	-	-	9,168
William Lyon Endowment Fund	9,084	675	-	-	-	-	9,759
Albert L. Edler, Jr. Memorial	1,627	644	-	(1,000)	-	-	1,271
McWilliams Family Trust	8,070	772	-	(1,500)	-	-	7,342
Dr. Nallan Ramakrishna Scholarship	7,109	2,832	-	(2,000)	-	-	7,941
Calvert Chamber Fund	249	581	-	(1,000)	-	-	(170)
Thomas F. Goldsmith Fund	19,458	1,814	-	(3,000)	-	-	18,272
Marguerite Cox Family Memorial	11,810	1,532	-	(2,000)	-	-	11,342
Robert Ware Straus SMSC	31,586	750	-	-	-	-	32,336
Nursing Equipment Fund	154	8	-	-	-	-	162
P.E. Wellness Center	14,898	-	32,543	0	(33,451)	-	13,990
Technology @ Prince Frederick	2,020	48	-	-	-	-	2,068
Technology @ Leonardtown	13,195	418	528	-	-	-	14,141
Technology @ La Plata	1,591	37	-	-	-	-	1,628
CSM Children's Center	531,405	9,268	421	(75,000)	-	-	466,094
Southern Maryland Studies Center Fund	33,113	1,000	428	0	(1,000)	-	33,541
Marrick Properties	51,472	4,018	-	-	-	-	55,490
Gary Merrill	1,185	75	-	-	-	-	1,260
Leonardtown SA Kickoff Scholarship	984	23	-	-	-	-	1,007
J. Rice & M. Fauth Memorial	25,803	1,913	-	-	-	-	27,716
Ward Virts Plano Project	14,080	(131)	6,053	-	(9,500)	-	10,502
ADF Bingo - Kids College	25,447	-	4,590	(12,002)	-	-	18,035
Calvert County 350th Anniversary Endowment	4,484	397	-	(800)	-	-	4,081
Shani J. Whipple Scholarship	9,765	351	20	(650)	-	-	9,486
J. Schultz-Collins Scholarship	40	2	-	-	-	-	42
Jack L. Sprague Scholarship	500	-	500	(500)	-	-	500
Calvert County Chamber Scholarship	2,642	28	-	(1,500)	-	-	1,170
St. Mary's County Scholarship Endowment Fund	36,864	2,066	20,000	(21,000)	-	-	37,930

COLLEGE OF SOUTHERN MARYLAND FOUNDATION, INC.
SCHEDULE OF CHANGES IN NET ASSETS
YEAR ENDED JUNE 30, 2016
(CONTINUED)

	Net Assets June 30, 2015	Investment Income	Contributions	Scholarship Awards	Additions (Deductions)	Uncollectible Pledges	Net Assets June 30, 2016
TEMPORARILY RESTRICTED NET ASSETS (Continued)							
Mercantile Southern Maryland Bank	\$ 833	\$ 19	\$ -	\$ -	\$ -	\$ -	\$ 852
Veterans Education Endow ment Fund	67,300	2,453	-	(2,482)	-	-	67,271
St. Mary's Health Department Scholarship	368	8	-	-	-	-	376
Robert W. Sibole Scholarship	72	2	-	-	-	-	74
William D. Bauer Memorial Endow ment	12,540	286	-	-	-	-	12,826
R. Fisher Endow ment Fund	18,539	-	-	-	-	-	18,539
General Scholarship Fund	77,606	323	143,149	(28,542)	-	-	192,536
CLC Scholarship Fund	548	-	-	-	-	-	548
Leonardtow n SGA Endow ment Fund	8,509	534	-	-	-	-	9,043
Elaine Ryan Legacy Fund	59,326	1,120	-	(25,000)	-	-	35,446
Wyvill Teacher Ed Endow ment Scholarship	2,581	479	-	(1,000)	-	-	2,060
C&M McAllister Endow ment Fund	10,889	1,058	-	-	-	-	11,947
Beers Scholarship Fund	88,038	7,769	-	(11,000)	-	-	84,807
Louis P. Jenkins, Sr. Endow ment Fund	16,826	1,810	-	(3,000)	-	-	15,636
Nu Zeta Omega Scholarship	896	-	1,200	-	-	-	2,096
Celebration of the Arts	37,014	1,349	10,162	0	(6,950)	-	41,575
Helen J. Todd Scholarship	41,250	-	15,000	(7,000)	-	-	49,250
Neale C. Slater Memorial Scholarship	10,137	1,454	-	(1,500)	-	-	10,091
Prince Frederick Student Association Scholarship	18,782	424	-	(1,000)	-	-	18,206
Tri County 40/8 Nurse Scholarship	2,119	-	800	(400)	-	-	2,519
Renee Mundy Math Endow ment	3,080	333	-	(650)	-	-	2,763
Boone & Edelen Scholarship	4,435	-	75	(500)	-	-	4,010
ISTEM	187,341	3,438	17,853	-	(60,824)	-	147,808
Trades & Technologies	70,647	751	27,128	(12,500)	-	-	86,026
Nursing & Healthcare	84,071	(359)	2,320	(30,000)	(1,200)	-	54,832
Educational Excellence Fund	49,339	1,093	-	(150)	(2)	-	50,280
Endow ed Scholarship Fund	28,621	3,208	-	-	-	-	31,829
Chandler Keys	39	(2)	-	-	-	-	37
Bradley Gottfried Endow ment	4,537	441	-	(400)	(649)	-	3,929
Kavetsky Family Endow ment	1,872	190	-	(200)	-	-	1,862
JF Faley, Jr. STEM Scholarship	6,486	154	-	-	-	-	6,640

COLLEGE OF SOUTHERN MARYLAND FOUNDATION, INC.
SCHEDULE OF CHANGES IN NET ASSETS
YEAR ENDED JUNE 30, 2016
(CONTINUED)

	Net Assets June 30, 2015	Investment Income	Contributions	Scholarship Awards	Other Additions (Deductions)	Adjustment for Uncollectible Pledges	Net Assets June 30, 2016
TEMPORARILY RESTRICTED NET ASSETS (Continued)							
ISSSWDC	\$ 5,000	\$ -	\$ -	\$ (4,000)	\$ -	\$ -	\$ 1,000
MD Motor Truck Association Scholarship	2,500	-	-	-	-	-	2,500
Schw eir & LaFleur Scholarship	4,500	-	3,000	(1,500)	-	-	6,000
Gary D. Smith Memorial Scholarship	610	-	200	(800)	-	-	10
Sidney Waugh Memorial Scholarship	4,465	9	1,128	(2,500)	-	-	3,102
J Morton Memorial Scholarship	3,465	-	-	-	-	-	3,465
W. Martinez Jr. Memorial Scholarship	1,776	-	2,500	(2,000)	-	-	2,276
SMWL Scholarship Fund	3,500	-	7,987	(2,500)	-	-	8,987
Jane H., Sypher Scholarship	6,673	-	2,529	(1,500)	-	-	7,702
Charles County Women's Club	992	-	750	(500)	-	-	1,242
Ziencik-Hess Memorial Scholarship	949	-	1,300	(1,000)	-	-	1,249
NET Annual Scholarship Fund	71,309	4,070	-	-	-	-	75,379
Home Tow ne RE Scholarship	2,250	-	-	(1,750)	-	-	500
Woodey Theatre Scholarship	1,261	-	1,000	(500)	-	-	1,761
Ruth Mathes Scholarship	3,750	-	-	(2,500)	-	-	1,250
Dr Elvear B Johnson Scholar	1,000	-	1,000	(1,500)	-	-	500
APA & SAL Scholarship	875	-	-	-	-	-	875
Adjunct Faculty Merit	2,101	-	1,893	(2,000)	-	-	1,994
Adjunct Faculty Need	1,152	-	117	(1,000)	-	-	269
Old Line Bank Business Scholarship	26,511	-	-	(7,500)	-	-	19,011
Darrow Memorial Scholarship	5,600	-	-	(1,500)	-	-	4,100
Connie Kite Memorial Scholarship	1,713	(23)	4,925	(1,000)	-	-	5,615
DL Smith Memorial Art Scholarship	9,427	-	2,000	(2,000)	-	-	9,427
E Lilly Memorial Nursing	1,517	-	998	(500)	-	-	2,015
Coldw ell Banker J Lilly-CTIT	1,547	(25)	998	(800)	-	-	1,720
Brad and Linda Gottfried Scholarship	2,072	(77)	7,860	(600)	-	-	9,255
McNel is Family Scholarship	2,000	21	(52)	(1,000)	-	-	969
Charles County Chamber Commerce	1,500	-	-	(1,000)	-	-	500
Zonta RAVE Walk Scholarship	1,345	-	3,635	(4,250)	-	-	730
WCCCA Scholarship	1,400	-	-	-	-	-	1,400

COLLEGE OF SOUTHERN MARYLAND FOUNDATION, INC.
SCHEDULE OF CHANGES IN NET ASSETS
YEAR ENDED JUNE 30, 2016
(Continued)

	Net Assets June 30, 2015	Investment Income	Contributions	Scholarship Awards	Other Additions (Deductions)	Adjustment for Uncollectible Pledges	Net Assets June 30, 2016
TEMPORARILY RESTRICTED NET ASSETS (Continued)							
Charles Nurse/ Health Scholarship	\$ 2,300	\$ -	\$ 5,000	\$ (3,000)	\$ 5,600	\$ -	\$ 9,900
Chaney Endow ment	24,417	4,085	-	(5,000)	(4,600)	-	18,902
TJ Murray Memorial Scholarship	1,500	-	1,000	-	(1,000)	-	1,500
S Behmke Legacy Fund	6,323	16	367	(1,000)	-	-	5,706
Ives Freedom Scholarship Fund	1,000	-	3,000	(1,427)	-	-	2,573
SoMD Bluecrabs Strikeout	1,500	-	-	(1,500)	-	-	-
Lucy Detig Endow ed Scholarship	5,603	699	-	(2,001)	-	-	4,301
SMECO Engineers Endow ment	2,336	1,415	-	(600)	-	-	3,151
CR Posten Memorial Fund	2,262	68	-	-	-	-	2,330
JL & WCS Charity Endow ment	939	560	-	-	-	-	1,499
CSF Scholarship Fund	1,656	(3)	1,964	(1,000)	-	-	2,617
Arc Southern MD Media Scholarship	500	-	-	-	-	-	500
P Facchina, Jr Scholarship	2,000	-	-	(1,000)	-	-	1,000
J Zanelotti, Sr Memorial Scholarship	3,040	-	3,362	(1,000)	-	-	5,402
Captain B Robertson Endow ment	2,595	427	-	(800)	-	-	2,222
SGA-SHS Annual Fund	776	(1)	3,775	(8,817)	8,970	-	4,703
SGA-SHS Endow ment	10,669	278	-	-	(8,970)	-	1,977
Our Earth Scholarship	3,982	455	-	-	-	-	4,437
SBA Scholarship Fund	1,000	-	-	(1,000)	-	-	-
GRPA Scholarship	500	-	-	(500)	-	-	-
ESFCU Scholarship/Faculty	4,476	-	-	(3,500)	-	-	976
Desiree Angel Osvatics	258	-	30	-	-	-	288
Adjunct Faculty Endow ment	1,857	826	-	(1,000)	-	-	1,683
Grainger Family Endow ment	719	650	-	-	-	-	1,369
Grimm & Parker Endow ment	574	519	-	-	-	-	1,093
J Patak Memorial Endow ment	938	81	-	-	-	-	1,019
H Willoughby Foundation Scholarship	957	(47)	25,000	(22,000)	-	-	3,910
BT Sanders Memorial Scholarship	1,500	-	-	(500)	-	-	1,000

COLLEGE OF SOUTHERN MARYLAND FOUNDATION, INC.
SCHEDULE OF CHANGES IN NET ASSETS
YEAR ENDED JUNE 30, 2016
(CONTINUED)

	Net Assets June 30, 2015	Investment Income	Contributions	Scholarship Awards	Other Additions (Deductions)	Adjustment for Uncollectible Pledges	Net Assets June 30, 2016
TEMPORARILY RESTRICTED NET ASSETS (Continued)							
Travel Studies Scholarship	\$ 13,469	\$ -	\$ 5,772	\$ -	\$ (15,000)	\$ -	\$ 4,241
Gambrill Scholarship Fund	2,845	-	-	-	-	-	2,845
FB Trueman Scholarship Calvert County	19,000	46	31,852	(19,941)	-	-	30,957
Nyce Annual Scholarship	5,854	(157)	1,845	(1,600)	-	-	5,942
Nyce Scholarship Endow ment	425	(377)	-	-	-	-	48
Bailey Memorial Nurse Endow ment	233	522	2	-	-	-	757
Bay Business Group Annual Scholarship	2,000	-	-	-	-	-	2,000
McDonough Foundation Annual Scholarship	19,425	89	-	(8,000)	-	-	11,514
HV Scotland, Jr/III Memorial Endow ment	153	244	-	-	-	-	397
P Cangelosi Memorial Scholarship	304	505	-	-	-	-	809
Calvert Resources Scholarship	1,500	-	-	(1,000)	-	-	500
Toribio Career Starters	669	-	330	-	-	-	999
Lilly Memorial Endow ment Scholarship	35	529	-	-	-	-	564
ArcSoMD Nurse Scholar	-	-	1	-	-	-	1
AVSI Scholarship Fund	-	-	3,000	-	-	-	3,000
Besche Family Scholarship	-	-	5,000	(5,000)	-	-	-
Bill Montgomery Mem Scholar	-	-	140	250	-	-	390
BN Guerrieri Mem Scholar	(650)	-	650	(650)	-	-	(650)
BWheatley Mem Scholar	-	16	1,390	-	-	-	1,406
CommBankChesapeake Annual	-	-	25,150	-	-	-	25,150
DM Krankow ski Memorial	-	-	1,000	-	-	-	1,000
Entre & Innovation Inst	-	20,695	25,000	0	(10,000)	-	35,695
Holt Memorial Nursing Scholar	-	-	2,964	-	-	-	2,964
Krankow ski Memorial Endow	-	37	-	-	-	-	37
Middleton Nurse Scholar	-	-	15,000	-	-	-	15,000
NRL Federal Credit Union Schol	-	-	2,000	-	-	-	2,000
O Stinson Memorial Engineering	-	-	4,942	(1,000)	-	-	3,942

COLLEGE OF SOUTHERN MARYLAND FOUNDATION, INC.
SCHEDULE OF CHANGES IN NET ASSETS
YEAR ENDED JUNE 30, 2016
(CONTINUED)

	Net Assets June 30, 2015	Investment Income	Contributions	Scholarship Awards	Other Additions (Deductions)	Adjustment for Uncollectible Pledges	Net Assets June 30, 2016
TEMPORARILY RESTRICTED NET ASSETS (Continued)							
SpringDell/Gregory Mem	\$ -	\$ -	\$ 1,000	\$ (1,000)	\$ -	\$ -	\$ -
TLLOPP Fraternity Scholar	-	-	1,000	-	-	-	1,000
Travel Studies Endow	-	179	-	-	-	-	179
Women in Transition	-	-	520	(500)	-	-	20
Montgomery Endow ment Scholarship	56	365	-	-	-	-	421
Total temporarily restricted net assets	<u>4,947,939</u>	<u>133,008</u>	<u>502,029</u>	<u>(507,015)</u>	<u>(138,576)</u>	<u>-</u>	<u>4,937,385</u>
PERMANENTLY RESTRICTED NET ASSETS							
Christopher Chinault Scholarship	50,000	-	-	-	-	-	50,000
James C. Mitchell Nursing Scholarship	20,000	-	-	-	-	-	20,000
Civista Medical Center	10,000	-	-	-	-	-	10,000
J. Ivey Cline Scholarship	14,708	-	-	-	-	-	14,708
Mary Croft Ward Scholarship	3,063	-	-	-	-	-	3,063
Joanne Zw ick Memorial Scholarship	10,000	-	-	-	-	-	10,000
Helen and Henry Law lor Scholarship	23,500	-	-	-	-	-	23,500
We Salute Our Troops - Desert Storm Scholarship	3,063	-	-	-	-	-	3,063
Toney Hungerford Memorial Endow ment Fund	59,130	-	500	-	-	-	59,630
Wm. B. and Vivian M. King Endow ment Fund	1,156,150	-	-	-	-	-	1,156,150
McDonough Charity School	234,547	-	7,600	-	-	-	242,147
Castles and Foundation Fund	50,393	-	-	-	-	-	50,393
Walter Grove II Endow ment Fund	80,619	-	1,650	-	-	-	82,269
L.K. Farrall III Endow ment Fund	47,448	-	-	-	-	-	47,448
Russell G. Croft	112,152	-	200	-	-	-	112,352
Ed Matthew s, Jr. Endow ment Fund	20,908	-	-	-	-	-	20,908
William Lyon Endow ment Fund	19,336	-	-	-	-	-	19,336
Albert L. Edler, Jr. Memorial	26,450	-	-	-	-	-	26,450
McWilliams Family Trust	25,957	-	-	-	-	-	25,957

COLLEGE OF SOUTHERN MARYLAND FOUNDATION, INC.
SCHEDULE OF CHANGES IN NET ASSETS
YEAR ENDED JUNE 30, 2016
(CONTINUED)

	Net Assets June 30, 2015	Investment Income	Contributions	Scholarship Awards	Other Additions (Deductions)	Adjustment for Uncollectible Pledges	Net Assets June 30, 2016
PERMANENTLY RESTRICTED NET ASSETS							
Calvert Chamber Fund	\$ 23,113	\$ -	\$ 1,172	\$ -	\$ 271	\$ -	\$ 24,556
Dr. Nallan Ramakrishna Scholarship	114,100	-	-	-	-	-	114,100
Thomas F. Goldsmith Fund	60,000	-	-	-	-	-	60,000
Marguerite Cox Family Memorial	37,476	-	13,077	-	-	-	50,553
Marrick Properties	103,870	-	-	-	-	-	103,870
Gary Merrill	2,000	-	-	-	-	-	2,000
J. Rice & M. Fauth Memorial	54,708	-	-	-	-	-	54,708
Calvert County 350th Anniversary Endow ment	13,271	-	-	-	(271)	-	13,000
St. Mary's County Scholarship Endow ment Fund	50,100	-	-	-	-	-	50,100
Veterans Education Endow ment Fund	37,913	-	1,000	-	-	-	38,913
Leonardtown SGA Endow ment Fund	14,000	-	-	-	-	-	14,000
Wyvill Teacher Ed Endow ment Scholarship	19,093	-	48	-	-	-	19,141
C&M McAllister Endow ment Fund	32,215	-	1,000	-	-	-	33,215
Beers Scholarship Fund	249,997	-	-	-	-	-	249,997
Louise P. Jenkins, Sr. Endow ment Fund	61,000	-	-	-	-	-	61,000
Neale C Slater Memorial Scholarship	82,642	-	9,660	-	-	-	92,302
Renee Munday Math Endow ment	10,949	-	-	-	-	-	10,949
Endow ed Scholarship Fund	104,058	-	1,304	-	-	-	105,362
Bradley Gottfried Endow ment	13,675	-	42,315	-	-	-	55,990
Kavetsky Family Endow ment	7,000	-	-	-	-	-	7,000
Shani J Whipple Scholarship	5,547	-	-	-	-	-	5,547
NET Annual Scholarship	100,000	-	-	-	-	-	100,000
Chaney Endow ment	155,000	-	-	-	-	-	155,000

COLLEGE OF SOUTHERN MARYLAND FOUNDATION, INC.
SCHEDULE OF CHANGES IN NET ASSETS
YEAR ENDED JUNE 30, 2016
(CONTINUED)

	Net Assets June 30, 2015	Investment Income	Contributions	Scholarship Awards	Other Additions (Deductions)	Adjustment for Uncollectible Pledges	Net Assets June 30, 2016
PERMANENTLY RESTRICTED NET ASSETS (Continued)							
Lucy Detig Endow ed Scholarship	\$ 30,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 30,000
SMECO Engineers Endow ment	95,849	-	1,616	-	-	-	97,465
JL & WCS Charity Endow ment	15,000	-	-	-	-	-	15,000
Captain B Robertson Endow ment	16,170	-	-	-	-	-	16,170
SGA-SHS Endow ment	10,012	-	-	-	-	-	10,012
Our Earth Endow ment	11,400	-	-	-	-	-	11,400
Adjunct Faculty Endow ment	32,713	-	500	-	-	-	33,213
Grainger Family Endow ment	24,762	-	186	-	-	-	24,948
Grimm& Parker Endow ment	15,000	-	-	-	-	-	15,000
J Patak Memorial Endow ment	14,857	-	101	-	-	-	14,958
Nyce Scholarship Endow ment	14,517	-	1,115	-	-	-	15,632
Bailey Memorial Nurse Endow ment	14,762	-	24,853	-	-	-	39,615
HV Scotland, Jr/III Memorial Endow ment	15,000	-	-	-	-	-	15,000
P Cangelosi Memorial Scholarship	18,320	-	1,148	-	-	-	19,468
Lilly Memorial Endow ment Scholarship	14,810	-	215	-	-	-	15,025
Entreprenuer & Innovation Institute	-	-	225,000	-	-	-	225,000
Krankow ski Memorial Endow ment	-	-	2,685	-	-	-	2,685
Community Bank of the Cheasapeake Endow ment	-	-	73,461	-	-	-	73,461
Travel Studies Endow ment	-	-	15,000	-	-	-	15,000
Montgomery Endow ment Scholarship	350	-	14,750	-	-	-	15,100
Total permanently restricted net assets	<u>3,662,673</u>	<u>-</u>	<u>440,156</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,102,829</u>
Total net assets	<u>\$ 10,015,561</u>	<u>\$ 127,961</u>	<u>\$ 1,318,146</u>	<u>\$ (602,121)</u>	<u>\$ (447,880)</u>	<u>\$ -</u>	<u>\$ 10,411,667</u>

COLLEGE OF SOUTHERN MARYLAND FOUNDATION, INC.
SCHEDULE OF INVESTMENTS
JUNE 30, 2016

	Units	Cost Basis	Market Value	% Yield		Estiamted Income
				Cost	Market	
INVESTMENTS						
Fixed income funds						
DODGE & COX FUNDS INCOME FUND	18,665	\$ 251,415	\$ 256,080	3.21%	3.15%	\$ 8,068
PIMCO LOW DURATION FD INSTL	50,123	496,166	478,611	2.28%	2.37%	11,336
PIMCO TOTAL RET FD INSTL	24,008	250,534	246,105	3.14%	3.19%	7,860
PIMCO FOREIGN BD FD INSTL (HEDGED)	16,457	173,666	171,295	6.67%	6.77%	11,590
PIMCO FDS LONG DURATION TTL RETRN INST C	7,652	85,403	90,775	5.19%	4.88%	4,429
T ROWE PRICE INSTL INTL BOND FUND	17,303	139,113	184,414	2.42%	1.82%	3,361
VANGUARD INFLATION-PROTECT SEC ADMIRAL	14,926	379,257	400,312	0.87%	0.82%	3,285
VANGUARD LONG-TERM INVT GRADE ADMIRAL	6,568	65,284	92,079	5.76%	4.08%	3,758
		<u>1,840,838</u>	<u>1,919,671</u>	2.92%	2.80%	<u>53,687</u>
Equity funds						
AMERICAN FUNDS AMCAP F2 CL	6,214	174,000	162,432	0.00%	0.00%	-
AMERICAN FUNDS EUROPACIFIC GROWTH F2 CL	3,822	183,211	168,319	1.90%	2.07%	3,484
AMERICAN FUNDS WA MUTUAL INVSTRS FD CL F2	10,078	410,011	403,940	2.12%	2.15%	8,684
DFA INTL REAL ESTATE SEC PTF	39,292	197,915	239,221	1.95%	1.62%	3,869
DFA INT'L SML PTF	4,764	83,944	80,078	3.09%	3.24%	2,593
DFA US LARGE CAP VALUE PORT	12,268	409,627	389,258	2.04%	2.14%	8,345
DFA US MICRO CAP FD	5,121	98,722	91,866	0.85%	0.92%	842
DFA US SMALL CAP VALUE PORT	3,443	116,020	102,271	1.21%	1.37%	1,406
DODGE & COX FUNDS INTL STK FD	4,631	182,354	160,642	2.13%	2.42%	3,890
PIMCO FUNDS COMMODITY?REAL RET STRAT INSTL	41,046	313,821	298,404	3.83%	4.02%	12,006
T ROWE PRICE NEW ERA 1	1,425	43,380	45,589	0.00%	0.00%	-
T ROWE PRICE INSTL LARGE CAP GROWTH	6,754	203,058	155,472	0.00%	0.00%	5
T ROWE PRICE INTERNATIONAL GRWTH & INCM	15,257	198,600	160,429	1.72%	2.13%	3,413
VANGUARD GROWTH INDEX ADMIRAL	3,145	176,699	173,520	1.28%	1.31%	2,270
VANGUARD ENERGY FUND ADMIRAL	95	192,080	205,913	2.39%	2.23%	4,588
VANGUARD INTERNATIONAL VALUE FUND	5,230	172,401	161,986	2.01%	2.14%	3,463
VANGUARD MATERIALS INDEX ADMIRAL	840	43,564	43,809	2.94%	2.92%	1,279
VANGUARD REIT INDEX ADMIRAL	4,225	462,511	596,302	4.94%	3.83%	22,844
VANGUARD SMALL CAP GROWTH INDEX ADMIRAL	2,244	98,759	97,767	1.34%	1.36%	1,327
VANGUARD SMALL CAP VALUE INDEX ADMIRAL	4,948	221,008	223,841	2.47%	2.44%	5,467
VANGUARD VALUE INDEX FUND ADMIRAL	12,734	410,982	422,266	2.58%	2.51%	10,595
VANGUARD WORLD EX US SMALL CAP ETF	868	81,537	80,802	2.69%	2.71%	2,192
VANUGUARD INTERNATIONAL GROWTH ADMIRAL	2,629	182,413	173,615	1.48%	1.56%	2,705
		<u>4,656,619</u>	<u>4,637,743</u>	2.26%	2.27%	<u>105,267</u>
Total investments		<u>\$ 6,497,457</u>	<u>\$ 6,557,415</u>	2.45%	2.42%	<u>\$ 158,954</u>