

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

**FINANCIAL STATEMENTS AND  
SUPPLEMENTAL INFORMATION**

**YEARS ENDED JUNE 30, 2017 AND 2016**

**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, 2017 and 2016, 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.

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, 2017 and 2016 and the changes in its net assets 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.



**CliftonLarsonAllen LLP**

Baltimore, Maryland  
October 6, 2017

**COLLEGE OF SOUTHERN MARYLAND FOUNDATION, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30, 2017 AND 2016**

	2017	2016
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 1,737,861	\$ 1,613,660
Investments	7,608,956	6,557,415
Beneficial Interest in Charitable Trusts	2,355,676	1,906,969
Pledges Receivable, Net	513,966	495,804
 Total Assets	 \$ 12,216,459	 \$ 10,573,848
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Accounts Payable and Accrued Expenses	\$ 40,609	\$ 162,181
<b>NET ASSETS</b>		
Unrestricted		
Board-Designated	25,000	25,000
Undesignated	1,228,063	1,346,453
Total Unrestricted	1,253,063	1,371,453
Temporarily Restricted	5,902,229	4,937,385
Permanently Restricted	5,020,558	4,102,829
Total Net Assets	12,175,850	10,411,667
 Total Liabilities and Net Assets	 \$ 12,216,459	 \$ 10,573,848

See accompanying Notes to Financial Statements.

**COLLEGE OF SOUTHERN MARYLAND FOUNDATION, INC.**  
**STATEMENTS OF ACTIVITIES**  
**YEARS ENDED JUNE 30, 2017 AND 2016**

	2017				2016			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
<b>SUPPORT AND REVENUE</b>								
Contributions	\$ 130,801	\$ 687,371	\$ 907,989	\$ 1,726,161	\$ 329,014	\$ 483,549	\$ 440,406	\$ 1,252,969
Investment Income	22,362	685,051	-	707,413	(5,047)	164,001	-	158,954
Donated Services and Facilities	292,515	-	-	292,515	296,478	-	-	296,478
In-Kind Contributions	16,537	31,385	-	47,922	46,947	18,480	-	65,427
Change in Value of Beneficial Interest in a Charitable Trust	-	164,632	-	164,632	-	(30,993)	-	(30,993)
Adjustment for Uncollectible Pledges	-	(9,740)	9,740	-	-	-	(250)	(250)
Net Assets Released from Restrictions:								
Satisfaction of Program Restrictions	593,855	(593,855)	-	-	645,591	(645,591)	-	-
Total Support and Revenue	<u>1,056,070</u>	<u>964,844</u>	<u>917,729</u>	<u>2,938,643</u>	<u>1,312,983</u>	<u>(10,554)</u>	<u>440,156</u>	<u>1,742,585</u>
<b>EXPENSES</b>								
Program Services	714,740	-	-	714,740	885,739	-	-	885,739
General and Administrative	183,796	-	-	183,796	193,157	-	-	193,157
Fund Raising and Direct	275,924	-	-	275,924	267,583	-	-	267,583
Total Expenses	<u>1,174,460</u>	<u>-</u>	<u>-</u>	<u>1,174,460</u>	<u>1,346,479</u>	<u>-</u>	<u>-</u>	<u>1,346,479</u>
<b>CHANGE IN NET ASSETS</b>	(118,390)	964,844	917,729	1,764,183	(33,496)	(10,554)	440,156	396,106
Net Assets - Beginning 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>
<b>NET ASSETS - END OF YEAR</b>	<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>

See accompanying Notes to Financial Statements.

**COLLEGE OF SOUTHERN MARYLAND FOUNDATION, INC.**  
**STATEMENTS OF CASH FLOWS**  
**YEARS ENDED JUNE 30, 2017 AND 2016**

	2017	2016
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ 1,764,183	\$ 396,106
Adjustments to Reconcile Increase in Net Assets to Net Cash Used by Operating Activities:		
Change in Fair Value of Investments	(421,106)	1,046,110
Realized Gain on Sale of Investments	(18,415)	(978,361)
Bad Debt Expense	-	25
Change in Value of Beneficial Interest in Charitable Trust	(164,632)	30,993
Permanently Restricted Contributions	(907,989)	(440,406)
Effects of Changes in Operating Assets and Liabilities:		
Charitable Remainder Contributions	(293,731)	-
Pledges Receivable	(18,162)	(266,219)
Accounts Payable and Accrued Expenses	(121,572)	145,219
Net Cash Used by Operating Activities	(181,424)	(66,533)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of Investments	(725,976)	(6,959,354)
Proceeds of Sales of Investments	1,031,601	6,849,452
Net Cash Provided / (used) by Investing Activities	305,625	(109,902)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Permanently Restricted Contributions	907,989	440,406
<b>INCREASE IN CASH AND CASH EQUIVALENTS</b>	124,201	263,971
Cash and Cash Equivalents - Beginning of Year	1,613,660	1,349,689
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	\$ 1,737,861	\$ 1,613,660
<b>SUPPLEMENTAL DISCLOSURE OF NONCASH TRANSACTIONS</b>		
Donated Goods and Services	\$ 340,437	\$ 361,905
Donated Land	\$ -	\$ 120,000

See accompanying Notes to Financial Statements.

**COLLEGE OF SOUTHERN MARYLAND FOUNDATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2017 AND 2016**

**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 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, 2017 AND 2016**

**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, 2017 and 2016. Any pledges deemed to be uncollectible are written off at the time of such determination. There was no allowance recorded as of June 30, 2017 and 2016.

**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 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, 2017 AND 2016**

**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, 2017 and 2016.

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, 2017 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, 2017 and 2016, the Foundation's investments were in mutual funds summarized as follows:

2017			
Investment	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>
2016			
Investment	Cost	Fair Value	Unrealized Gain (Loss)
Mutual Funds			
Equity Funds	\$ 4,656,619	\$ 4,637,743	\$ (18,876)
Fixed Income Funds	1,840,838	1,919,672	78,834
Total	<u>\$ 6,497,457</u>	<u>\$ 6,557,415</u>	<u>\$ 59,958</u>

**COLLEGE OF SOUTHERN MARYLAND FOUNDATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2017 AND 2016**

**NOTE 4 INVESTMENTS (CONTINUED)**

Investment income from these investments for the years ended June 30, 2017 and 2016 was as follows:

	2017	2016
Interest and Dividends	\$ 267,892	\$ 226,703
Realized Gain on Sale of Investments	18,415	978,361
	<u>286,307</u>	<u>1,205,064</u>
Unrealized Gain/(Loss) on Investments	421,106	(1,046,110)
Total	<u>\$ 707,413</u>	<u>\$ 158,954</u>

**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, 2017 AND 2016**

**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, 2017, 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, 2017 and 2016. Based on the inputs the beneficial interest in charitable trust is considered Level 3.

As of June 30, 2017 and 2016, assets measured at fair value on a recurring basis are summarized by level within the fair value hierarchy as follows:

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>-</u>	<u>-</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>
2016	Level 1	Level 2	Level 3	Fair Value
Mutual Funds				
Equity Funds	\$ 4,637,744	\$ -	\$ -	\$ 4,637,744
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>

**COLLEGE OF SOUTHERN MARYLAND FOUNDATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2017 AND 2016**

**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:

	2017	2016
Balance, July 1	\$ 1,906,969	\$ 1,937,962
Contributions	284,075	-
Change in Value of Benefit Interest in Charitable Trusts	164,632	(30,993)
Balance, June 30	<u>\$ 2,355,676</u>	<u>\$ 1,906,969</u>

**NOTE 6 PLEDGES RECEIVABLE**

Pledges receivable is composed of pledges for the following purposes:

	2017	2016
Scholarships	\$ 640,965	\$ 591,346
Ward Virts Piano Project	2,000	2,000
Trades and Technologies	19,000	20,000
Wellness	3,000	4,000
Kids College	-	20,000
Insurance Funding	38,792	39,585
Undesignated	50,654	61,437
	<u>754,411</u>	<u>738,368</u>
Discount to Net Present Value	(240,445)	(242,564)
Total	<u>\$ 513,966</u>	<u>\$ 495,804</u>

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

2018	\$ 144,034
2019	126,537
2020	75,840
2021	34,000
2022	14,000
Thereafter	<u>360,000</u>
Total	754,411
Discount to Net Present Value	(240,445)
Total	<u>\$ 513,966</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 .65% to 3.01%.

**COLLEGE OF SOUTHERN MARYLAND FOUNDATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2017 AND 2016**

**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, 2017 and 2016 was 5%. Changes in the value of the beneficial interest in the trust (principally discount amortization) are reflected in the statement of activities.

During 2013, the Foundation became aware of its beneficial interests in a charitable trust which was established in 2006 to hold title to approximately 70 acres of land located near Waldorf, Maryland. Under the terms of the trust, the beneficiaries of the trust are to receive at least an annual distribution from the trust of all investment earnings on the trust assets, not to exceed 7%, for a period of twenty years following funding. The 20 year period will expire on July 31, 2026.

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 as of September 2, 2016 until the recipient's death.

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

	2017	2016
Value of Charitable Trusts	\$ 3,816,385	\$ 3,202,911
Discount to Net Present Value	(1,460,709)	(1,295,942)
Total	<u>\$ 2,355,676</u>	<u>\$ 1,906,969</u>

**NOTE 8 DONATED SERVICES AND FACILITIES**

During the years ended June 30, 2017 and 2016, the value of donated goods and services recognized in the accompanying Statements of Activities as both support and expenses was \$292,515 and \$296,478, respectively, and included the following:

	2017	2016
Salaries and Benefits	\$ 257,561	\$ 244,018
Conferences, Meetings, and Travel	14,029	27,247
Professional Services and Public Relations	11,180	12,990
Printing and Other	9,745	12,223
Total	<u>\$ 292,515</u>	<u>\$ 296,478</u>

**COLLEGE OF SOUTHERN MARYLAND FOUNDATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2017 AND 2016**

**NOTE 9 PROGRAM EXPENSES**

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

	2017	2016
Athletics	\$ 56,357	\$ 33,524
Celebration of Arts	6,035	6,950
Children's Learning	9,716	75,000
Academic Programs	35,302	150
ISTEM	58,026	61,475
Nursing/Healthcare	21,171	1,200
Other	35,671	193,039
Scholarships	464,811	478,901
Southern Maryland Studies Center	-	1,000
Study Abroad Programs	-	15,000
Trades & Technology	18,901	-
Ward Virts	8,750	9,500
Total	<u>\$ 714,740</u>	<u>\$ 885,739</u>

**NOTE 10 ENDOWMENTS**

The Foundation's endowments consist of approximately 50 individual funds (the Funds) established for a variety of purposes. As required by generally accepted accounting principles (GAAP), net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions. 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, 2017 AND 2016**

**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 \$224,691 and \$149,830) during the years ended June 30, 2017 and 2016:

	2017			
	Unrestricted (Board Designated)	Temporarily Restricted	Permanently Restricted	Total
Endowment Net Assets, Beginning	\$ 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>



**COLLEGE OF SOUTHERN MARYLAND FOUNDATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2017 AND 2016**

**NOTE 10 ENDOWMENTS (CONTINUED)**

	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 Expenditures	-	(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:				
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>

**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, 2017 and 2016.

**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, 2017 AND 2016**

**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:

	2017	2016
<b>Unrestricted:</b>		
Undesignated	\$ 1,228,063	\$ 1,346,453
Board Designated for Scholarships	25,000	25,000
Total Unrestricted	1,253,063	1,371,453
<b>Temporarily Restricted Net Assets:</b>		
Academic programs	365,992	380,154
Childcare Center	458,384	531,411
Endowed Scholarships	1,419,421	1,412,723
Institutional Support	18,347	17,333
Public Service	74,494	43,273
Scholarships	1,192,702	631,529
Student Support	17,213	13,993
Beneficial Interests in Charitable Trusts	2,355,676	1,906,969
Total Temporarily Restricted	5,902,229	4,937,385
<b>Permanently Restricted Net Assets:</b>		
Endowed Scholarships	4,865,558	3,947,829
Program Support	155,000	155,000
Total Permanently Restricted	5,020,558	4,102,829
Total	\$ 12,175,850	\$ 10,411,667

**COLLEGE OF SOUTHERN MARYLAND FOUNDATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2017 AND 2016**

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

Temporarily restricted net assets released from restrictions were as follows:

	2017	2016
Scholarships	\$ 462,311	\$ 507,015
Program Support	131,544	138,576
Total	<u>\$ 593,855</u>	<u>\$ 645,591</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, 2017 and 2016 by natural classification:

	2017	2016
Salary, Wages, and Benefits	\$ 265,817	\$ 248,864
Supplies and Materials	21,746	22,888
Contracted Services	131,544	187,138
Conferences and Meetings	139,330	44,909
Insurance, Interest, Licenses and Fees	1,093	1,093
Scholarships	464,811	507,015
Other	150,119	334,572
Total	<u>\$ 1,174,460</u>	<u>\$ 1,346,479</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 \$292,515 and \$296,478 in 2017 and 2016, respectively. These donations are reflected in the financial statements as both support revenue and expense.

The Foundation paid the College \$636,749 and \$594,762 in 2017 and 2016, respectively, for scholarships and other contributions. As of June 30, 2017 the Foundation's accounts payable balance includes \$40,609 and \$126,825 due to the College for funds advanced by the College on their behalf.

**NOTE 14 SUBSEQUENT EVENTS**

The Foundation has evaluated subsequent events through October 6, 2017, the date the financial statements were available to be issued. Events or transactions occurring after June 30, 2017, but prior to October 6, 2017 that provided additional evidence about conditions that existed at June 30, 2017 have been recognized in the financial statements for the year ended June 30, 2017. Events or transactions that provided evidence about conditions that did not exist at June 30, 2017 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, 2017.

**COLLEGE OF SOUTHERN MARYLAND FOUNDATION, INC.**  
**SCHEDULE OF CHANGES IN NET ASSETS**  
**YEAR ENDED JUNE 30, 2017**

	Net Assets June 30, 2016	Investment Income	Contributions	Scholarship Awards	Other (Deductions)	Other Adjustments	Net Assets June 30, 2017
<b>UNRESTRICTED NET ASSETS</b>							
Undesignated							
Undesignated Gifts and Bequests	\$ 1,211,242	\$ 18,970	\$ 95,119	\$ (53,238)	\$ (144,984)	\$ -	\$ 1,127,109
Golf & Tennis Classic	117,971	1,699	51,209	-	(89,223)	-	81,656
Technology Acct - State Matching Funds	6,993	713	-	-	-	-	7,706
Student Services	215	-	650	-	-	-	865
Theatritext @ St. Mary's	88	-	-	-	(88)	-	-
Jaycees Educational Assistance Program	3,487	331	-	(557)	-	-	3,261
Library Memorial	6,457	649	360	-	-	-	7,466
Total Undesignated	1,346,453	22,362	147,338	(53,795)	(234,295)	-	1,228,063
Board Designated							
R. Fisher Endowment Fund	25,000	-	-	-	-	-	25,000
Total Unrestricted Net Assets	1,371,453	22,362	147,338	(53,795)	(234,295)	-	1,253,063
<b>TEMPORARILY RESTRICTED NET ASSETS</b>							
Undesignated - Hassanein Charitable Trust	1,906,968	164,632	-	-	-	(233)	2,071,367
ADF Bingo - Kids College	18,035	-	87	(9,942)	-	-	8,180
Adjunct Faculty Endowment	1,683	3,564	-	(1,000)	-	-	4,247
Adjunct Faculty Merit	1,994	-	376	(1,500)	-	-	870
Adjunct Faculty Need	269	-	133	-	-	-	402
Albert L. Edler, Jr. Memorial	1,271	2,777	-	(1,800)	-	-	2,248
Alumni Scholarship	2,860	218	1,145	(1,000)	-	-	3,223
APA & SAL Scholarship	875	-	1,000	(500)	-	-	1,375
Arc Southern MD Media Scholarship	500	-	-	-	1	-	501
Arc Southern MD Nurse Scholarship	1	-	-	-	(1)	-	-
AVSI Scholarship Fund	3,000	-	-	(3,000)	-	-	-
B Wheatley Memorial Endowment	1,406	919	(1,406)	-	-	1,406	2,325
Bailey Memorial Nurse Endowment	757	2,646	-	-	-	-	3,403
Bay Business Group Annual Scholarship	2,000	-	-	(2,000)	-	-	-
Beers Scholarship Fund	84,807	33,533	-	(22,000)	-	-	96,340
Besche Family Scholarship	-	-	30,000	(10,000)	-	-	20,000
Bill Montgomery Memorial Scholarship	390	2	-	-	-	-	392
Bill Wood Memorial Scholarship	27,789	2,809	120	-	-	-	30,718
BN Guerrieri Memorial Scholarship	(650)	-	650	(650)	-	650	-

**COLLEGE OF SOUTHERN MARYLAND FOUNDATION, INC.**  
**SCHEDULE OF CHANGES IN NET ASSETS**  
**YEAR ENDED JUNE 30, 2017**  
**(CONTINUED)**

	Net Assets June 30, 2016	Investment Income	Contributions	Scholarship Awards	Other Additions (Deductions)	Other Adjustments	Net Assets June 30, 2017
<b>TEMPORARILY RESTRICTED NET ASSETS (Continued)</b>							
Boone & Edelen Scholarship	\$ 4,010	\$ -	\$ -	\$ (500)	\$ -	\$ -	\$ 3,510
Brad & Linda Gottfried Scholarship	9,255	102	1,390	(800)	(8,000)	-	1,947
Bradley Gottfried Endowment	3,929	2,077	-	-	-	-	6,006
BT Sanders Memorial Scholarship	1,000	-	-	(1,000)	-	-	-
Building Futures Scholarship	-	445	84,842	(9,025)	-	9,008	85,270
C&M McAllister Endowment Fund	11,947	4,598	-	-	-	-	16,545
Calvert County Chamber Endowment	(170)	2,516	-	(1,800)	-	-	546
Calvert County 350th Anniversary Endowment	4,081	1,738	-	-	-	-	5,819
Calvert County Chamber Scholarship	1,170	69	-	(1,200)	-	-	39
Calvert Resources Scholarship	500	-	-	(500)	-	-	-
Captain B Robertson Endowment	2,222	2,362	-	(750)	-	-	3,834
Castles and Foundations Fund	15,828	6,648	-	(5,000)	-	-	17,476
Celebration of the Arts	41,575	3,699	6,894	-	(6,035)	(653)	45,480
Chandler Keys	37	-	-	-	(37)	-	-
Chaney Endowment	18,902	19,176	-	(5,500)	-	-	32,578
Charles County Chamber Commerce	500	-	2,000	(1,000)	-	-	1,500
Charles County Women's Club	1,242	-	-	(500)	-	8	750
Charles Nurse/Health Scholarship	9,900	-	5,000	(5,000)	-	-	9,900
Christopher Chinault Scholarship	19,370	6,964	-	(4,000)	-	-	22,334
Civista Medical Center	5,286	1,555	-	-	-	-	6,841
CK Walsh Memorial Scholarship	-	224	13,481	-	-	-	13,705
CLC Scholarship Fund	548	-	210	-	-	-	758
Coldwell Banker J Lilly-CTIT	1,720	268	1,777	-	-	-	3,765
Community Bank of the Chesapeake Annual	25,150	-	1,717	(5,000)	-	-	21,867
Community Bank of the Chesapeake Endowment	-	1,726	-	-	-	-	1,726
Connie Kite Memorial Scholarship	5,615	95	200	(2,000)	-	-	3,910
Constellation Energy (formerly NET Annual Scholarst	-	15,282	-	-	(35,002)	75,379	55,659
CR Posten Memorial Fund	2,330	135	-	(1,000)	-	-	1,465
CSF Scholarship Fund	2,617	-	2,423	(1,000)	-	-	4,040
CSM Children's Center	466,094	46,283	4,090	-	(7,716)	(68)	508,683
Darrow Memorial Scholarship	4,100	-	-	(1,500)	-	-	2,600

**COLLEGE OF SOUTHERN MARYLAND FOUNDATION, INC.**  
**SCHEDULE OF CHANGES IN NET ASSETS**  
**YEAR ENDED JUNE 30, 2017**  
(Continued)

	Net Assets June 30, 2016	Investment Income	Contributions	Scholarship Awards	Other Additions (Deductions)	Other Adjustments	Net Assets June 30, 2017
<b>TEMPORARILY RESTRICTED NET ASSETS (Continued)</b>							
Boone & Edelen Scholarship	\$ 4,010	\$ -	\$ -	\$ (500)	\$ -	\$ -	\$ 3,510
Brad & Linda Gottfried Scholarship	9,255	102	1,390	(800)	(8,000)	-	1,947
Bradley Gottfried Endowment	3,929	2,077	-	-	-	-	6,006
BT Sanders Memorial Scholarship	1,000	-	-	(1,000)	-	-	-
Building Futures Scholarship	-	445	84,842	(9,025)	-	9,008	85,270
C&M McAllister Endowment Fund	11,947	4,598	-	-	-	-	16,545
Calvert County Chamber Endowment	(170)	2,516	-	(1,800)	-	-	546
Calvert County 350th Anniversary Endowment	4,081	1,738	-	-	-	-	5,819
Calvert County Chamber Scholarship	1,170	69	-	(1,200)	-	-	39
Calvert Resources Scholarship	500	-	-	(500)	-	-	-
Captain B Robertson Endowment	2,222	2,362	-	(750)	-	-	3,834
Castles and Foundations Fund	15,828	6,648	-	(5,000)	-	-	17,476
Celebration of the Arts	41,575	3,699	6,894	-	(6,035)	(653)	45,480
Chandler Keys	37	-	-	-	(37)	-	-
Chaney Endowment	18,902	19,176	-	(5,500)	-	-	32,578
Charles County Chamber Commerce	500	-	2,000	(1,000)	-	-	1,500
Charles County Women's Club	1,242	-	-	(500)	-	8	750
Charles Nurse/Health Scholarship	9,900	-	5,000	(5,000)	-	-	9,900
Christopher Chinault Scholarship	19,370	6,964	-	(4,000)	-	-	22,334
Civista Medical Center	5,286	1,555	-	-	-	-	6,841
CK Walsh Memorial Scholarship	-	224	13,481	-	-	-	13,705
CLC Scholarship Fund	548	-	210	-	-	-	758
Coldwell Banker J Lilly-CTIT	1,720	268	1,777	-	-	-	3,765
Community Bank of the Chesapeake Annual	25,150	-	1,717	(5,000)	-	-	21,867
Community Bank of the Chesapeake Endowment	-	1,726	-	-	-	-	1,726
Connie Kite Memorial Scholarship	5,615	95	200	(2,000)	-	-	3,910
Constellation Energy (formerly NET Annual Scholarst	-	15,282	-	-	(35,002)	75,379	55,659
CR Posten Memorial Fund	2,330	135	-	(1,000)	-	-	1,465
CSF Scholarship Fund	2,617	-	2,423	(1,000)	-	-	4,040
CSM Children's Center	466,094	46,283	4,090	-	(7,716)	(68)	508,683
Darrow Memorial Scholarship	4,100	-	-	(1,500)	-	-	2,600

**COLLEGE OF SOUTHERN MARYLAND FOUNDATION, INC.**  
**SCHEDULE OF CHANGES IN NET ASSETS**  
**YEAR ENDED JUNE 30, 2017**  
**(CONTINUED)**

	Net Assets June 30, 2016	Investment Income	Contributions	Scholarship Awards	Other Additions (Deductions)	Other Adjustments	Net Assets June 30, 2017
<b>TEMPORARILY RESTRICTED NET ASSETS (Continued)</b>							
ISTEM	\$ 147,808	\$ 15,815	\$ 67,790	\$ -	\$ (58,026)	\$ -	\$ 173,387
Ives Freedom Scholarship Fund	2,573	-	-	(1,000)	-	-	1,573
J&M Harms Endowed Scholarship	-	33,609	-	-	-	-	33,609
J Patak Memorial Endowment	1,019	1,243	(523)	-	-	-	1,739
J Patak Memorial Annual Scholarship	-	38	523	-	-	-	561
J Zanelotti, Sr Memorial Scholarship	5,402	-	2,013	-	(1,000)	-	6,415
J. Ivey Cline Memorial Scholarship	5,309	2,003	-	(1,125)	-	-	6,187
J. Morton Memorial Scholarship	3,465	-	-	-	-	-	3,465
J. Rice & M. Fauth Memorial	27,716	8,386	-	-	-	-	36,102
J. Schultz-Collins Scholarship	42	4	-	-	(46)	-	-
Jack L Sprague Scholarship	500	-	500	(500)	-	-	500
James C. Mitchell Nursing Scholarship	32,791	5,313	-	(4,000)	-	-	34,104
Jane H. Sypher Scholarship	7,702	-	3,705	(1,300)	-	-	10,107
JF Raley, Jr. STEM Scholarship	6,640	701	-	-	-	-	7,341
JL & WCS Charity Endowment	1,499	1,654	-	-	-	-	3,153
Joanne Zwick Memorial Scholarship	2,126	1,211	-	(950)	-	-	2,387
Kavetsky Family Endowment	1,862	885	-	(700)	-	-	2,047
Krankowski Memorial Endowment	37	276	-	-	-	-	313
L. K. Farrall II Endowment Fund	15,813	6,352	-	(3,600)	-	-	18,565
LaPlata Rotary Energy/Trades Scholarship	28,647	-	570	(375)	-	(2,645)	26,197
Leonardtwn SA Kickoff Scholarship	1,007	103	-	-	-	-	1,110
Leonardtwn SGA Endowment Fund	9,043	2,342	-	(500)	-	-	10,885
Lilly Memorial Endowment Scholarship	564	1,586	-	-	-	-	2,150
Louis P. Jenkins, Sr. Endowment Fund	15,636	7,725	-	(2,200)	-	-	21,161
Lucy Detig Endowed Scholarship	4,301	3,472	-	(750)	-	-	7,023
Marguerite Cox Family Memorial	11,342	5,896	-	(3,075)	-	-	14,163
Marrick Properties	55,490	16,188	-	(1,842)	-	-	69,836
Mary Croft Ward Scholarship	1,666	481	-	-	-	-	2,147
Matthew W. Hancock Memorial Scholarship	515	52	-	-	-	-	567
McDonough Charity School	11,514	33,501	-	(13,000)	77,602	-	109,617
McDonough Foundation Annual Scholarship	89,117	856	-	(1,075)	(77,602)	-	11,296

**COLLEGE OF SOUTHERN MARYLAND FOUNDATION, INC.**  
**SCHEDULE OF CHANGES IN NET ASSETS**  
**YEAR ENDED JUNE 30, 2017**  
(Continued)

	Net Assets June 30, 2016	Investment Income	Contributions	Scholarship Awards	Other Additions (Deductions)	Other Adjustments	Net Assets June 30, 2017
<b>TEMPORARILY RESTRICTED NET ASSETS (Continued)</b>							
McNelis Family Scholarship	\$ 969	\$ 46	\$ 6	\$ (1,000)	\$ -	\$ -	\$ 21
McWilliams Family Trust	7,342	3,347	-	(2,500)	-	-	8,189
MD Motor Truck Association Scholarship	2,500	-	5,119	(2,500)	-	-	5,119
Mercantile Southern Maryland Bank	852	87	-	-	-	-	939
Middleton Nurse Scholarship	15,000	-	125	(3,000)	-	(157)	11,968
Milton Somers Scholarship	-	-	-	-	-	-	-
Montgomery Endowment Scholarship	421	1,595	-	-	-	-	2,016
M Shasho Memorial Endowment	-	763	10,250	-	-	-	11,013
Neale C Slater Memorial Scholarship	10,091	7,049	-	(1,100)	-	-	16,040
NET Annual Scholarship	75,379	2,561	35,002	-	-	(75,379)	37,563
NRL Federal Credit Union Scholarship	2,000	-	-	(2,000)	-	-	-
Nu Zeta Omega Scholarship	2,096	-	1,200	(900)	-	-	2,396
Nursing & Healthcare	54,832	4,926	1,275	-	(11,019)	-	50,014
Nursing Equipment Fund	162	-	-	-	-	(162)	-
Nyce Annual Scholarship	5,942	312	2,840	(1,600)	-	-	7,494
Nyce Scholarship Endowment	48	1,679	-	-	-	-	1,727
O Stinson Memorial Engineering	3,942	-	19	(1,000)	-	-	2,961
Old Line Bank Business Scholarship	19,011	-	-	-	(19,011)	-	-
Old Line Bank Step-Up Annual Scholarship	-	-	77,447	(7,500)	19,011	-	88,958
Our Earth Endowment	4,437	1,834	-	-	-	-	6,271
P Cangelosi Memorial Scholarship	809	2,352	-	(1,500)	-	-	1,661
P Facchina, Jr Scholarship	1,000	-	1,000	(1,000)	-	-	1,000
P. E. Wellness Center	13,990	-	27,405	-	(37,644)	13,458	17,209
Presidential Scholarship Program	-	-	17,124	-	-	-	17,124
Prince Frederick Student Association Scholarship	18,206	1,852	-	-	-	-	20,058
R. Fisher Endowment Fund	18,539	4,535	-	-	-	1,034	24,108
RK Sisters at Heart Scholarship	-	82	13,510	(1,000)	-	-	12,592
Renee Mundy Math Endowment	2,763	1,414	-	-	-	-	4,177



**COLLEGE OF SOUTHERN MARYLAND FOUNDATION, INC.**  
**SCHEDULE OF CHANGES IN NET ASSETS**  
**YEAR ENDED JUNE 30, 2017**  
(Continued)

	Net Assets June 30, 2016	Investment Income	Contributions	Scholarship Awards	Other Additions (Deductions)	Other Adjustments	Net Assets June 30, 2017
<b>TEMPORARILY RESTRICTED NET ASSETS (Continued)</b>							
Robert W. Sibole Scholarship	\$ 74	\$ 7	\$ -	\$ -	\$ (81)	\$ -	\$ -
Robert Ware Strauss SMSC	32,336	3,289	-	-	-	-	35,625
Russel G. Croft	48,092	16,320	-	(2,000)	-	-	62,412
Ruth Mathes Scholarship	1,250	-	5,000	(5,000)	-	-	1,250
S Behmke Legacy Fund	5,706	32	10,502	(2,000)	-	-	14,240
SBA Scholarship Fund	-	-	500	(500)	-	-	-
Schwier & LaFleur Scholarship	6,000	-	3,000	-	-	-	9,000
SGA-SHS Annual Fund	4,703	-	240	(4,115)	-	-	828
SGA-SHS Endowment	1,977	1,246	-	-	-	-	3,223
Shani J Whipple Scholarship	9,486	1,529	-	-	-	-	11,015
Sidney Waugh Memorial Scholarship	3,102	37	580	(1,000)	-	-	2,719
SMECO Engineers Endowment	3,151	5,086	-	(1,500)	-	-	6,737
SMWL Scholarship Fund	8,987	-	3,544	(2,500)	-	-	10,031
SoMD Bluecrabs Strikeout	-	-	-	-	-	-	-
Southern Maryland Studies Center Fund	33,541	2,792	379	-	-	-	36,712
Spring Dell/Gregory Memorial	-	-	-	-	-	-	-
St. Mary's SARC Scholarship	-	-	5,000	-	-	-	5,000
St. Mary's County Scholarship Annual	-	-	20,000	(20,000)	-	-	-
St. Mary's County Scholarship Endowment Fund	37,930	8,920	-	(4,500)	-	-	42,350
St. Mary's Health Department Scholarship	376	36	-	-	(412)	-	-
Technology @ La Plata	1,628	166	-	-	-	-	1,794
Technology @ Leonardtown	14,141	1,160	508	-	-	-	15,809
Technology @ Prince Frederick	2,068	211	-	-	-	-	2,279
Thomas F. Goldsmith Fund	18,272	7,864	-	(5,000)	-	-	21,136
TJ Murray Memorial Scholarship	1,500	-	-	-	-	-	1,500
TLLOPP Fraternity Scholarship	1,000	-	-	-	-	-	1,000
Tony Hungerford Memorial Endowment Fund	23,324	8,361	-	(4,000)	-	-	27,685

**COLLEGE OF SOUTHERN MARYLAND FOUNDATION, INC.**  
**SCHEDULE OF CHANGES IN NET ASSETS**  
**YEAR ENDED JUNE 30, 2017**  
**(CONTINUED)**

	Net Assets June 30, 2016	Investment Income	Contributions	Scholarship Awards	Other Additions (Deductions)	Other Adjustments	Net Assets June 30, 2017
<b>TEMPORARILY RESTRICTED NET ASSETS (Continued)</b>							
Toribio Career Starters	\$ 999	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 999
Trades & Technologies	86,026	5,280	3,530	-	(19,057)	9,058	84,837
Travel Studies Endowment	179	1,557	-	-	-	-	1,736
Travel Studies Scholarship	4,241	-	-	(1,361)	-	-	2,880
Tri County 40/8 Nurse Scholarship	2,519	-	800	(800)	-	-	2,519
Veterans Education Endowment Fund	67,271	10,879	-	-	-	13	78,163
W. Martinez Jr. Memorial Scholarship	2,276	-	1,500	(1,500)	-	-	2,276
Walter Grove II Endowment Fund	26,800	11,031	-	(7,500)	-	-	30,331
Ward Virts Piano Project	10,502	130	8,529	-	(8,750)	-	10,411
WCCCA Scholarship	1,400	-	-	-	-	-	1,400
We Salute Our Troops - Desert Storm Scholarship	202	332	-	-	-	-	534
William D Bauer Memorial Endowment	12,826	1,301	-	(1,000)	-	(20)	13,107
William Lyon Endowment Fund	9,759	2,895	-	(1,986)	-	-	10,668
Wm. B. and Vivian M. King Endowment Fund	438,702	161,375	-	(39,450)	-	-	560,627
Women in Transition	20	-	-	(20)	-	1,946	1,946
Woodey Theatre Scholarship	1,761	-	-	(500)	-	-	1,261
Wyvill Teacher Ed Endowment Scholarship	2,060	2,125	-	(1,500)	-	-	2,685
Ziencik-Hess Memorial Scholarship	1,249	-	1,218	(1,000)	-	-	1,467
Zonta RAVE Walk Scholarship	730	-	1,005	(1,500)	-	20	255
<b>Total Temporarily Restricted Net Assets</b>	<u>4,937,385</u>	<u>849,683</u>	<u>718,756</u>	<u>(401,308)</u>	<u>(192,547)</u>	<u>(9,740)</u>	<u>5,902,229</u>

**COLLEGE OF SOUTHERN MARYLAND FOUNDATION, INC.**  
**SCHEDULE OF CHANGES IN NET ASSETS**  
**YEAR ENDED JUNE 30, 2017**  
**(CONTINUED)**

	Net Assets June 30, 2016	Investment Income	Contributions	Scholarship Awards	Other Additions (Deductions)	Other Adjustments	Net Assets June 30, 2017
<b>PERMANENTLY RESTRICTED NET ASSETS</b>							
Christopher Chinault Scholarship	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50,000
James C. Mitchell Nursing Scholarship	20,000	-	-	-	-	-	20,000
Civista Medical Center	10,000	-	-	-	-	-	10,000
J. Ivey Cline Scholarship	14,708	-	-	-	-	-	14,708
Mary Croft Ward Scholarship	3,063	-	-	-	-	-	3,063
Joanne Zwick Memorial Scholarship	10,000	-	-	-	-	-	10,000
Helen and Henry Lawlor Scholarship	23,500	-	-	-	-	-	23,500
We Salute Our Troops - Desert Storm Scholarship	3,063	-	-	-	-	-	3,063
Toney Hungerford Memorial Endowment Fund	59,630	-	-	-	-	-	59,630
Wm. B. and Vivian M. King Endowment Fund	1,156,150	-	-	-	-	-	1,156,150
McDonough Charity School	242,147	-	1,575	-	-	-	243,722
Castles and Foundation Fund	50,393	-	-	-	-	-	50,393
Walter Grove II Endowment Fund	82,269	-	1,675	-	-	-	83,944
L.K. Farrall III Endowment Fund	47,448	-	-	-	-	-	47,448
Russell G. Croft	112,352	-	200	-	-	-	112,552
Ed Matthews, Jr. Endowment Fund	20,908	-	-	-	-	-	20,908
William Lyon Endowment Fund	19,336	-	-	-	-	-	19,336
Albert L. Edler, Jr. Memorial	26,450	-	-	-	-	-	26,450
McWilliams Family Trust	25,957	-	500	-	-	-	26,457

**COLLEGE OF SOUTHERN MARYLAND FOUNDATION, INC.**  
**SCHEDULE OF CHANGES IN NET ASSETS**  
**YEAR ENDED JUNE 30, 2017**  
**(CONTINUED)**

	Net Assets June 30, 2016	Investment Income	Contributions	Scholarship Awards	Other Additions (Deductions)	Other Adjustments	Net Assets June 30, 2017
<b>PERMANENTLY RESTRICTED NET ASSETS (Continued)</b>							
Calvert Chamber Fund	\$ 24,556	\$ -	\$ 1,030	\$ -	\$ -	\$ -	\$ 25,586
Dr. Nallan Ramakrishna Scholarship	114,100	-	-	-	-	-	114,100
Thomas F. Goldsmith Fund	60,000	-	-	-	-	-	60,000
Marguerite Cox Family Memorial	50,553	-	2,745	-	-	-	53,298
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 Endowment	13,000	-	-	-	-	-	13,000
St. Mary's County Scholarship Endowment Fund	50,100	-	-	-	-	-	50,100
Veterans Education Endowment Fund	38,913	-	1,000	-	-	-	39,913
Leonardtwn SGA Endowment Fund	14,000	-	-	-	-	-	14,000
Wyvill Teacher Ed Endowment Scholarship	19,141	-	69	-	-	-	19,210
C&M McAllister Endowment Fund	33,215	-	50	-	-	-	33,265
Beers Scholarship Fund	249,997	-	285	-	-	-	250,282
Louise P. Jenkins, Sr. Endowment Fund	61,000	-	-	-	-	-	61,000
Neale C Slater Memorial Scholarship	92,302	-	7,709	-	-	-	100,011
Renee Munday Math Endowment	10,949	-	-	-	-	-	10,949
Endowed Scholarship Fund	105,362	-	798	-	-	-	106,160
Bradley Gottfried Endowment	55,990	-	2,897	-	8,000	-	66,887
Kavetsky Family Endowment	7,000	-	-	-	-	-	7,000
Shani J Whipple Scholarship	5,547	-	-	-	-	-	5,547
NET Annual Scholarship	100,000	-	-	-	-	-	100,000
Chaney Endowment	155,000	-	40,000	-	-	-	195,000

**COLLEGE OF SOUTHERN MARYLAND FOUNDATION, INC.**  
**SCHEDULE OF CHANGES IN NET ASSETS**  
**YEAR ENDED JUNE 30, 2017**  
(Continued)

	Net Assets June 30, 2016	Investment Income	Contributions	Scholarship Awards	Other Additions (Deductions)	Other Adjustments	Net Assets June 30, 2017
<b>PERMANENTLY RESTRICTED NET ASSETS (Continued)</b>							
Lucy Detig Endowed Scholarship	\$ 30,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 30,000
SMECO Engineers Endowment	97,465	-	-	-	-	-	97,465
JL & WCS Charity Endowment	15,000	-	-	-	-	-	15,000
Captain B Robertson Endowment	16,170	-	5,000	-	-	-	21,170
SGA-SHS Endowment	10,012	-	5,013	-	-	-	15,025
Our Earth Endowment	11,400	-	3,000	-	-	-	14,400
Adjunct Faculty Endowment	33,213	-	500	-	-	-	33,713
B Wheatley Memorial Endowment	-	-	13,610	-	1,407	-	15,017
Grainger Family Endowment	24,948	-	-	-	-	-	24,948
Grimm& Parker Endowment	15,000	-	-	-	-	-	15,000
J Patak Memorial Endowment	14,958	-	285	-	-	-	15,243
Nyce Scholarship Endowment	15,632	-	1,125	-	-	-	16,757
Bailey Memorial Nurse Endowment	39,615	-	228	-	-	-	39,843
HV Scotland, Jr/III Memorial Endowment	15,000	-	2,717	-	-	-	17,717
J&M Harms Endowed Scholarship	-	-	781,613	-	-	9,740	791,353
P Cangelosi Memorial Scholarship	19,468	-	5,138	-	-	-	24,606
Lilly Memorial Endowment Scholarship	15,025	-	-	-	-	-	15,025
Entrepreneur & Innovation Institute	225,000	-	3,997	-	-	-	228,997
Krankowski Memorial Endowment	2,685	-	200	-	-	-	2,885
M Shasho Memorial Endowment	-	-	15,000	-	-	-	15,000
Community Bank of the Chesapeake Endowment	73,461	-	-	-	-	-	73,461
Travel Studies Endowment	15,000	-	276	-	-	-	15,276
Montgomery Endowment Scholarship	15,100	-	348	-	-	-	15,448
Total Permanently Restricted Net Assets	<u>4,102,829</u>	<u>-</u>	<u>898,582</u>	<u>-</u>	<u>9,407</u>	<u>9,740</u>	<u>5,020,558</u>
Total Net Assets	<u>\$ 10,411,667</u>	<u>\$ 872,045</u>	<u>\$ 1,764,676</u>	<u>\$ (455,103)</u>	<u>\$ (417,435)</u>	<u>\$ -</u>	<u>\$ 12,175,850</u>

**COLLEGE OF SOUTHERN MARYLAND FOUNDATION, INC.**  
**SCHEDULE OF INVESTMENTS**  
**JUNE 30, 2017**

	Units	Cost Basis	Market Value
<b>INVESTMENTS</b>			
Fixed income funds			
DODGE & COX FUNDS INCOME FUND	20,923	\$ 282,794	\$ 287,699
PIMCO LOW DURATION FD INSTL	55,012	545,480	542,763
PIMCO TOTAL RET FD INSTL	26,914	280,528	275,334
PIMCO FOREIGN BD FD INSTL (HEDGED)	16,631	175,499	174,960
PIMCO FDS LONG DURATION TTL RETRN INST C	8,383	93,150	92,384
T ROWE PRICE INSTL INTL BOND FUND	22,018	182,642	190,987
VANGUARD INFLATION-PROTECT SEC ADMIRAL	17,504	445,379	448,996
VANGUARD LONG-TERM INVT GRADE ADMIRAL	8,798	<u>89,602</u>	<u>92,209</u>
		<u>2,095,074</u>	<u>2,105,332</u>
Equity Funds			
AMERICAN FUNDS AMCAP F3 CL	7,621	211,491	221,038
AMERICAN FUNDS EUROPACIFIC GROWTH	3,855	184,904	200,366
DFA INTL REAL ESTATE SEC PTF	48,590	246,006	242,953
DFA INT'L SML PTF	4,972	87,599	99,353
DFA US LARGE CAP VALUE PORT	12,866	429,509	473,503
DFA US MICRO CAP FD	6,490	125,420	137,340
DFA US SMALL CAP VALUE PORT	3,349	112,670	122,544
DODGE & COX FUNDS INTL STK FD	4,800	188,814	209,435
PIMCO FUNDS COMMODITY REAL RET STRAT INSTL	52,145	357,882	339,992
T ROWE PRICE NEW ERA 1	1,444	44,050	47,511
T ROWE PRICE INSTL LARGE CAP GROWTH	4,521	135,425	158,172
T ROWE PRICE INTERNATIONAL GRWTH & INCM	15,734	204,703	228,464
VANGUARD GROWTH INDEX ADMIRAL	3,452	194,514	225,735
VANGUARD ENERGY FUND ADMIRAL	2,412	211,761	218,784
VANGUARD INTERNATIONAL VALUE FUND	5,349	176,199	194,150
VANGUARD MATERIALS INDEX ADMIRAL	855	44,476	53,015
VANGUARD REIT INDEX ADMIRAL	5,070	566,058	597,754
VANGUARD SMALL CAP GROWTH INDEX ADMIRAL	2,268	99,928	116,373
VANGUARD SMALL CAP VALUE INDEX ADMIRAL	5,047	226,043	266,700
VANGUARD VALUE INDEX FUND ADMIRAL	13,061	422,863	491,781
VANGUARD FTSE ALL WORLD	937	88,014	101,308
VANUGUARD INTERNATIONAL GROWTH ADMIRAL	2,666	184,926	223,000
WASHINGTON MUTUAL INVESTORS FUND CLAS 3	12,620	<u>514,252</u>	<u>534,353</u>
		<u>5,057,507</u>	<u>5,503,624</u>
Total Investments		<u>\$ 7,152,581</u>	<u>\$ 7,608,956</u>