

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

FINANCIAL STATEMENTS

JUNE 30, 2015 AND 2014

**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. which comprise the statement of financial position as of June 30, 2015 and 2014, 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, 2015 and 2014 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
September 30, 2015

FINANCIAL STATEMENTS

COLLEGE OF SOUTHERN MARYLAND FOUNDATION, INC.
STATEMENTS OF FINANCIAL POSITION
June 30, 2015 and 2014

	2015	2014
ASSETS		
Cash and cash equivalents	\$ 1,349,689	\$ 1,277,842
Investments	6,515,262	6,526,570
Beneficial interest in charitable trust	1,937,962	1,978,232
Pledges receivable, net	229,610	317,683
 Total Assets	 \$ 10,032,523	 \$ 10,100,327
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable and accrued expenses	\$ 16,962	\$ 11,585
NET ASSETS		
Unrestricted		
Board-designated	25,000	25,000
Undesignated	1,379,949	1,496,551
Total unrestricted	1,404,949	1,521,551
 Temporarily restricted	 4,947,939	 5,061,899
Permanently restricted	3,662,673	3,505,292
 Total net assets	 10,015,561	 10,088,742
 Total Liabilities and Net Assets	 \$ 10,032,523	 \$ 10,100,327

See accompanying Notes to Financial Statements.

COLLEGE OF SOUTHERN MARYLAND FOUNDATION, INC.
STATEMENTS OF ACTIVITIES
YEARS ENDED JUNE 30, 2015 AND 2014

	2015				2014			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
SUPPORT AND REVENUE								
Contributions	\$ 112,895	\$ 425,217	\$ 165,303	\$ 703,415	\$ 185,308	\$ 258,162	\$ 87,429	\$ 530,899
Investment income	39,804	158,979	-	198,783	193,293	701,316	-	894,609
Donated services and facilities	216,429	-	-	216,429	221,073	-	-	221,073
In-kind contributions	11,952	17,060	-	29,012	3,167	2,182	-	5,349
Change in value of beneficial interest in a charitable trust	-	(40,270)	-	(40,270)	-	258,343	-	258,343
Adjustment for uncollectible pledges	(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	632,342	(632,342)	-	-	303,229	(303,229)	-	-
Total support and revenue	<u>988,747</u>	<u>(113,960)</u>	<u>157,381</u>	<u>1,032,168</u>	<u>906,070</u>	<u>916,774</u>	<u>87,429</u>	<u>1,910,273</u>
EXPENSES								
Program services	766,851	-	-	766,851	475,673	-	-	475,673
General and administrative	113,933	-	-	113,933	153,590	-	-	153,590
Fund raising and direct	224,565	-	-	224,565	198,826	-	-	198,826
Total expenses	<u>1,105,349</u>	<u>-</u>	<u>-</u>	<u>1,105,349</u>	<u>828,089</u>	<u>-</u>	<u>-</u>	<u>828,089</u>
INCREASE/(DECREASE) IN NET ASSET:	(116,602)	(113,960)	157,381	(73,181)	77,981	916,774	87,429	1,082,184
NET ASSETS, BEGINNING OF YEAR	<u>1,521,551</u>	<u>5,061,899</u>	<u>3,505,292</u>	<u>10,088,742</u>	<u>1,443,570</u>	<u>4,145,125</u>	<u>3,417,863</u>	<u>9,006,558</u>
NET ASSETS, END 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>

See accompanying Notes to Financial Statements.

COLLEGE OF SOUTHERN MARYLAND FOUNDATION, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, JUNE 30, 2015 AND 2014

	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
(Decrease)/ Increase in net assets	\$ (73,181)	\$ 1,082,184
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Change in fair value of investments	441,388	(722,393)
Realized gain on sale of investments	(428,956)	1,991
Bad debt expense	75,201	-
Pledges receivable discount to present value	(6,608)	(9,020)
Change in value of beneficial interest in charitable trust	40,270	(258,343)
Permanently restricted contributions	(165,303)	(87,429)
Effect of changes in operating assets and liabilities:		
Pledges receivable	19,480	59,120
Accounts payable and accrued expenses	5,377	(6,411)
Net cash (used)/provided by operating activities	(92,332)	59,699
 CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of investments	(2,940,801)	(2,186,404)
Proceeds of sales of investments	2,939,677	2,099,212
Net cash used in investing activities	(1,124)	(87,192)
 CASH FLOWS FROM FINANCING ACTIVITIES		
Permanently restricted contributions	165,303	87,429
 INCREASE IN CASH AND CASH EQUIVALENTS	71,847	59,936
 CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	1,277,842	1,217,906
 CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 1,349,689	\$ 1,277,842
 SUPPLEMENTAL DISCLOSURE OF NONCASH TRANSACTIONS		
Donated goods and services	\$ 245,441	\$ 226,422

See accompanying Notes to Financial Statements.

COLLEGE OF SOUTHERN MARYLAND FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015 AND 2014

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, 2015 AND 2014

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, 2015 and 2014. 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, 2015 AND 2014

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, 2015 and 2014.

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, 2015 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, 2015 and 2014, the Foundation's investments were in mutual funds summarized as follows:

2015			
Investment	Cost	Fair Value	Unrealized Gain/ (Loss)
Mutual Funds			
Equity funds	\$ 3,446,259	\$ 4,507,866	\$ 1,061,607
Bond 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>
2014			
Investment	Cost	Fair Value	Unrealized Gain
Mutual Funds			
Equity funds	\$ 2,996,748	\$ 4,445,780	\$ 1,449,032
Bond funds	2,050,115	2,080,790	30,675
Total	<u>\$ 5,046,863</u>	<u>\$ 6,526,570</u>	<u>\$ 1,479,707</u>

COLLEGE OF SOUTHERN MARYLAND FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015 AND 2014

NOTE 4 INVESTMENTS (CONTINUED)

Investment income from these investments for the years ended June 30, 2015 and 2014 was as follows:

	2015	2014
Interest and dividends	\$ 211,215	\$ 174,207
Realized (loss) gain on sale of investments	428,956	(1,991)
	640,171	172,216
Unrealized (loss)/ gain on investments	(441,388)	722,393
Total	\$ 198,783	\$ 894,609

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, 2015 AND 2014

NOTE 5 FAIR VALUE (CONTINUED)

For the year ended June 30, 2015, 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, 2015 and 2014. Based on the inputs the beneficial interest in charitable trust is considered Level 3.

As of June 30, 2015 and 2014, assets measured at fair value on a recurring basis are summarized by level within the fair value hierarchy as follows:

2015	Level 1	Level 2	Level 3	Total Fair Value
Mutual Funds				
Equity funds	\$ 4,507,866	\$ -	\$ -	\$ 4,507,866
Bond funds	<u>2,007,396</u>	<u>-</u>	<u>-</u>	<u>2,007,396</u>
	<u>6,515,262</u>	<u>-</u>	<u>-</u>	<u>6,515,262</u>
Beneficial interest in charitable trust	<u>-</u>	<u>-</u>	<u>1,978,232</u>	<u>1,978,232</u>
Total	<u>\$ 6,515,262</u>	<u>\$ -</u>	<u>\$ 1,978,232</u>	<u>\$ 8,493,494</u>
2014	Level 1	Level 2	Level 3	Total Fair Value
Mutual Funds				
Equity funds	\$ 4,445,780	\$ -	\$ -	\$ 4,445,780
Bond funds	<u>2,080,790</u>	<u>-</u>	<u>-</u>	<u>2,080,790</u>
	<u>6,526,570</u>	<u>-</u>	<u>-</u>	<u>6,526,570</u>
Beneficial interest in charitable trust	<u>-</u>	<u>-</u>	<u>1,978,232</u>	<u>1,978,232</u>
Total	<u>\$ 6,526,570</u>	<u>\$ -</u>	<u>\$ 1,978,232</u>	<u>\$ 8,504,802</u>

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:

	2015	2014
Balance, July 1	\$ 1,978,232	\$ 1,719,889
Change in value of benefit interest in charitable trust	<u>(1,978,232)</u>	<u>258,343</u>
Balance, June 30	<u>\$ -</u>	<u>\$ 1,978,232</u>

COLLEGE OF SOUTHERN MARYLAND FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015 AND 2014

NOTE 6 PLEDGES RECEIVABLE

Pledges receivable is composed of pledges for the following purposes:

	2015	2014
Children's Learning Center	\$ -	\$ 5,000
Scholarships	138,068	221,500
Ward Virts Piano Project	4,000	6,000
Trades and Technologies	27,000	10,050
Educational Excellence	-	19,500
Kids College	20,000	30,000
Insurance Funding	40,379	41,172
Undesignated	250,000	11,200
	479,447	344,422
Discount to net present value	(249,837)	(21,939)
Allowance for uncollectible pledges	-	(4,800)
Total	\$ 229,610	\$ 317,683

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

2016	\$ 98,861
2017	40,793
2018	18,793
2019	56,000
2020	3,000
Thereafter	262,000
Total	\$ 479,447

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

NOTE 7 BENEFICIAL INTEREST IN A CHARITABLE TRUST

The beneficial interest in a charitable trust represents the present value of future distributions the Foundation expects to receive from its beneficial interest in this trust. The present value of future distributions is an estimate calculated at the time the Foundation becomes aware of its beneficial interest in an applicable trust and is based on the trust value at that time plus certain discount factors and actuarial assumptions. The discount rate used for June 30, 2015 and 2014 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, 2015 AND 2014

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 2006, the trustee sold the land for a \$4,000,000 note bearing interest at 7% maturing in July 2011. In 2009, the trustee agreed to reduce the note to \$3,350,000 to reflected impairments in the underlying value of the land due to adverse economic conditions. In 2011, the trustee extended the note's maturity to June 2016. In June 2013 and May 2015, the trust received a note 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:

	2015	2014
Value of charitable trust	\$ 3,419,748	\$ 3,667,531
Discount to net present value	(1,481,786)	(1,689,299)
Total	\$ 1,937,962	\$ 1,978,232

NOTE 8 DONATED SERVICES AND FACILITIES

During the years ended June 30, 2015 and 2014, the value of donated goods and services recognized in the accompanying Statements of Activities as both support and expenses was \$216,429 and \$221,073, respectively, and included the following:

	2015	2014
Salaries and benefits	\$ 197,196	\$ 202,674
Conferences, meetings, and travel	3,808	10,124
Professional services and public relations	10,107	1,996
Printing	2,595	2,279
Office supplies	2,723	4,000
Total	\$ 216,429	\$ 221,073

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, 2015 AND 2014

NOTE 9 PROGRAM EXPENSES (CONTINUED)

	2015	2014
Adjunct Faculty	\$ 15,000	\$ 2,000
Athletics	30,088	17,000
Awards for banquet	8,410	7,796
Celebration of Arts	75	3,363
Children's Learning	3,210	-
Diversity Institute	600	-
ISTEM	70,500	15,536
Kids College	366	150
Leading Edge Awards	2,350	8,250
Nonprofit Institute	1,600	-
Nursing/Healthcare	116,575	11,983
Other	1,000	21,279
Sbdc	13,000	-
Scholarship & Grants	470,272	344,415
Trades & Technology	25,405	10,000
Twilight Series	-	2,000
Wart Virts	8,400	8,075
Wellness	-	23,826
Total	\$ 766,851	\$ 475,673

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. In accordance with SPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

COLLEGE OF SOUTHERN MARYLAND FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015 AND 2014

NOTE 10 ENDOWMENTS (CONTINUED)

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

The Foundation had the following changes in the endowment net assets (including pledges receivable of \$189,217 and \$602,764 as of June 30, 2015 and 2014, respectively) during the years ended June 30, 2015 and 2014:

	2015			
	Unrestricted	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:				
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>
	2014			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	\$ 25,000	\$ 817,406	\$ 3,417,863	\$ 4,260,269
Contributions	-	3,033	87,429	90,462
Appropriation of endowment assets for expenditure	-	(47,231)	-	(47,231)
Endowment net assets after contributions and expenditures	25,000	773,208	3,505,292	4,303,500
Investment return:				
Investment income	(5,650)	566,082	-	560,432
Endowment net assets after investment income	19,350	1,339,290	3,505,292	4,863,932
Other changes:				
Redirection by donor of prior gift	-	(6,550)	-	(6,550)
Adjustment for uncollectible pledge	-	-	-	-
Endowment net assets, end of year	<u>\$ 19,350</u>	<u>\$ 1,332,740</u>	<u>\$ 3,505,292</u>	<u>\$ 4,857,382</u>

COLLEGE OF SOUTHERN MARYLAND FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015 AND 2014

NOTE 10 ENDOWMENTS (CONTINUED)

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor restricted endowment funds may fall below the level that the donor or SPMIFA requires the Foundation to retain as a fund of perpetual duration. In accordance with GAAP, deficiencies of this nature that were reported in unrestricted net assets were \$5,650 as of June 30, 2014. There were no deficiencies at June 30, 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 April 2010, the Board of Directors specifies that endowment assets are invested in a manner that is intended to produce results that exceed the return of a target policy comprised of 32% S&P 500 index funds, 8% Russell 2000 funds, 10% MSCI EAFE funds, 35% Barclay Aggregate index fund, 10% Treasury bills, and 5% 90-day Treasury bills, while assuming a moderate level of investment risk.

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

Strategies Employed for Achieving Objectives

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

Spending Policy and how the Investment Objectives Relate to Spending Policy

The Foundation has a policy of annually appropriating for distribution a target of 5% of the previous twelve quarters' average market value of its endowment funds, not to exceed 7% of the current average market value of the endowment. In establishing this policy, the Foundation considered the long-term expected return on its endowment. Accordingly, over the long term, the Foundation expects the current investment policy to allow its endowments to earn an average return that is consistent with the Foundation's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

COLLEGE OF SOUTHERN MARYLAND FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015 AND 2014

NOTE 11 NET ASSET RESTRICTIONS

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

	2015	2014
Unrestricted:		
Undesignated	\$ 1,379,949	\$ 1,496,551
Board designated for scholarships	25,000	25,000
Total unrestricted	1,404,949	1,521,551
Temporarily Restricted Net Assets:		
Academic programs	342,214	507,647
Childcare center	531,404	519,446
Endowed scholarships	1,273,905	1,332,739
Institutional support	16,806	15,344
Public service	84,207	84,615
Scholarships	745,873	609,683
Student support	15,568	14,196
Beneficial interests in charitable trusts	1,937,962	1,978,229
Total temporarily restricted	4,947,939	5,061,899
Permanently Restricted Net Assets:		
Endowed scholarships	3,507,673	3,390,292
Program support	155,000	115,000
Total permanently restricted	3,662,673	3,505,292
Total	\$ 10,015,561	\$ 10,088,742

Temporarily restricted net assets released from restrictions were as follows:

	2015	2014
Scholarships	\$ 359,634	\$ 219,847
Program Support	255,648	83,382
Fundraising	17,060	-
Total	\$ 632,342	\$ 303,229

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, 2015 and 2014 by natural classification:

	2015	2014
Salary, wages, and benefits	\$ 202,376	\$ 204,344
Supplies and materials	13,806	13,144
Contracted services	49,385	56,293
Conferences and meetings	3,808	11,792
Insurance, interest, licenses and fees	86,624	73,204
Scholarships	470,272	344,415
Other	279,078	124,897
Total	\$ 1,105,349	\$ 828,089

COLLEGE OF SOUTHERN MARYLAND FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015 AND 2014

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 \$216,429 and \$221,073 in 2015 and 2014, respectively. These donations are reflected in the financial statements as both support revenue and expense.

The Foundation paid the College \$470,272 and \$344,415 in 2015 and 2014, respectively, for scholarships and other contributions. The Foundation received in-kind contributions on behalf of the College of equipment and supplies totaling \$2,182 for the year ended June 30, 2014, these contributions are reflected as contributions to the College. Total in-kind contributions received for the years ended June 30, 2015 and 2014 totaled \$29,012 and \$5,349, respectively.

NOTE 15 – SUBSEQUENT EVENTS

The Foundation has evaluated subsequent events through September 30, 2015, the date the financial statements were available to be issued. Events or transactions occurring after June 30, 2015, but prior to September 30, 2015 that provided additional evidence about conditions that existed at June 30, 2015 have been recognized in the financial statements for the year ended June 30, 2015. Events or transactions that provided evidence about conditions that did not exist at June 30, 2015 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, 2015.

SUPPLEMENTAL INFORMATION

COLLEGE OF SOUTHERN MARYLAND FOUNDATION, INC.
SCHEDULE OF CHANGES IN NET ASSETS
YEAR ENDED JUNE 30, 2015

	Net Assets June 30, 2014	Investment Income	Contributions	Scholarship Awards	Other (Deductions)	Adjustment for Uncollectible Pledges	Net Assets June 30, 2015
UNRESTRICTED NET ASSETS							
Undesignated							
Undesignated gifts and bequests	\$ 1,387,202	\$ 38,799	\$ 66,090	\$ (96,125)	\$ (94,322)	\$ (9,675)	\$ 1,291,969
Golf & Tennis Classic	90,012	431	34,091	(1,000)	(53,778)	-	69,756
Technology Acct - State Matching Funds	6,632	199	-	-	-	-	6,831
Theatritext @ St. Mary's	85	3	-	-	-	-	88
Jaycees Educational Assistance Program	6,567	191	-	(1,687)	-	-	5,071
Library Memorial	6,053	181	-	-	-	-	6,234
Total undesignated	1,496,551	39,804	100,181	(98,812)	(148,100)	(9,675)	1,379,949
Board designated							
R. Fisher Endowment Fund	25,000	-	-	-	-	-	25,000
Total unrestricted net assets	1,521,551	39,804	100,181	(98,812)	(148,100)	-	1,404,949
TEMPORARILY RESTRICTED NET ASSETS							
Undesignated - Hassanein Charitable Trust	1,978,231	(40,270)	-	-	-	-	1,937,961
Alumni Scholarship	770	24	-	-	-	-	794
Christopher Chinault Scholarship	18,610	2,050	-	(2,900)	-	-	17,760
Tony Hungerford Memorial Endowment Fund	23,421	2,470	-	(2,000)	-	-	23,891
J. Ivey Cline Memorial Scholarship	6,024	620	-	(850)	-	-	5,794
Harland R. & Lulu P. Cravat Memorial Scholarship	54,705	1,633	-	(3,000)	-	-	53,338
We Salute Our Troops - Desert Storm Scholarship	33	94	-	-	-	-	127
Matthew W. Hancock Memorial Scholarship	489	15	-	-	-	-	504
James C. Mitchell Nursing Scholarship	34,702	1,634	-	(2,300)	-	-	34,036
Civista Medical Center	4,518	414	-	-	-	-	4,932
LaPlata Rotary Energy/Trades Scholarship	-	-	30,000	-	-	-	30,000
Fanny Louise Sullivan Sine Henderson Scholarship	2,759	32	750	(1,500)	-	-	2,041
Mary Croft Ward Scholarship	1,422	135	-	-	-	-	1,557
Bill Wood Memorial Scholarship	26,774	784	120	-	-	-	27,678
Helen and Henry Lawlor Scholarship	17,818	1,237	-	(1,700)	-	-	17,355
Joanne Zwick Memorial Scholarship	2,605	369	-	(530)	-	-	2,444
McDonough Charity School	89,294	9,629	-	(7,000)	-	-	91,923
Castles and Foundations Fund	18,440	2,044	-	(3,220)	-	-	17,264
Walter Grove II Endowment Fund	29,643	3,231	-	(1,500)	-	-	31,374
L. K. Farrall II Endowment Fund	17,297	1,931	-	(1,875)	-	-	17,353

COLLEGE OF SOUTHERN MARYLAND FOUNDATION, INC.
SCHEDULE OF CHANGES IN NET ASSETS
YEAR ENDED JUNE 30, 2015
(CONTINUED)

	Net Assets June 30, 2014	Investment Income	Contributions	Scholarship Awards	Other Additions (Deductions)	Adjustment for Uncollectible Pledges	Net Assets June 30, 2015
TEMPORARILY RESTRICTED NET ASSETS (Continued)							
Wm. B. and Vivian M. King Endowment Fund	\$ 476,033	\$ 34,560	\$ -	\$ (34,250)	\$ -	-	\$ 476,343
Russell G. Croft	45,131	4,695	-	(3,000)	-	-	46,826
Ed Matthews, Jr. Endowment Fund	8,718	895	-	(500)	-	-	9,113
William Lyon Endowment Fund	8,256	828	-	-	-	-	9,084
Albert L. Edler, Jr. Memorial	1,772	755	-	(900)	-	-	1,627
McWilliams Family Trust	8,263	990	(533)	(650)	-	-	8,070
Dr. Nallan Ramakrishna Scholarship	8,547	(438)	-	(1,000)	-	-	7,109
Calvert Chamber Fund	569	680	-	(1,000)	-	-	249
Thomas F. Goldsmith Fund	19,091	2,367	-	(2,000)	-	-	19,458
Marguerite Cox Family Memorial	12,091	1,419	-	(1,700)	-	-	11,810
Robert Ware Straus SMSC	31,659	927	-	-	(1,000)	-	31,586
Nursing Equipment Fund	149	5	-	-	-	-	154
P.E. Wellness Center	14,196	122	14,238	-	(13,658)	-	14,898
Technology @ Prince Frederick	1,961	59	-	-	-	-	2,020
Technology @ Leonardtown	11,838	329	1,028	-	-	-	13,195
Technology @ La Plata	1,545	46	-	-	-	-	1,591
CSM Children's Center	519,446	15,121	48	-	(3,210)	-	531,405
Southern Maryland Studies Center Fund	30,660	732	1,721	-	-	-	33,113
Marrick Properties	47,946	4,543	-	(1,018)	-	-	51,472
Gary Merrill	1,092	93	-	-	-	-	1,185
Leonardtown SA Kickoff Scholarship	955	29	-	-	-	-	984
J. Rice & M. Fauth Memorial	23,937	2,366	-	(500)	-	-	25,803
Ward Virts Piano Project	19,516	100	2,864	-	(8,400)	-	14,080
ADF Bingo - Kids College	43,746	-	(3,157)	(15,142)	-	-	25,447
Calvert County 350th Anniversary Endowment	4,694	540	-	(750)	-	-	4,484
Shani J. Whipple Scholarship	10,308	457	-	(1,000)	-	-	9,765
J. Schultz-Collins Scholarship	39	1	-	-	-	-	40
Jack L. Sprague Scholarship	500	-	500	(500)	-	-	500
Calvert County Chamber Scholarship	6,937	205	-	(4,500)	-	-	2,642
St. Mary's County Scholarship Endowment Fund	34,097	2,517	20,000	(19,750)	-	-	36,864
Veterans Education Endowment Fund	64,259	3,041	-	-	-	-	67,300

COLLEGE OF SOUTHERN MARYLAND FOUNDATION, INC.
SCHEDULE OF CHANGES IN NET ASSETS
YEAR ENDED JUNE 30, 2015
(CONTINUED)

	Net Assets June 30, 2014	Investment Income	Contributions	Scholarship Awards	Other Additions (Deductions)	Adjustment for Uncollectible Pledges	Net Assets June 30, 2015
TEMPORARILY RESTRICTED NET ASSETS (Continued)							
Mercantile Southern Maryland Bank	\$ 4,809	\$ 24	\$ -	\$ -	\$ (4,000)	\$ -	\$ 833
St. Mary's Health Department Scholarship	167	201	-	-	-	-	368
Robert W. Sibole Scholarship	70	2	-	-	-	-	72
William D. Bauer Memorial Endowment	12,175	365	-	-	-	-	12,540
R. Fisher Endowment Fund	17,270	1,269	-	-	-	-	18,539
General Scholarship Fund	52,739	139	99,362	(17,936)	(56,698)	-	77,606
CLC Scholarship Fund	548	-	-	-	-	-	548
Leonardtown SGA Endowment Fund	7,853	656	-	-	-	-	8,509
Elaine Ryan Legacy Fund	57,605	1,721	-	-	-	-	59,326
Wyvill Teacher Ed Endowment Scholarship	2,950	631	-	(1,000)	-	-	2,581
C&M McAllister Endowment Fund	11,116	1,273	-	(1,500)	-	-	10,889
Beers Scholarship Fund	81,606	9,932	-	(3,500)	-	-	88,038
Louis P. Jenkins, Sr. Endowment Fund	16,987	2,339	-	(2,500)	-	-	16,826
Nu Zeta Omega Scholarship	696	-	1,200	(1,000)	-	-	896
Milton Somers Scholarship	2,000	-	-	(2,000)	-	-	-
Celebration of the Arts	34,440	1,012	1,637	-	(75)	-	37,014
Helen J. Todd Scholarship	29,000	-	15,000	(2,750)	-	-	41,250
Neale C. Slater Memorial Scholarship	9,471	1,666	-	(1,000)	-	-	10,137
Prince Frederick Student Association Scholarship	19,209	573	-	(1,000)	-	-	18,782
Tri County 40/8 Nurse Scholarship	2,119	-	800	(800)	-	-	2,119
Renee Mundy Math Endowment	3,249	416	-	(585)	-	-	3,080
Charles County Technology Scholarship	(750)	-	750	-	-	-	-
Boone & Edelen Scholarship	3,410	-	1,025	-	-	-	4,435
ISTEM	201,358	4,155	52,328	-	(70,500)	-	187,341
Trades & Technologies	79,660	1,754	19,233	-	(20,000)	(10,000)	70,647
Nursing & Healthcare	225,582	3,189	27,875	-	(172,575)	-	84,071
Educational Excellence Fund	67,152	1,346	-	-	-	(19,159)	49,339
Endowed Scholarship Fund	24,997	3,624	-	-	-	-	28,621
Chandler Keys	78	(39)	-	-	-	-	39
Bradley Gottfried Endowment	3,457	430	650	-	-	-	4,537
Kavetsky Family Endowment	1,983	269	-	(380)	-	-	1,872
JF Faley, Jr. STEM Scholarship	6,297	189	-	-	-	-	6,486

COLLEGE OF SOUTHERN MARYLAND FOUNDATION, INC.
SCHEDULE OF CHANGES IN NET ASSETS
YEAR ENDED JUNE 30, 2015
(CONTINUED)

	Net Assets June 30, 2014	Investment Income	Contributions	Scholarship Awards	Other Additions (Deductions)	Adjustment for Uncollectible Pledges	Net Assets June 30, 2015
TEMPORARILY RESTRICTED NET ASSETS (Continued)							
BN Guerrieri Memorial Scholarship	\$ -	\$ -	\$ -	\$ (650)	\$ -	\$ -	\$ (650)
ISSSWDC	-	-	5,000	-	-	-	5,000
MD Motor Truck Association Scholarship	-	-	2,500	-	-	-	2,500
Schweir & LaFleur Scholarship	4,500	-	3,000	(3,000)	-	-	4,500
Gary D. Smith Memorial Scholarship	1,110	-	-	(500)	-	-	610
Sidney Waugh Memorial Scholarship	4,633	3	1,329	(1,500)	-	-	4,465
J Morton Memorial Scholarship	2,263	2	1,200	-	-	-	3,465
W. Martinez Jr. Memorial Scholarship	1,776	-	1,500	(1,500)	-	-	1,776
SMWL Scholarship Fund	1,000	-	3,000	(500)	-	-	3,500
Jane H., Sypher Scholarship	4,043	-	4,130	(1,500)	-	-	6,673
Charles County Women's Club	492	-	500	-	-	-	992
Ziencik-Hess Memorial Scholarship	1,542	-	407	(1,000)	-	-	949
NET Annual Scholarship Fund	90,608	5,025	-	(2,923)	(21,401)	-	71,309
Home Towne RE Scholarship	3,750	-	-	(1,500)	-	-	2,250
County Inns and Suites	(750)	-	750	-	-	-	-
Woodey Theatre Scholarship	661	-	600	-	-	-	1,261
Ruth Mathes Scholarship	-	-	5,000	(1,250)	-	-	3,750
TCMDAC/Delta Sigma Theta	750	-	750	(500)	-	-	1,000
APA & SAL Scholarship	500	-	750	(375)	-	-	875
Adjunct Faculty Merit	2,655	2	1,444	(2,000)	-	-	2,101
Adjunct Faculty Need	971	2	1,179	(1,000)	-	-	1,152
Old Line Bank Business Scholarship	34,035	-	476	(8,000)	-	-	26,511
Darrow Memorial Scholarship	7,100	-	-	(1,500)	-	-	5,600
Connie Kite Memorial Scholarship	1,692	21	1,000	(1,000)	-	-	1,713
DL Smith Memorial Art Scholarship	7,160	-	3,267	(1,000)	-	-	9,427
E Lilly Memorial Nursing	1,007	5	1,505	(1,000)	-	-	1,517
Coldwell Banker J Lilly-CTIT	1,312	21	1,100	(886)	-	-	1,547
Brad and Linda Gottfried Scholarship	2,337	31	860	(1,156)	-	-	2,072
McNelis Family Scholarship	1,952	-	48	-	-	-	2,000
Charles County Chamber Commerce	1,500	-	1,000	(1,000)	-	-	1,500
Zonta RAVE Walk Scholarship	11,345	-	-	(10,000)	-	-	1,345
WCCCA Scholarship	1,400	-	-	-	-	-	1,400

COLLEGE OF SOUTHERN MARYLAND FOUNDATION, INC.
SCHEDULE OF CHANGES IN NET ASSETS
YEAR ENDED JUNE 30, 2015
(CONTINUED)

	Net Assets June 30, 2014	Investment Income	Contributions	Scholarship Awards	Other Additions (Deductions)	Adjustment for Uncollectible Pledges	Net Assets June 30, 2015
TEMPORARILY RESTRICTED NET ASSETS (Continued)							
Charles Nurse/ Health Scholarship	\$ (4,900)	\$ -	\$ 9,600	\$ (2,400)	\$ -	\$ -	\$ 2,300
Chaney Endowment	21,449	3,968	-	(1,000)	-	-	24,417
TJ Murray Memorial Scholarship	1,500	-	-	-	-	-	1,500
S Behmke Legacy Fund	1,866	15	4,942	(500)	-	-	6,323
Ives Freedom Scholarship Fund	500	-	1,500	(1,000)	-	-	1,000
SoMD Bluecrabs Strikeout	-	-	1,500	-	-	-	1,500
TLLOPP Fraternity Scholarship	-	-	1,000	(1,000)	-	-	-
Lucy Detig Endowed Scholarship	4,572	1,031	-	-	-	-	5,603
SMECO Engineers Endowment	1,358	978	-	-	-	-	2,336
CR Posten Memorial Fund	1,225	37	1,000	-	-	-	2,262
JL & WCS Charity Endowment	679	260	-	-	-	-	939
CSF Scholarship Fund	1,556	2	598	(500)	-	-	1,656
Arc Southern MD Media Scholarship	-	-	500	-	-	-	500
P Facchina, Jr Scholarship	1,500	-	1,000	(500)	-	-	2,000
J Zanelotti, Sr Memorial Scholarship	3,488	-	552	(1,000)	-	-	3,040
Arc Southern MD Nurse Scholarship	-	-	500	(500)	-	-	-
Captain B Robertson Endowment	2,061	534	-	-	-	-	2,595
SGA-SHS Annual Fund	636	(1)	4,492	(4,351)	-	-	776
SGA-SHS Endowment	10,328	341	-	-	-	-	10,669
Our Earth Scholarship	4,634	(152)	-	(500)	-	-	3,982
SBA Scholarship Fund	1,000	-	-	-	-	-	1,000
GRPA Scholarship	1,500	-	-	(1,000)	-	-	500
Bowes HVAC Scholarship	1,000	-	-	(1,000)	-	-	-
ESFCU Scholarship/Faculty	900	-	8,000	(4,424)	-	-	4,476
Women in Transition	500	-	-	(500)	-	-	-
Desiree Angel Osvatics	258	-	-	-	-	-	258
Adjunct Faculty Endowment	973	884	-	-	-	-	1,857
Grainger Family Endowment	407	312	-	-	-	-	719
Grimm & Parker Endowment	325	249	-	-	-	-	574
J Patak Memorial Endowment	1,783	155	-	(1,000)	-	-	938
H Willoughby Foundation Scholarship	6,297	160	-	(5,500)	-	-	957
BT Sanders Memorial Scholarship	1,000	-	1,000	(500)	-	-	1,500

COLLEGE OF SOUTHERN MARYLAND FOUNDATION, INC.
SCHEDULE OF CHANGES IN NET ASSETS
YEAR ENDED JUNE 30, 2015
(CONTINUED)

	Net Assets June 30, 2014	Investment Income	Contributions	Scholarship Awards	Other Additions (Deductions)	Adjustment for Uncollectible Pledges	Net Assets June 30, 2015
TEMPORARILY RESTRICTED NET ASSETS (Continued)							
Travel Studies Scholarship	\$ 1,924	\$ -	\$ 11,545	\$ -	\$ -	\$ -	\$ 13,469
O Stinson Memorial Engineering	1,000	-	-	(1,000)	-	-	-
Besche Family Scholarship	-	-	10,500	(10,500)	-	-	-
Gambrill Scholarship Fund	-	-	4,845	(2,000)	-	-	2,845
FB Trueman Scholarship Calvert County	-	-	30,000	(11,000)	-	-	19,000
Nyce Annual Scholarship	3,480	96	3,200	(922)	-	-	5,854
Nyce Scholarship Endowment	142	283	-	-	-	-	425
Bailey Memorial Nurse Endowment	80	153	-	-	-	-	233
Bay Business Group Annual Scholarship	-	-	2,000	-	-	-	2,000
McDonough Foundation Annual Scholarship	17,281	544	12,100	(10,500)	-	-	19,425
HV Scotland, Jr/III Memorial Endowment	-	153	-	-	-	-	153
P Cangelosi Memorial Scholarship	13,444	308	-	-	(13,448)	-	304
Calvert Resources Scholarship	-	-	1,500	-	-	-	1,500
Toribio Career Starters	-	-	669	-	-	-	669
Lilly Memorial Endowment Scholarship	-	35	-	-	-	-	35
Montgomery Endowment Scholarship	-	56	-	-	-	-	56
Total temporarily restricted net assets	<u>5,061,899</u>	<u>118,709</u>	<u>442,277</u>	<u>(260,822)</u>	<u>(384,965)</u>	<u>(29,159)</u>	<u>4,947,939</u>

COLLEGE OF SOUTHERN MARYLAND FOUNDATION, INC.
SCHEDULE OF CHANGES IN NET ASSETS
YEAR ENDED JUNE 30, 2015
(CONTINUED)

	Net Assets June 30, 2014	Investment Income	Contributions	Scholarship Awards	Other Additions (Deductions)	Adjustment for Uncollectible Pledges	Net Assets June 30, 2015
PERMANENTLY RESTRICTED NET ASSETS							
Christopher Chinault Scholarship	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50,000
James C. Mitchell Nursing Scholarship	20,000	-	-	-	-	-	20,000
Civista Medical Center	10,000	-	-	-	-	-	10,000
J. Ivey Cline Scholarship	14,708	-	-	-	-	-	14,708
Mary Croft Ward Scholarship	3,063	-	-	-	-	-	3,063
Joanne Zwick Memorial Scholarship	10,000	-	-	-	-	-	10,000
Helen and Henry Lawlor Scholarship	23,500	-	-	-	-	-	23,500
We Salute Our Troops - Desert Storm Scholarship	3,063	-	-	-	-	-	3,063
Toney Hungerford Memorial Endowment Fund	59,130	-	-	-	-	-	59,130
Wm. B. and Vivian M. King Endowment Fund	1,156,150	-	-	-	-	-	1,156,150
McDonough Charity School	234,547	-	-	-	-	-	234,547
Castles and Foundation Fund	50,393	-	-	-	-	-	50,393
Walter Grove II Endowment Fund	79,969	-	650	-	-	-	80,619
L.K. Farrall III Endowment Fund	47,448	-	-	-	-	-	47,448
Russell G. Croft	111,952	-	200	-	-	-	112,152
Ed Matthews, Jr. Endowment Fund	20,908	-	-	-	-	-	20,908
William Lyon Endowment Fund	19,336	-	-	-	-	-	19,336
Albert L. Edler, Jr. Memorial	25,000	-	1,450	-	-	-	26,450
McWilliams Family Trust	32,624	-	500	-	-	(7,167)	25,957
Calvert Chamber Fund	22,176	-	937	-	-	-	23,113
Dr. Nallan Ramakrishna Scholarship	49,100	-	65,000	-	-	-	114,100
Thomas F. Goldsmith Fund	60,000	-	-	-	-	-	60,000
Marguerite Cox Family Memorial	35,216	-	2,260	-	-	-	37,476
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	13,271	-	-	-	-	-	13,271
St. Mary's County Scholarship Endowment Fund	50,100	-	-	-	-	-	50,100
Veterans Education Endowment Fund	37,913	-	-	-	-	-	37,913

COLLEGE OF SOUTHERN MARYLAND FOUNDATION, INC.
SCHEDULE OF CHANGES IN NET ASSETS
YEAR ENDED JUNE 30, 2015
(CONTINUED)

	Net Assets June 30, 2014	Investment Income	Contributions	Scholarship Awards	Other Additions (Deductions)	Adjustment for Uncollectible Pledges	Net Assets June 30, 2015
PERMANENTLY RESTRICTED NET ASSETS (Continued)							
William D. Bauer Memorial Endowment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Leonardtown SGA Endowment Fund	14,000	-	-	-	-	-	14,000
Wyvill Teacher Ed Endowment Scholarship	18,375	-	718	-	-	-	19,093
C&M McAllister Endowment Fund	32,215	-	-	-	-	-	32,215
Beers Scholarship Fund	249,997	-	-	-	-	-	249,997
Louise P. Jenkins, Sr. Endowment Fund	61,000	-	-	-	-	-	61,000
Neale C Slater Memorial Scholarship	80,471	-	2,171	-	-	-	82,642
Renee Munday Math Endowment	10,949	-	-	-	-	-	10,949
Endowed Scholarship Fund	129,462	-	3,796	-	-	(29,200)	104,058
Bradley Gottfried Endowment	11,675	-	2,000	-	-	-	13,675
Kavetsky Family Endowment	7,000	-	-	-	-	-	7,000
Shani J Whipple Scholarship	5,452	-	95	-	-	-	5,547
NET Annual Scholarship	100,000	-	-	-	-	-	100,000
Chaney Endowment	115,000	-	40,000	-	-	-	155,000
Lucy Detig Endowed Scholarship	30,000	-	-	-	-	-	30,000
SMECO Engineers Endowment	93,190	-	2,659	-	-	-	95,849
JL & WCS Charity Endowment	15,000	-	-	-	-	-	15,000
Captain B Robertson Endowment	16,170	-	-	-	-	-	16,170
SGA-SHS Endowment	10,012	-	-	-	-	-	10,012
Our Earth Endowment	-	-	11,400	-	-	-	11,400
Adjunct Faculty Endowment	16,213	-	1,500	-	15,000	-	32,713
Grainger Family Endowment	24,297	-	465	-	-	-	24,762
Grimm& Parker Endowment	14,762	-	238	-	-	-	15,000
J Patak Memorial Endowment	14,531	-	326	-	-	-	14,857
Nyce Scholarship Endowment	6,317	-	8,200	-	-	-	14,517
Bailey Memorial Nurse Endowment	14,762	-	-	-	-	-	14,762
HV Scotland, Jr/III Memorial Endowment	14,297	-	703	-	-	-	15,000
P Cangelosi Memorial Scholarship	-	-	4,875	-	13,445	-	18,320
Lilly Memorial Endowment Scholarship	-	-	14,810	-	-	-	14,810
Montgomery Endowment Scholarship	-	-	350	-	-	-	350
Total permanently restricted net assets	<u>3,505,292</u>	<u>-</u>	<u>165,303</u>	<u>-</u>	<u>28,445</u>	<u>(36,367)</u>	<u>3,662,673</u>
Total net assets	<u>\$ 10,088,742</u>	<u>\$ 158,513</u>	<u>\$ 707,761</u>	<u>\$ (359,634)</u>	<u>\$ (504,620)</u>	<u>\$ (65,526)</u>	<u>\$ 10,015,561</u>

COLLEGE OF SOUTHERN MARYLAND FOUNDATION, INC.
SCHEDULE OF INVESTMENTS
JUNE 30, 2015

	Units	Cost Basis	Market Value	% Yield		Estimated Annual Income
				Cost	Market	
INVESTMENTS						
Bond funds						
Lord Abbett Core Fixed	164,613	\$ 1,824,262	\$ 1,799,226	2.37%	2.41%	\$ 43,297
Nuveen Preferred Securities	12,174	<u>206,422</u>	<u>208,170</u>	5.50%	5.45%	<u>11,343</u>
		<u>2,030,684</u>	<u>2,007,396</u>	2.69%	2.72%	<u>54,640</u>
Equity funds						
MFS Value Fund	16,639	382,232	585,209	0.77%	0.50%	2,926
Schwab S&P 500 Index Fund	27,105	513,543	882,001	0.84%	0.49%	4,322
Harbor Capital Appreciation	9,693	351,480	616,048	0.00%	0.00%	-
Wasatch Small Cap Growth	5,648	280,000	296,550	0.00%	0.00%	-
American Beacon International	20,899	343,360	425,314	0.00%	0.00%	-
American Beacon Small	11,431	280,000	294,925	0.00%	0.00%	-
Arbitrage Fund Class I	16,306	210,474	213,773	0.00%	0.00%	-
John Hancock Global Absolute						
Retun Global Strategy	18,582	202,431	207,561	0.00%	0.00%	-
Artisan International Fund	13,082	278,268	406,732	0.00%	0.00%	-
Harding Loevner Emerging Markets	3,566	164,342	165,502	0.00%	0.00%	-
Cohen & Steers Realty Shares	2,974	185,129	198,739	2.09%	1.95%	3,873
Credit Suisse Commodity	36,651	<u>255,000</u>	<u>215,512</u>	0.00%	0.00%	<u>-</u>
		<u>3,446,259</u>	<u>4,507,866</u>	0.32%	0.25%	<u>11,121</u>
Total investments		<u>\$ 5,476,943</u>	<u>\$ 6,515,262</u>	1.20%	1.01%	<u>\$ 65,761</u>