

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

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEARS ENDED JUNE 30, 2019 AND 2018

**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, 2019 and 2018, and the related statements of activities, cash flows, and functional expenses for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Foundation as of June 30, 2019 and 2018 and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As discussed in the Summary of Significant Accounting Policies of the notes to the financial statements, management has adopted Accounting Standards Update (ASU) No. 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*. Our opinion is not modified with respect to this matter.

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
September 10, 2019

COLLEGE OF SOUTHERN MARYLAND FOUNDATION, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2019 AND 2018

	2019	2018
ASSETS		
Cash and Cash Equivalents	\$ 1,262,734	\$ 1,403,751
Investments	9,394,152	8,815,513
Beneficial Interest in Charitable Trusts	2,714,178	2,553,690
Pledges Receivable, Net	296,043	393,600
Cash Surrender Value of Life Insurance	29,207	-
	<u>\$ 13,696,314</u>	<u>\$ 13,166,554</u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable and Accrued Expenses	\$ 14,136	\$ 36,699
NET ASSETS		
Without Donor Restrictions		
Board-Designated	55,167	53,372
Undesignated	869,649	855,029
Total Without Donor Restrictions	<u>924,816</u>	<u>908,401</u>
With Donor Restrictions		
Endowed Scholarship	7,045,919	6,921,404
Endowed Research Support	1,120,083	827,820
Total Endowed	<u>8,166,002</u>	<u>7,749,224</u>
Scholarship	2,031,563	2,049,415
Time-Restricted for Future Periods	2,391,180	2,263,568
Student Support	8,207	5,911
Academic Program Support	160,410	153,336
Total With Donor Restrictions	<u>12,757,362</u>	<u>12,221,454</u>
Total Net Assets	<u>13,682,178</u>	<u>13,129,855</u>
	<u>\$ 13,696,314</u>	<u>\$ 13,166,554</u>

See accompanying Notes to Financial Statements.

COLLEGE OF SOUTHERN MARYLAND FOUNDATION, INC.
STATEMENTS OF ACTIVITIES
YEARS ENDED JUNE 30, 2019 AND 2018

	2019			2018		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE						
Contributions	\$ 199,257	\$ 706,645	\$ 905,902	\$ 76,273	\$ 803,173	\$ 879,446
Investment Income	31,747	308,680	340,427	22,819	662,623	685,442
Donated Services and Facilities	317,214	-	317,214	314,615	-	314,615
In-Kind Contributions	42,339	-	42,339	61,223	9,491	70,714
Change in Value of Beneficial Interest in Charitable Trusts	-	160,488	160,488	-	198,014	198,014
Adjustment for Uncollectible Pledges	(437)	(8,964)	(9,401)	-	-	-
Net Assets Reclassified by Donor	-	-	-	(225,892)	225,892	-
Net Assets Released from Restrictions:						
Satisfaction of Donor Restrictions	630,941	(630,941)	-	600,526	(600,526)	-
Total Support and Revenue	<u>1,221,061</u>	<u>535,908</u>	<u>1,756,969</u>	<u>849,564</u>	<u>1,298,667</u>	<u>2,148,231</u>
EXPENSES						
College Scholarship	563,218	-	563,218	549,896	-	549,896
Academic Program Support	100,448	-	100,448	159,995	-	159,995
Student Services	9,550	-	9,550	36,128	-	36,128
General and Administrative	65,916	-	65,916	70,372	-	70,372
Fund Raising and Direct	465,514	-	465,514	377,835	-	377,835
Total Expenses	<u>1,204,646</u>	<u>-</u>	<u>1,204,646</u>	<u>1,194,226</u>	<u>-</u>	<u>1,194,226</u>
CHANGE IN NET ASSETS	16,415	535,908	552,323	(344,662)	1,298,667	954,005
Net Assets - Beginning of Year	<u>908,401</u>	<u>12,221,454</u>	<u>13,129,855</u>	<u>1,253,063</u>	<u>10,922,787</u>	<u>12,175,850</u>
NET ASSETS - END OF YEAR	<u>\$ 924,816</u>	<u>\$ 12,757,362</u>	<u>\$ 13,682,178</u>	<u>\$ 908,401</u>	<u>\$ 12,221,454</u>	<u>\$ 13,129,855</u>

See accompanying Notes to Financial Statements.

COLLEGE OF SOUTHERN MARYLAND FOUNDATION, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
YEARS ENDED JUNE 30, 2019 AND 2018

	2019					
	College Scholarship	Academic Program Support	Student Services	General and Administrative	Fund Raising and Direct	Total
EXPENSES						
Scholarships and Student Aid	\$ 550,739	\$ -	\$ -	\$ -	\$ -	\$ 550,739
Salaries, Wages, and Benefits	-	-	-	2,900	276,249	279,149
Insurance, Interest, Licenses, and Fees	7,724	95,960	9,550	-	35,723	148,957
Conference and Meetings	4,755	4,488	-	-	119,463	128,706
Contracted services	-	-	-	63,016	8,273	71,289
Furniture and Equipment	-	-	-	-	20,000	20,000
Supplies and Materials	-	-	-	-	5,806	5,806
Total Expenses	<u>\$ 563,218</u>	<u>\$ 100,448</u>	<u>\$ 9,550</u>	<u>\$ 65,916</u>	<u>\$ 465,514</u>	<u>\$ 1,204,646</u>
	2018					
	College Scholarship	Academic Program Support	Student Services	General and Administrative	Fund Raising and Direct	Total
EXPENSES						
Scholarships and Student Aid	\$ 463,412	\$ -	\$ -	\$ -	\$ -	\$ 463,412
Salaries, Wages, and Benefits	-	-	-	5,273	288,700	293,973
Insurance, Interest, Licenses, and Fees	16,717	139,832	36,128	-	5,060	197,737
Conference and Meetings	57,568	12,075	-	-	71,948	141,591
Contracted services	-	-	-	63,518	6,171	69,689
Furniture and Equipment	12,199	8,088	-	-	-	20,287
Supplies and Materials	-	-	-	1,581	5,956	7,537
Total Expenses	<u>\$ 549,896</u>	<u>\$ 159,995</u>	<u>\$ 36,128</u>	<u>\$ 70,372</u>	<u>\$ 377,835</u>	<u>\$ 1,194,226</u>

See accompanying Notes to Financial Statements.

COLLEGE OF SOUTHERN MARYLAND FOUNDATION, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 552,323	\$ 954,005
Adjustments to Reconcile Change in Net Assets		
Change in Fair Value of Investments	30,700	(350,964)
Realized Gain on Sale of Investments	(2,207)	(12,765)
Change in Value of Beneficial Interest in Charitable Trusts	(160,488)	(198,014)
Permanently Restricted Contributions	(308,680)	(460,668)
Effects of Changes in Operating Assets and Liabilities:		
Pledges Receivable	97,557	120,366
Cash Surrender Value of Life Insurance	(29,207)	-
Accounts Payable and Accrued Expenses	(22,563)	(3,910)
Net Cash Provided by Operating Activities	<u>157,435</u>	<u>48,050</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Investments	(1,055,737)	(1,836,417)
Proceeds of Sales of Investments	448,605	993,589
Net Cash Used by Investing Activities	<u>(607,132)</u>	<u>(842,828)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Permanently Restricted Contributions	<u>308,680</u>	<u>460,668</u>
DECREASE IN CASH AND CASH EQUIVALENTS	(141,017)	(334,110)
Cash and Cash Equivalents - Beginning of Year	<u>1,403,751</u>	<u>1,737,861</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 1,262,734</u>	<u>\$ 1,403,751</u>
SUPPLEMENTAL DISCLOSURE OF NONCASH TRANSACTIONS		
Donated Goods and Services	<u>\$ 359,553</u>	<u>\$ 385,329</u>

See accompanying Notes to Financial Statements.

COLLEGE OF SOUTHERN MARYLAND FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

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

Investments

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

Beneficial Interest in Charitable Trusts

The Foundation has been named as an irrevocable beneficiary of several charitable trusts held and administered by independent trustees. These trusts were created independently by donors and are administered by outside agents designated by the donors. Therefore, the Foundation have neither possession nor control over the assets of the trusts. At the date the Foundation receive notice of a beneficial interest, a contribution with donor restrictions is recorded in the statements of activities, and a beneficial interest in charitable trusts held by others is recorded in the statements of financial position at fair value using present value techniques and risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the expected distributions to be received under the agreement. Thereafter, beneficial interests in the trusts are reported at fair value in the statements of financial position, with changes in fair value recognized in the statements of activities.

COLLEGE OF SOUTHERN MARYLAND FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

Allowance for Uncollectible Pledges

A provision for uncollectible pledges has been established by management for the years ended June 30, 2019 and 2018 based on historical experience, an assessment of economic conditions, and a review of subsequent collections annually. Any pledges deemed to be uncollectible are written off at the time of such determination. There was no allowance recorded as of June 30, 2019 and 2018.

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has designated, from net assets without donor restrictions, net assets for an operating reserve and board-designated endowment.

Net Assets With Donor Restrictions – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Revenue and Revenue Recognition

Revenue is recognized when earned. Program service fees and payments under cost-reimbursable contracts received in advance are deferred to the applicable period in which the related services are performed or expenditures are incurred, respectively. Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met.

COLLEGE OF SOUTHERN MARYLAND FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Donated Services and In-Kind Contributions

Volunteers contribute significant amounts of time to our program services, administration, and fundraising and development activities; however, the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by accounting principles generally accepted in the United States of America. 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. Contributed goods are recorded at fair value at the date of donation. The Foundation records donated professional services at the respective fair values of the services received

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Scholarships

Scholarships are expensed when approved by the Board of Directors.

Reclassification of Prior Year Presentation

Certain prior year amounts have been reclassified for consistency with the current year presentation. These reclassifications had no effect on net assets or changes therein.

Recent Accounting Pronouncements

For the year ended June 30, 2019 the Foundation has adopted Accounting Standards Update (ASU) 2016-14, Not-for-Profit Entities (Topic 958) – *Presentation of Financial Statements of Not-for-Profit Entities*. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. With the exception of these disclosures, the changes resulting from the adoption of ASU 2016-14 were applied retrospectively to ensure comparability with the prior year presented.

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, 2019 and 2018.

COLLEGE OF SOUTHERN MARYLAND FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

NOTE 3 INCOME TAXES

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, 2019 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 LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of June 30, 2019, was comprised of the following:

<u>Description of Financial Asset</u>	<u>Gross Amount</u>	<u>Less: Amounts Unavailable for General Expenditures</u>	<u>Available to Meet Cash Needs Within One Year</u>
Cash and Cash Equivalents	\$ 1,262,734	\$ 427,582	\$ 835,152
Investments	9,394,152	9,394,152	-
Beneficial Interest in Charitable Trusts	2,714,178	2,714,178	-
Pledges Receivable, Net	296,043	281,043	15,000
Cash Surrender Value of Life Insurance	29,207	29,207	-
	<u>\$ 13,696,314</u>	<u>\$ 12,846,162</u>	<u>\$ 850,152</u>

The Foundation's endowment funds consist of donor-restricted endowments and funds designated by the board as endowments. Income from donor-restricted endowments is restricted for specific purposes, with the exception of the amounts available for general use. Donor-restricted endowment funds are not available for general expenditure.

Our board-designated endowment of \$55,167 is subject to an annual spending rate of 4.5% as described in the Endowment footnote. Although we do not intend to spend from this board-designated endowment (other than amounts appropriated for general expenditure as part of our Board's annual budget approval and appropriation), these amounts could be made available if necessary.

As part of our liquidity management plan, we invest cash in excess of daily requirements in short-term investments, CDs, and money market funds.

COLLEGE OF SOUTHERN MARYLAND FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

NOTE 5 INVESTMENTS

At June 30, 2019 and 2018, the Foundation's investments were in mutual funds summarized as follows:

Investment	2019		
	Cost	Fair Value	Unrealized Gain (Loss)
Mutual Funds			
Equity Funds	\$ 5,892,541	\$ 6,631,291	\$ 738,750
Fixed Income Funds	2,720,267	2,762,861	42,594
Total	<u>\$ 8,612,808</u>	<u>\$ 9,394,152</u>	<u>\$ 781,344</u>

Investment	2018		
	Cost	Fair Value	Unrealized Gain
Mutual Funds			
Equity Funds	\$ 5,496,412	\$ 6,347,351	\$ 850,939
Fixed Income Funds	2,498,997	2,468,162	(30,835)
Total	<u>\$ 7,995,409</u>	<u>\$ 8,815,513</u>	<u>\$ 820,104</u>

Investment income from these investments for the years ended June 30, 2019 and 2018 was as follows:

	2019	2018
Interest and Dividends	368,920	\$ 321,713
Realized Gain on Sale of Investments	2,207	12,765
	371,127	334,478
Unrealized (Loss)/Gain on Investments	(30,700)	350,964
Total	<u>\$ 340,427</u>	<u>\$ 685,442</u>

NOTE 6 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.

COLLEGE OF SOUTHERN MARYLAND FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

NOTE 6 FAIR VALUE (CONTINUED)

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.

For the year ended June 30, 2019, 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, 2019 and 2018. Based on the inputs the beneficial interest in charitable trusts are considered Level 3.

Cash Surrender Value of Life Insurance: The cash surrender value of life insurance was determined by the underwriting insurance company's valuation models, which take into account the passage of time, mortality tables, interest rates, cash values for paid-up additions and dividend accumulations. The cash surrender value represents the guaranteed value that would be received upon surrender of these policies held at year end. These assets are included in Level 3 of the fair value hierarchy.

COLLEGE OF SOUTHERN MARYLAND FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

NOTE 6 FAIR VALUE (CONTINUED)

As of June 30, 2019 and 2018, assets measured at fair value on a recurring basis are summarized by level within the fair value hierarchy as follows:

2019	Level 1	Level 2	Level 3	Total Fair Value
Mutual Funds				
Equity Funds	\$ 6,631,291	\$ -	\$ -	\$ 6,631,291
Fixed Income Funds	2,762,861	-	-	2,762,861
	<u>9,394,152</u>	<u>-</u>	<u>-</u>	<u>9,394,152</u>
Cash surrender value of life insurance	-	-	29,207	29,207
Beneficial Interest in Charitable Trust	-	-	2,714,178	2,714,178
	<u>-</u>	<u>-</u>	<u>2,743,385</u>	<u>2,743,385</u>
 Total	 <u>\$ 9,394,152</u>	 <u>\$ -</u>	 <u>\$ 2,714,178</u>	 <u>\$ 12,108,330</u>

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

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:

	2019	2018
Balance, July 1	\$ 2,553,690	\$ 2,355,676
Contributions	29,207	-
Change in Value of Benefit Interest in Charitable Trusts	160,488	198,014
Balance, June 30	<u>\$ 2,743,385</u>	<u>\$ 2,553,690</u>

COLLEGE OF SOUTHERN MARYLAND FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

NOTE 7 PLEDGES RECEIVABLE

Pledges receivable is composed of pledges for the following purposes:

	2019	2018
Endowed Scholarship	\$ 162,940	\$ 227,540
Scholarship	352,900	377,850
Student Services	1,000	2,000
Undesignated	15,000	30,437
Total Pledges Receivable	<u>531,840</u>	<u>637,827</u>
Discount to Net Present Value	<u>(235,797)</u>	<u>(244,227)</u>
Total	<u>\$ 296,043</u>	<u>\$ 393,600</u>

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

<u>Year Ending June 30,</u>	<u>Amount</u>
2019	\$ 92,840
2020	51,000
2021	14,000
2022	14,000
2023	14,000
Thereafter	<u>346,000</u>
Total	531,840
Discount to Net Present Value	<u>(235,797)</u>
Total	<u>\$ 296,043</u>

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

NOTE 8 BENEFICIAL INTEREST IN CHARITABLE TRUSTS

Beneficial interest in charitable trusts represents the present value of future distributions the Foundation expects to receive from its beneficial interest in two trusts. The present value of future distributions is an estimate calculated at the time the Foundation becomes aware of its beneficial interest in an applicable trust and is based on the trust value at that time plus certain discount factors and actuarial assumptions. The discount rate used for June 30, 2019 and 2018 was 5%. Changes in the value of the beneficial interest in the trusts (principally discount amortization) are reflected in the statement of activities.

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

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

COLLEGE OF SOUTHERN MARYLAND FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

NOTE 8 BENEFICIAL INTEREST IN CHARITABLE TRUSTS

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

	2019	2018
Value of Charitable Trusts	\$ 4,004,776	\$ 3,956,668
Discount to Net Present Value	(1,290,598)	(1,402,978)
Total	\$ 2,714,178	\$ 2,553,690

NOTE 9 DONATED SERVICES AND FACILITIES

During the years ended June 30, 2019 and 2018, the value of donated goods and services recognized in the accompanying Statements of Activities as both support and expenses was \$317,214 and \$314,615, respectively, and included the following:

	2019	2018
Salaries, Wages, and Benefits	\$ 276,249	\$ 288,700
Conferences and Meetings	26,886	13,787
Contracted Services	8,273	6,171
Printing and Other	5,806	5,957
Total	\$ 317,214	\$ 314,615

NOTE 10 ENDOWMENTS

The Foundation's endowments consist of approximately 80 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, 2019 AND 2018

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.

As of June 30, 2019 and 2018, the Foundation had the following endowment net asset composition by type of fund:

	2019		
	Without Donor Restriction	With Donor Restrictions	Total
Board-Designated Endowment Funds	\$ 55,167	\$ -	\$ 55,167
Donor-Restricted Endowment Funds:			
Original Donor-Restricted Gift Amount and Amounts Required to be Maintained in Perpetuity by Donor	-	6,067,620	6,067,620
Accumulated Investment Gains	-	2,098,382	2,098,382
Total	\$ 55,167	\$ 8,166,002	\$ 8,221,169
	2018		
	Without Donor Restriction	With Donor Restrictions	Total
Board-Designated Endowment Funds	\$ 53,372	\$ -	\$ 53,372
Donor-Restricted Endowment Funds:			
Original Donor-Restricted Gift Amount and Amounts Required to be Maintained in Perpetuity by Donor	-	5,747,620	5,747,620
Accumulated Investment Gains	-	2,001,604	2,001,604
Total	\$ 53,372	\$ 7,749,224	\$ 7,802,596

COLLEGE OF SOUTHERN MARYLAND FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

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 should be reported in unrestricted net assets. There were no deficiencies at June 30, 2019 and 2018.

Return Objectives and Risk Parameters

The Foundation implemented investment and spending policies for endowment assets that attempts 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.

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.

COLLEGE OF SOUTHERN MARYLAND FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

NOTE 10 ENDOWMENTS (CONTINUED)

Changes in Endowment net assets for the years ended June 30, 2019 and 2018 are as follows:

	2019		Total
	Without Donor Restrictions	With Donor Restrictions	
Endowment Net Assets, Beginning	\$ 53,372	\$ 7,749,224	\$ 7,802,596
Contributions	-	308,680	308,680
Appropriation of Endowment Assets for Expenditures	-	(190,086)	(190,086)
Endowment Net Assets after Contributions and Expenditures	53,372	7,867,818	7,921,190
Investment Return:			
Investment Income	1,795	298,184	299,979
Endowment Net Assets after Investment Income	55,167	8,166,002	8,221,169
End of Year	<u>\$ 55,167</u>	<u>\$ 8,166,002</u>	<u>\$ 8,221,169</u>
	2018		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment Net Assets, Beginning of Year	\$ 49,108	\$ 6,709,554	\$ 6,758,662
Contributions	-	460,668	460,668
Appropriation of Endowment Assets for Expenditures	-	(191,782)	(191,782)
Endowment Net Assets After Contributions and Expenditures	49,108	6,978,440	7,027,548
Investment Return:			
Investment Income	4,264	516,520	520,784
Endowment Net Assets After Investment Income	53,372	7,494,960	7,548,332
Other Changes:			
Redirection by Donor of Prior Gift	-	254,264	254,264
Endowment Net Assets, End of Year	<u>\$ 53,372</u>	<u>\$ 7,749,224</u>	<u>\$ 7,802,596</u>

COLLEGE OF SOUTHERN MARYLAND FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

NOTE 11 NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purposes or periods:

	2019	2018
With Donor Restrictions:		
Endowed Scholarship	\$ 7,045,919	\$ 6,921,404
Endowed Research Support	1,120,083	827,820
Scholarship	2,031,563	2,049,415
Beneficial Interests in Charitable Trusts Held by Others	2,391,180	2,263,568
Student Support	8,207	5,911
Academic Program Support	160,410	153,336
Total With Donor Restrictions	\$ 12,757,362	\$ 12,221,454

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors as follows for the years ended June 30, 2019 and 2018:

	2019	2018
Celebration of the Arts	\$ 20,848	\$ 16,450
Nursing & Healthcare	12,500	-
ISTEM	58,460	109,083
Education Excellence Fund	12,299	12,050
Other	11,514	38,918
Scholarships	507,320	412,025
Ward Virts Piano Project	8,000	12,000
	\$ 630,941	\$ 600,526

NOTE 12 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 \$317,214 and \$314,615 in 2019 and 2018, respectively. These donations are reflected in the financial statements as both support revenue and expense.

The Foundation paid the College \$698,386 and \$660,058 in 2019 and 2018, respectively, for scholarships and other contributions. As of June 30, 2019 and 2018 the Foundation's accounts payable balance includes \$14,136 and \$36,699 due to the College for funds advanced by the College on their behalf, respectively.

NOTE 13 SUBSEQUENT EVENTS

The Foundation has evaluated subsequent events through September 10, 2019, the date the financial statements were available to be issued. Events or transactions occurring after June 30, 2019, but prior to September 10, 2019 that provided additional evidence about conditions that existed at June 30, 2019 have been recognized in the financial statements for the year ended June 30, 2019. Events or transactions that provided evidence about conditions that did not exist at June 30, 2019 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, 2019.

COLLEGE OF SOUTHERN MARYLAND FOUNDATION, INC.
SCHEDULE OF CHANGES IN NET ASSETS
YEAR ENDED JUNE 30, 2019

	Net Assets June 30, 2018	Investment Income	Contributions	Scholarship Awards	Other (Deductions)	Other Adjustments	Net Assets June 30, 2019
NET ASSETS WITHOUT DONOR RESTRICTIONS							
Undesignated							
Undesignated gifts and bequests	\$ 767,324	\$ 28,908	\$ 193,590	\$ (43,419)	\$ (147,785)	\$ 3,063	\$ 801,681
Special Events	73,103	-	46,726	-	(67,507)	-	52,322
Student Services	2,785	-	980	-	(1,280)	-	2,485
Technology Acct - State Matching Funds	-	-	-	-	-	-	-
Jaycees Educational Assistance Program	3,544	753	-	-	-	-	4,297
Library Memorial	8,273	291	300	-	-	-	8,864
Total Undesignated	855,029	29,952	241,596	(43,419)	(216,572)	3,063	869,649
Board Designated							
R. Fisher Endowment Fund	53,372	1,795	-	-	-	-	55,167
Total Net Assets without Restrictions	908,401	31,747	241,596	(43,419)	(216,572)	3,063	924,816
NET ASSETS WITH DONOR RESTRICTIONS							
Time-Restricted for Future Periods							
Undesignated - Hassanein Charitable Trust	2,263,568	130,675	-	-	-	(3,063)	2,391,180
Research Support							
Entrepreneur & Innovation Institute	827,820	34,463	257,800	-	-	-	1,120,083
Student Support							
PE Wellness Center	5,911	-	10,566	(8,270)	-	-	8,207
Academic Program Support							
Southern Maryland Studies Center Fund	39,457	1,337	250	-	-	-	41,044
Technology @ La Plata	1,950	67	46	-	-	-	2,063
Technology @ Leonardtown	17,089	577	45	-	-	-	17,711
Technology @ Prince Frederick	2,481	83	-	-	-	-	2,564
Trades & Technologies	92,359	3,084	3,858	(2,273)	-	-	97,028
Total Academic Program Support	153,336	5,148	4,199	(2,273)	-	-	160,410

COLLEGE OF SOUTHERN MARYLAND FOUNDATION, INC.
SCHEDULE OF CHANGES IN NET ASSETS (CONTINUED)
YEAR ENDED JUNE 30, 2019

	Net Assets June 30, 2018	Investment Income	Contributions	Scholarship Awards	Other (Deductions)	Other Adjustments	Net Assets June 30, 2019
Scholarship							
A Suttan Memorial Scholarship	\$ 1,818	\$ 123	\$ 2,300	\$ (1,500)	\$ -	\$ -	\$ 2,741
AA Stewart Scholarship	-	35	1,000	(719)	-	-	316
ADF Bingo - Kids College	6,288	-	5,575	(1,253)	-	-	10,610
Adjunct Faculty Merit	1,070	34	158	(1,000)	-	-	262
Alumni Scholarship	3,075	23	768	(2,000)	-	-	1,866
APA & SAL Scholarship	877	46	-	-	-	-	923
Arc Southern MD Media Scholarship	502	17	-	-	-	-	519
AVSI Scholarship Fund	14	(14)	3,000	(3,000)	-	-	-
Besche Family Scholarship	13,260	(260)	-	(13,000)	-	-	-
Bill Montgomery Memorial Scholarship	661	(28)	120	(753)	-	-	-
Bill Wood Memorial Scholarship	33,461	1,125	-	-	-	-	34,586
Boone & Edelen Scholarship	3,592	85	150	(1,000)	-	-	2,827
Brad & Linda Gottfried Scholarship	1,105	(105)	-	(1,000)	-	-	-
Building Futures Scholarship	86,712	2,474	300	(9,990)	-	-	79,496
Celebration of the Arts	36,157	859	5,002	(21,848)	-	-	20,170
Chaney Workforce Development	5,099	208	10,000	(2,137)	-	-	13,170
Charles County Chamber Commerce	2,004	73	1,000	(1,000)	-	-	2,077
Charles County Workforce Devel.		211	4,625	(1,297)	-	-	3,539
Charles Nurse/Health Scholarship	3,329	11	1	(3,341)	-	-	-
CK Walsh Memorial Scholarship	15,798	607	1,438	-	-	-	17,843
CLC Scholarship Fund	3,099	(2,099)	-	(1,000)	-	-	-
Coldwell Banker J Lilly-CTIT	4,903	(36)	710	-	-	-	5,577
Community Bank of the Chesapeake Annual	18,280	(26)	-	(5,700)	-	-	12,554
Connie Kite Memorial Scholarship	3,998	(89)	1,650	(1,500)	-	-	4,059
CR Posten Memorial Fund	611	11	-	(289)	-	-	333
Crossroad Garden Club Scholarship	-	55	1,050	-	-	-	1,105
CSF Scholarship Fund	4,223	171	1,200	(1,000)	-	-	4,594
CSM Children's Center	553,830	18,646	2,244	-	-	-	574,720
D Fredette Memorial Scholarship	3,664	104	-	(1,000)	-	-	2,768
Darrow Memorial Scholarship	1,102	906	-	(750)	-	-	1,258
Desiree Angel Osvatics	769	23	-	-	-	-	792

COLLEGE OF SOUTHERN MARYLAND FOUNDATION, INC.
SCHEDULE OF CHANGES IN NET ASSETS (CONTINUED)
YEAR ENDED JUNE 30, 2019

	Net Assets June 30, 2018	Investment Income	Contributions	Scholarship Awards	Other (Deductions)	Other Adjustments	Net Assets June 30, 2019
DL Smith Memorial Art Scholarship	\$ 8,635	\$ 79	\$ -	\$ (1,500)	\$ -	\$ -	\$ 7,214
DM Krankowski Memorial Endowment	592	134	-	-	-	-	726
Dr. Nallan Ramakrishna Scholarship	26,340	4,576	-	(3,000)	-	-	27,916
E Creswick Writing Studio	-	741	14,744	-	-	-	15,485
E Lilly Memorial Nursing	2,399	311	-	(2,000)	-	-	710
Educational Excellence Fund	45,199	795	100	(12,599)	-	-	33,495
Elaine Ryan Legacy Fund	42,431	1,427	-	-	-	-	43,858
ESFCU Scholarship/Faculty	-	171	5,500	(3,000)	-	-	2,671
Henderson Scholarship	1,106	88	1,000	-	-	-	2,194
FB Trueman Scholarship Calvert County	13,335	(45)	-	(11,500)	-	-	1,790
Fuller Scholarship Trades	-	522	10,000	-	-	-	10,522
Gambrill Scholarship Fund	2,849	96	-	-	-	-	2,945
General Scholarship Fund	262,936	11,969	20,749	(39,821)	-	-	255,833
H Willoughby Foundation Scholarship	6,367	(71)	-	(6,296)	-	-	-
Harland R. & Lulu R. Cravat Memorial Scholarship	64,156	1,922	-	(5,500)	-	-	60,578
Health Sciences Scholarship	14,215	1,328	100,000	(8,806)	-	-	106,737
Helen J. Todd Scholarship	76,247	1,929	25,000	(33,750)	-	-	69,426
Family Scholarship	7,624	164	1,161	(1,500)	-	-	7,449
Holt Memorial Nursing Scholarship	1,502	55	25	-	-	-	1,582
ISSWDC	1,002	34	-	-	-	-	1,036
ISTEM	100,111	761	5,792	(58,460)	-	-	48,204
Ives Freedom Scholarship Fund	-	107	2,000	(1,000)	-	-	1,107
J Harris Scholarship	-	12	500	-	-	-	512
J Patak Memorial Annual Scholarship	610	20	-	-	-	-	630
J Zanelotti, Sr Memorial Scholarship	7,406	303	2,351	(1,000)	-	-	9,060
J. Ivey Cline Memorial Scholarship	6,689	678	-	(1,000)	-	-	6,367
J. Rice & M. Fauth Memorial	42,111	3,152	-	(2,500)	-	-	42,763
Jack L Sprague Scholarship	1,102	16	1,200	(500)	-	-	1,818
Jane H. Sypher Scholarship	11,598	(61)	12,554	(19,908)	-	-	4,183
Jude House Rec Scholarship	5,586	166	880	(986)	-	-	5,646
LaPlata Rotary Energy/Trades Scholarship	25,846	-	532	(3,277)	-	-	23,101

**COLLEGE OF SOUTHERN MARYLAND FOUNDATION, INC.
SCHEDULE OF CHANGES IN NET ASSETS (CONTINUED)
YEAR ENDED JUNE 30, 2019**

	Net Assets June 30, 2018	Investment Income	Contributions	Scholarship Awards	Other (Deductions)	Other Adjustments	Net Assets June 30, 2019
Leonardtown Rotary Heroes Scholarship	\$ 1,017	\$ 65	\$ 1,000	\$ (1,000)	\$ -	\$ -	\$ 1,082
M Shasho Memorial Scholarship	9,934	210	-	(3,000)	-	-	7,144
Mary Boyd Memorial Nurse Scholarship	427	9	1,240	(500)	-	-	1,176
Matthew W. Hancock Memorial Scholarship	617	(17)	-	(600)	-	-	-
McDonough Foundation Annual Scholarship	6,063	21	-	(4,000)	-	-	2,084
McNelis Family Scholarship	1,089	37	-	-	-	-	1,126
MD Motor Truck Association Scholarship	3,199	144	-	-	-	-	3,343
Mercantile Southern Maryland Bank	-	197	5,000	(3,565)	-	-	1,633
Michael A Weaver Jr Scholarship	1,046	18	-	(500)	-	-	564
Middleton Nurse Scholarship	11,969	244	-	(3,000)	-	-	9,213
NET Annual Scholarship	40,825	1,373	-	-	-	-	42,198
NRL Federal Credit Union Scholarship	-	-	2,000	-	-	-	2,000
Nu Zeta Omega Scholarship	1,799	18	-	(900)	-	-	917
Nursing & Healthcare	58,738	2,005	18,758	(31,835)	-	-	47,666
Nyce Annual Scholarship	7,352	79	1,390	(5,875)	-	-	2,946
O Stinson Memorial Engineering	10,369	259	525	(1,000)	-	-	10,153
Old Line Bank Step-Up Annual Scholarship	78,025	(410)	1,773	(6,500)	-	-	72,888
P Facchina, Jr Scholarship	1,503	44	1,000	(1,000)	-	-	1,547
Presidential Scholarship Program	26,049	(51)	-	(21,074)	-	-	4,924
Prince Frederick SA Kickoff Scholarship	-	-	500	(500)	-	-	-
Prince Frederick Student Association Scholarship	20,781	658	-	(1,000)	-	-	20,439
RK Sisters at Heart Scholarship	1,605	16	50	(1,000)	-	-	671
Robert W Straus Trust	38,720	1,303	-	-	-	-	40,023
Ruth Mathes Scholarship	1,252	2	-	-	-	-	1,254
S Behmke Legacy Fund	13,842	551	5,915	(1,000)	-	-	19,308
SA @ La Plata Kickoff Scholarship	10	(10)	500	(500)	-	-	-
Salta Family/Direct Mail Scholarship	15,531	887	15,000	(11,500)	-	-	19,918
SBA Scholarship Fund	10	(11)	1,000	(1,000)	-	-	(1)
Schwier & LaFleur Scholarship	8,266	389	3,000	(6,000)	-	-	5,655
SGA-SHS Annual Fund	-	121	4,984	(3,412)	-	-	1,693
Sidney Waugh Memorial Scholarship	4,897	193	1,330	(1,000)	-	-	5,420

**COLLEGE OF SOUTHERN MARYLAND FOUNDATION, INC.
SCHEDULE OF CHANGES IN NET ASSETS (CONTINUED)
YEAR ENDED JUNE 30, 2019**

	Net Assets June 30, 2018	Investment Income	Contributions	Scholarship Awards	Other (Deductions)	Other Adjustments	Net Assets June 30, 2019
SMECO Administrative Professional Scholarship	\$ 3,065	\$ 125	\$ 2,357	\$ (1,000)	\$ -	\$ -	\$ 4,547
SMECO Pre-Apprentice Scholarship	2,256	(85)	2,132	(4,303)	-	-	-
SMWL Scholarship Fund	10,951	348	3,670	(5,000)	-	-	9,969
St. Mary's County Scholarship Annual	1,494	1,687	25,000	(18,500)	-	-	9,681
St. Mary's SARC Scholarship	5,009	60	-	(2,413)	-	-	2,656
TJ Murray Memorial Scholarship	2,004	26	-	(1,000)	-	-	1,030
Toribio Career Starters	1,000	-	-	(1,000)	-	-	-
TPP Pathways Scholarship	10,111	(71)	8,825	(14,575)	-	-	4,290
Travel Studies Scholarship	2,180	89	35	-	-	-	2,304
Tri County 40/8 Nurse Scholarship	2,524	79	800	(800)	-	-	2,603
UM Coalition So MD Scholarship	-	591	10,000	(2,500)	-	5,000	13,091
W. Martinez Jr. Memorial Scholarship	2,280	103	1,500	(1,500)	-	-	2,383
Walter Grove II Endowment Fund	35,386	3,975	-	(4,412)	-	-	34,949
WCCCA Scholarship	1,423	(44)	-	(1,379)	-	-	-
William D Bauer Memorial Endowment	13,233	404	-	(1,000)	-	-	12,637
Women in Transition	-	(50)	1,050	(1,000)	-	-	-
Woodey Theatre Scholarship	1,324	7,854	75	(1,000)	-	-	8,253
Ziencik-Hess Memorial Scholarship	2,029	34	1,214	(2,000)	-	-	1,277
Zonta RAVE Walk Scholarship	916	31	2,200	(2,500)	-	-	647
Total Scholarship	2,049,415	78,069	370,202	(471,123)	-	5,000	2,031,563
Endowed Scholarship							
Adjunct Faculty Endowment	\$ 39,830	\$ 1,294	\$ -	\$ (975)	\$ -	\$ -	\$ 40,149
Albert L. Edler, Jr Memorial	30,536	974	-	(1,300)	-	-	30,210
B Wheatley Memorial Endowment	17,320	526	-	(1,200)	-	-	16,646
Bailey Memorial Nurse Endowment	45,595	1,442	-	(1,000)	-	-	46,037
Beers Scholarship Fund	362,221	11,627	-	(11,900)	-	-	361,948
Bradley Gottfried Endowment	74,421	1,040	1,675	(500)	-	-	76,636
C&M McAllister Endowment Fund	52,111	1,757	1,000	(500)	-	-	54,368
Calvert County 350th Anniversary Endowment	20,452	652	-	(880)	-	-	20,224
Calvert County Chamber Endowment	28,613	1,031	2,000	(1,200)	-	-	30,444
Captain B Robertson Endowment	26,270	842	-	(1,000)	-	-	26,112

COLLEGE OF SOUTHERN MARYLAND FOUNDATION, INC.
SCHEDULE OF INVESTMENTS
JUNE 30, 2019

	Net Assets June 30, 2018	Investment Income	Contributions	Scholarship Awards	Other (Deductions)	Other Adjustments	Net Assets June 30, 2019
Castles and Foundations Fund	\$ 72,195	\$ 2,338	\$ -	\$ (2,200)	\$ -	\$ -	\$ 72,333
Chaney Endowment	242,241	7,837	-	(6,600)	-	-	243,478
Christopher Chinault Scholarship	74,027	2,370	-	(2,550)	-	-	73,847
Civista Medical Center	18,303	616	-	-	-	-	18,919
Community Bank of the Chesapeake Endowment	79,509	1,634	-	(525)	-	-	80,618
Constellation Energy	169,174	(2,078)	-	-	-	-	167,096
D Fredette Memorial Endowment	20,223	862	4,370	-	-	-	25,455
DM Krankowski Memorial Endowment	4,385	4	-	(500)	-	-	3,889
Dr. Nallan Ramakrishna Scholarship	114,100	-	-	-	-	-	114,100
Dr. Richard Fleming Scholarship	1,870	116	975	-	-	-	2,961
Ed Matthews, Jr Endowment Fund	32,463	1,051	-	(700)	-	-	32,814
Endowed Scholarship Fund	165,775	5,596	480	-	-	-	171,851
Franklin Endowed Scholarship	15,117	510	25	-	-	-	15,652
Gary Merrill	3,904	131	-	-	-	-	4,035
Grainger Family Endowment	30,029	991	-	(325)	-	-	30,695
Grimm & Parker Endowment	20,545	684	-	(500)	-	-	20,729
Helen and Henry Lawlor Scholarship	42,461	1,387	-	(1,000)	-	-	42,848
HV Scotland, Jr/III Memorial Endowment	21,351	676	8	(900)	-	-	21,135
J Patak Memorial Endowment	18,456	621	-	-	-	-	19,077
J Rice & M Fauth Memorial	54,707	-	-	-	-	-	54,707
J&G Walters Scholarship	-	455	6,000	-	-	-	6,455
J&M Harms Endowed Scholarship	863,988	50,448	-	(20,000)	-	-	894,436
J. Ivey Cline Scholarship	14,708	-	-	-	-	-	14,708
J. Morton Memorial Scholarship	2,242	93	150	-	-	-	2,485
James C. Mitchell Nursing Scholarship	55,234	1,751	-	(2,600)	-	-	54,385
Jane H. Sypher Endowed	-	848	1,697	-	-	17,908	20,453
JD Middleton Memorial	-	1,027	15,808	-	-	-	16,835
JL & WCS Charity Endowment	20,227	680	-	-	-	-	20,907
Joanne Zwick Memorial Scholarship	12,954	417	-	(315)	-	-	13,056
John Sine Memorial Endowment	15,366	675	4,160	-	-	-	20,201
Kavetsky Family Endowment	9,835	330	-	-	-	-	10,165
L. K. Farrall II Endowment Fund	70,266	2,228	-	(3,000)	-	-	69,494
Leonardtwn SGA Endowment Fund	27,745	1,238	-	-	-	-	28,983

COLLEGE OF SOUTHERN MARYLAND FOUNDATION, INC.
SCHEDULE OF INVESTMENTS
JUNE 30, 2019

	Net Assets June 30, 2018	Investment Income	Contributions	Scholarship Awards	Other (Deductions)	Other Adjustments	Net Assets June 30, 2019
Lilly Memorial Endowment Scholarship	\$ 18,668	\$ 600	\$ -	\$ (680)	\$ -	\$ -	\$ 18,588
Louis P Jenkins, Sr Endowment Fund	88,073	2,814	-	(3,600)	-	-	87,287
Lucy Detig Endowed Scholarship	37,947	1,246	320	(1,000)	-	-	38,513
M Dale Family Endowment	30,334	1,020	-	-	-	-	31,354
M Shasho Memorial Endowment	16,843	389	140	-	-	-	17,372
Marguerite Cox Family Memorial	74,885	2,473	1,760	(2,500)	-	-	76,618
Marrick Properties	182,708	6,067	-	(4,760)	-	-	184,015
Mary Croft Ward Scholarship	5,663	190	-	-	-	-	5,853
McDonough Charity School	376,375	12,257	-	(10,000)	-	-	378,632
McWilliams Family Trust	37,222	1,212	400	(1,600)	-	-	37,234
Montgomery Endowment Scholarship	34,453	1,228	278	-	-	753	36,712
Neale C Slater Memorial Scholarship	125,429	5,258	3,200	(1,500)	(7,011)	-	125,376
Nyce Scholarship Endowment	21,496	786	1,060	-	-	-	23,342
Our Earth Endowment	21,959	709	-	(500)	-	-	22,168
P Cangelosi Memorial Scholarship	34,210	1,438	6,502	(1,100)	-	-	41,050
Renee Mundy Math Endowment	15,756	489	-	(700)	-	-	15,545
RK Sisters at Heart Endowment	16,374	671	1,000	-	-	-	18,045
Russel G. Croft	185,279	6,020	-	(4,500)	-	-	186,799
SA Matin Scholarship Endowment	101,114	3,401	-	-	-	-	104,515
SGA-SHS Endowment	19,462	645	-	-	-	-	20,107
Shani J Whipple Scholarship	17,644	593	-	-	-	-	18,237
SMECO Engineers Endowment	108,031	2,457	1,362	(1,275)	-	-	110,575
St. Mary's County Scholarship Endowment Fund	97,961	574	-	(3,000)	-	-	95,535
Thomas F. Goldsmith Fund	83,083	2,629	-	(4,000)	-	-	81,712
Tony Hungerford Memorial Endowment Fund	91,597	2,937	1,075	(4,100)	-	-	91,509
Travel Studies Endowment	24,627	840	278	-	-	-	25,745
Veterans Education Endowment Fund	123,432	3,947	195	(5,200)	-	195	122,374
Walter Grove II Endowment Fund	85,663	-	1,985	-	-	-	87,648
Ward Virts Piano Project	8,649	-	5,925	(8,000)	(1,953)	-	4,621
We Salute Our Troops - Desert Storm Scholarship	3,908	131	-	-	-	-	4,039
William Lyon Endowment Fund	32,609	1,051	-	(1,138)	-	-	32,522
Wm. B. and Vivian M. King Endowment Fund	1,786,405	49,306	-	(47,550)	-	-	1,788,161
Wywill Teacher Ed Endowment Scholarship	22,776	714	50	(1,000)	-	-	22,540
Total Endowed Scholarship	6,921,404	220,813	63,878	(169,873)	(8,964)	18,661	7,045,919
Total Net Assets with Donor Restrictions	12,221,454	469,168	706,645	(651,539)	(8,964)	20,598	12,757,362
Total Net Assets	\$ 13,129,855	\$ 500,915	\$ 948,241	\$ (694,958)	\$ (225,536)	\$ 23,661	\$ 13,682,178

COLLEGE OF SOUTHERN MARYLAND FOUNDATION, INC.
SCHEDULE OF INVESTMENTS
JUNE 30, 2019

	Units	Cost Basis	Market Value	% Yield		Estimated Income	Symbol
				Cost	Market		
INVESTMENTS							
Fixed income funds							
DODGE & COX FUNDS INCOME FUND	34,927	\$ 473,353	\$ 485,839	2.66	2.59	\$ 12,595	DODFX
PIMCO FOREIGN BD FD INSTL (HEDGED)	22,647	239,015	251,541	3.24	3.07	7,734	PFORX
PIMCO LOW DURATION FD INSTL	71,044	693,707	695,363	3.53	3.52	24,500	PTLDX
PIMCO TOTAL RET FD INSTL	49,225	500,178	507,960	0.23	0.22	1,135	PTTRX
T ROWE PRICE INSTL INTL BOND FUND	27,938	257,514	251,893	2.42	2.48	6,236	RPISX
VANGUARD INFLATION-PROTECT SEC ADMIRAL	22,061	556,500	570,265	1.50	1.46	8,343	VAIPX
		<u>2,720,267</u>	<u>2,762,861</u>	2.23	2.19	<u>60,543</u>	
Equity Funds							
AMCAP Fund Class F-3	8,874	248,593	286,622	0.87	0.76	2,175	fmacx
DFA International Real Estate Sec Fnd Inst	64,268	324,839	335,480	2.80	2.71	9,092	dfitx
DFA International Small Cap Inst. Class	5,653	99,853	100,625	0.85	0.84	847	dfisx
DFA International Small Value Inst. Class	4,757	101,107	85,538	2.05	2.42	2,072	disvx
DFA U.S. Small Cap Value Fund Inst. Class	4,589	154,623	151,492	3.01	3.07	4,653	dfsvx
DFA US Micro Cap Portfolio Inst. Class	6,247	122,735	129,500	1.16	1.09	1,418	dfscx
Dodge & Cox International Stock Fund	5,448	217,319	226,960	2.85	2.73	6,193	dodfx
EuroPacific Growth Fund Class F-3	4,824	236,277	255,044	1.67	1.55	3,957	feupx
iShares Tr Edge MSCI USA Value Factor ETF	7,195	572,543	584,162	2.94	2.88	16,813	vlue
T. Rowe Price Inst. Large Cap Growth	5,325	164,862	224,543	3.02	2.22	4,975	trlgx
T. Rowe Price Int'l Value Equity Class I	15,005	195,919	200,322	1.67	1.64	3,279	trtix
T. Rowe Price New Era Fund Class I	5,450	182,802	186,430	2.58	2.53	4,714	trnex
Vanguard Energy Fund Admiral Shares	4,243	383,483	390,465	2.22	2.18	8,505	vgelx
Vanguard FTSE All World Ex-US SC	1,692	174,377	178,067	1.14	1.11	1,981	vss
Vanguard Growth Index Fund Admiral Shares	3,175	179,450	267,113	3.67	2.46	6,582	vigax
Vanguard International Growth Admiral Shs	2,334	163,135	219,360	3.42	2.55	5,584	vwilx
Vanguard International Value Portfolio	6,031	200,647	217,003	2.10	1.94	4,219	vtrix
Vanguard Materials Index Fund Admiral	2,949	184,885	192,673	4.21	4.04	7,785	vmiax
Vanguard REIT Index Fund Admiral Shares	6,138	656,956	761,368	0.74	0.64	4,884	vgslx
Vanguard Small Cap Growth Idx. Admiral Shs	2,303	101,883	150,875	3.32	2.24	3,387	vsgax
Vanguard Small Cap Value Index Admiral Shs	5,268	238,164	295,418	6.50	5.24	15,484	vsiax
Vanguard Value Index Fund Admiral Shares	13,754	451,067	595,544	3.40	2.58	15,340	vviax
Washington Mutual Investors Fund Class F-3	13,025	537,022	596,687	2.30	2.07	12,358	fwmix
		<u>5,892,541</u>	<u>6,631,291</u>	2.48	2.21	<u>146,297</u>	
Total Investments		<u>\$ 8,612,808</u>	<u>\$ 9,394,152</u>	2.40	0.02	<u>\$ 206,840</u>	