

# **St. Mary's College Of Maryland Foundation, Inc.**

Financial Report  
June 30, 2006

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# McGladrey & Pullen

Certified Public Accountants

## Independent Auditor's Report

To the Board of Directors  
St. Mary's College of Maryland Foundation, Inc.  
St. Mary's City, Maryland

We have audited the accompanying balance sheet of St. Mary's College of Maryland Foundation, Inc. (the Foundation), as of June 30, 2006, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year's summarized comparative information has been derived from the 2005 financial statements and, in our report dated August 25, 2005, we expressed an unqualified opinion on those statements.

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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the 2006 financial statements referred to above present fairly, in all material respects, the financial position of St. Mary's College of Maryland Foundation, Inc. as of June 30, 2006, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

*McGladrey & Pullen, LLP*

Bethesda, Maryland  
August 30, 2006

**St. Mary's College Of Maryland Foundation, Inc.**

**Balance Sheet**

**June 30, 2006**

**(With Comparative Totals For 2005)**

<b>Assets</b>	<b>2006</b>	<b>2005</b>
Cash	\$ 431,352	\$ 348,969
Investments	25,035,533	23,552,608
Investments - gift annuity	808,390	767,525
Receivables	74,227	108,250
Prepaid Expenses	842	9,665
Promises to Give, net	2,898,107	4,013,686
Property and Equipment, net	413,419	451,112
Art Collection (Note 1)	-	-
	\$ 29,661,870	\$ 29,251,815

**Liabilities And Net Assets**

<b>Liabilities</b>		
Accounts payable and accrued expenses	\$ 269,555	\$ 224,324
Gift annuity	743,574	488,075
Deferred revenue	-	77,079
	1,013,129	789,478
<b>Net Assets</b>		
Unrestricted	750,364	873,485
Temporarily restricted	9,577,750	9,952,802
Permanently restricted	18,320,627	17,636,050
	28,648,741	28,462,337
	\$ 29,661,870	\$ 29,251,815

See Notes To Financial Statements.

St. Mary's College Of Maryland Foundation, Inc.

Statement Of Activities

Year Ended June 30, 2006

(With Comparative Totals For 2005)

	2006				2005
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Total
<b>Support and Revenue</b>					
Contributions	\$ 428,376	\$ 1,252,627	\$ 684,577	\$ 2,365,580	\$ 4,505,264
Donated services	296,731	-	-	296,731	290,181
Event revenue	99,787	325,824	-	425,611	398,255
Sponsorship	172,500	22,590	-	195,090	248,000
Investment income	51,177	591,094	-	642,271	2,302,228
Other revenues	6,950	35,071	-	42,021	26,905
Net assets released from restrictions	2,602,258	(2,602,258)	-	-	-
<b>Total support and revenue</b>	<b>3,657,779</b>	<b>(375,052)</b>	<b>684,577</b>	<b>3,967,304</b>	<b>7,770,833</b>
<b>Expenses</b>					
<b>Program Services</b>					
Support To St. Mary's College Of Maryland					
Scholarships	867,009	-	-	867,009	825,295
Athletics	244,730	-	-	244,730	175,599
Academic Chair	137,000	-	-	137,000	154,490
Waterfront	125,343	-	-	125,343	16,893
Choir Fund	100,457	-	-	100,457	131,608
Library	98,150	-	-	98,150	93,410
President	97,567	-	-	97,567	78,435
Alumni activities	52,481	-	-	52,481	40,508
Center for Democracy	37,098	-	-	37,098	178,589
Art Alliance	34,155	-	-	34,155	40,155
Alba campus	21,792	-	-	21,792	-
Artist House	19,800	-	-	19,800	19,116
Slackwater	19,446	-	-	19,446	10,480
Crew Team	7,974	-	-	7,974	13,539
Sailing	6,510	-	-	6,510	8,403
Lectureship Series	5,553	-	-	5,553	4,167
College Department/Division Support	4,000	-	-	4,000	5,345
Research Assistance	2,500	-	-	2,500	7,000
Holocaust Summer Program	1,745	-	-	1,745	30,965
	1,883,310	-	-	1,883,310	1,833,997
River Concert Series	488,536	-	-	488,536	314,065
Gift Annuities	301,492	-	-	301,492	447,909
Governor's Cup	74,876	-	-	74,876	78,819
College Relations	57,563	-	-	57,563	53,914
Facility/Events	29,715	-	-	29,715	35,471
Community Connection	20,012	-	-	20,012	8,480
Family Weekend	13,642	-	-	13,642	17,130
Other programs	110,222	-	-	110,222	112,710
<b>Total program services</b>	<b>2,979,368</b>	<b>-</b>	<b>-</b>	<b>2,979,368</b>	<b>2,902,495</b>
<b>Supporting Services</b>					
Management and general	489,531	-	-	489,531	437,641
Fundraising	312,001	-	-	312,001	288,984
<b>Total supporting services</b>	<b>801,532</b>	<b>-</b>	<b>-</b>	<b>801,532</b>	<b>726,625</b>
<b>Total expenses</b>	<b>3,780,900</b>	<b>-</b>	<b>-</b>	<b>3,780,900</b>	<b>3,629,120</b>
<b>Change in net assets</b>	<b>(123,121)</b>	<b>(375,052)</b>	<b>684,577</b>	<b>186,404</b>	<b>4,141,713</b>
<b>Net Assets</b>					
Beginning	873,485	9,952,802	17,636,050	28,462,337	24,320,624
Ending	\$ 750,364	\$ 9,577,750	\$ 18,320,627	\$ 28,648,741	\$ 28,462,337

See Notes To Financial Statements.

St. Mary's College Of Maryland Foundation, Inc.

**Statement Of Cash Flows**  
**Year Ended June 30, 2006**  
**(With Comparative Totals For 2005)**

	2006	2005
<b>Cash Flows from Operating Activities</b>		
Change in net assets	\$ 186,404	\$ 4,141,713
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Donated property	-	(9,300)
Contributions received for endowment	(684,577)	(2,540,810)
Depreciation	29,121	38,056
Realized and unrealized losses (gains) on investments	148,928	(1,540,870)
Discount and allowance on promises to give	212,090	119,566
Donated securities	(117,452)	(82,889)
Loss (gain) on sale of assets	8,572	(19,939)
Changes in assets and liabilities		
(Increase) decrease in:		
Receivables	34,023	68,712
Prepaid expenses	8,823	(8,790)
Promises to give	903,489	(2,125,165)
Increase (decrease) in:		
Accounts payable and accrued expenses	45,231	28,436
Gift annuity	255,499	446,762
Deferred revenue	(77,079)	(66,680)
<b>Net cash provided by (used in) operating activities</b>	<b>953,072</b>	<b>(1,551,198)</b>
<b>Cash Flows from Investing Activities</b>		
Proceeds from sale of property and equipment	-	21,800
Purchase of investments	(12,227,485)	(10,687,328)
Proceeds from sale of investments	10,672,219	9,964,124
<b>Net cash (used in) investing activities</b>	<b>(1,555,266)</b>	<b>(701,404)</b>
<b>Cash Flows from Financing Activities</b>		
Contributions received for endowment	684,577	2,540,810
<b>Net cash provided by financing activities</b>	<b>684,577</b>	<b>2,540,810</b>
<b>Net increase in cash</b>	<b>82,383</b>	<b>288,208</b>
<b>Cash</b>		
Beginning	348,969	60,761
Ending	\$ 431,352	\$ 348,969
<b>Supplemental Schedule of Noncash Investing Activities</b>		
Donated securities	\$ 117,452	\$ 82,889
Donated property	\$ -	\$ 9,300

See Notes To Financial Statements.

## St. Mary's College Of Maryland Foundation, Inc.

### Notes To Financial Statements

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#### Note 1. Nature Of Activities And Significant Accounting Policies

Nature of activities: The Foundation is a Maryland, not-for-profit corporation founded in 1971. The Foundation's principal activity is to provide support for the faculty and students of St. Mary's College of Maryland (the College). The Foundation raises funds, and receives, holds, invests, manages, uses, disposes of, and administers property, as appropriate. All funds are used for the furtherance of the mission of the College.

A summary of the Foundation's significant accounting policies follows:

Basis of accounting: The accompanying financial statements are prepared on the accrual basis of accounting, whereby revenues are recognized when earned and expenses are recorded when incurred.

Basis of presentation: The financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, the Foundation is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets.

Cash: At June 30, 2006, the Foundation has restricted cash of \$280,074. Amounts are restricted for specific purposes, specified by donors.

All cash and investments, regardless of maturity, held by investment advisor, are considered investments.

Financial risk: The Foundation maintains its cash balances in bank deposit accounts which, at times, may exceed federally insured limits. The Foundation has not experienced any losses in such accounts and believes it is not exposed to any significant financial risk on cash.

The Foundation invests in a professionally managed portfolio that contains corporate bonds, mutual funds, REITS, and common shares of publicly-traded companies and government securities. Such investments are exposed to various risks such as market and credit. Due to the level of risk associated with such investments and the level of uncertainty related to changes in the value of such investments, it is at least reasonably possible that changes in risks in the near term could materially affect investment balances and the amounts reported in the financial statements.

Investments: Investments with readily determinable fair values are reflected at fair market value. To adjust the carrying value of the investments, unrealized gains and losses are reported in the statement of activities as a part of investment income.

Investment pools: The Foundation maintains master investment accounts for its donor-restricted and board-designated endowments. Realized and unrealized gains and losses from securities in the master investment accounts are allocated quarterly to the individual endowments based on the relationship of the market value of each endowment to the total market value of the master investments accounts, as adjusted for additions to or deductions from those accounts.

Receivables and promises to give: Unconditional promises to give are recognized as revenue or gains in the period acknowledged. Conditional promises to give are only recognized when the conditions on which they depend are substantially met. Unconditional promises to give are carried at fair value less an estimate made for doubtful promises based on a review of all outstanding promises on a monthly basis. Management determines the allowance for doubtful promises by using the historical experience applied to an aging of promises. Promises are written off when deemed uncollectible. The provision for doubtful promises based on management's evaluation of the collection of promises at June 30, 2006, was 10% of the present value of the promises.

## St. Mary's College Of Maryland Foundation, Inc.

### Notes To Financial Statements

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#### Note 1. Nature Of Activities And Significant Accounting Policies (Continued)

Receivables and promises to give (continued): Receivables are carried at original invoice amounts, less an estimate made for doubtful accounts based on a review of outstanding amounts on a monthly basis. Management determines the allowance for doubtful accounts by identifying troubled accounts and by using the historical experience applied to an aging of accounts. Receivables are written off when deemed uncollectible. Recoveries of receivables previously written off are recorded when received. Interest is not recorded on any past due balances. There is no provision for doubtful accounts, based on management's evaluation of the collection of receivables at June 30, 2006.

Property and equipment: Property and equipment are recorded at cost. Donated property and equipment are recognized at appraised value when received. Depreciation is provided using the straight-line method over estimated useful lives of the assets ranging from five to ten years. The Foundation capitalizes all property and equipment purchased with a cost of \$1,500.

Impairment of long-lived assets: The Foundation accounts for the valuation of long-lived assets under Statement of Financial Accounting Standards (SFAS) No. 144, *Accounting for the Impairment or Disposal of Long-Lived Assets*. SFAS No. 144 requires that long-lived assets and certain identifiable intangible assets be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of the long-lived asset is measured by a comparison of the carrying amount of the assets to future undiscounted net cash flows expected to be generated by the assets. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the estimated fair value of the assets. Assets to be disposed of are reported at the lower of the carrying amount or fair value, less costs to sell.

Art Collection: Art Collection owned by the Foundation was acquired through contributions in the fiscal year ended June 30, 2004. These items are not included as assets in the balance sheet because these assets will be transferred to St. Mary's College of Maryland or otherwise disposed. The cost of these properties is not readily available, and the Foundation is of the opinion that, because of the intrinsic value of the properties, it is impractical to assign values to the components. Proceeds from sale or insurance recoveries are reflected as increases in the appropriate net asset classes.

Gift annuities payable: Carrying amounts represent the present value of the contractual payments over the estimated remaining term.

Revenue recognition: Contributions received are recorded as permanently restricted, temporarily restricted, or unrestricted revenue, depending on the existence and/or nature of any donor restrictions.

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes.

Unconditional promises to give that are expected to be collected within one year are recorded at their net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts are computed using risk-free interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. Conditional promises to give are not included as support until the conditions are met.

Donated services and facilities: Donated services are recorded as revenue and expense in the financial statements for services received from the College. Donated services from the College are principally related to shared staff time. Contributed office space and facilities are also recorded at their estimated fair value.

## St. Mary's College Of Maryland Foundation, Inc.

### Notes To Financial Statements

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#### Note 1. Nature Of Activities And Significant Accounting Policies (Continued)

Service fees: The Foundation applies an annual service fee of up to 2% on the total value of its endowed funds. The actual service fee rate is fixed annually at a level that is sufficient to cover the core Foundation expenses, including, but not limited to, insurance, accounting, legal, and investment management.

Functional expenses: The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities.

Other support to St. Mary's College of Maryland expenditures consists of funds from endowed and restricted accounts for lectures, internships, Study Abroad, Christmas in April, St. Mary's Art Projects and Women's Studies, and funds from unrestricted accounts for College events and various departmental needs.

Income taxes: The Foundation is exempt from federal income tax under the provisions of Section 501(c)(3) of the Internal Revenue Code. The Foundation is subject to income taxes on revenue generated from sources unrelated to its exempt purpose. There was no income tax for the year ended June 30, 2006. In addition, the Foundation has been determined by the Internal Revenue Service (IRS) not to be a private foundation.

Estimates: Management uses estimates and assumptions in preparing these financial statements in accordance with accounting principles generally accepted in the United States of America. These estimates and assumptions affect the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities, and the reported revenues and expenses. Accordingly, actual results could differ from the estimates that were used.

Prior year information: The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Foundation's financial statements for the year ended June 30, 2005, from which the summarized information was derived.

Reclassifications: Certain reclassifications have been made to the 2005 amounts to conform to the 2006 presentation. These reclassifications had no effect on previously reported change in net assets.

#### Note 2. Investments

Investments consist of the following at June 30, 2006:

Equities	\$ 13,343,731
Fixed income	5,049,652
REITS	1,393,895
Cash equivalents	6,056,645
	<u>\$ 25,843,923</u>

Investments of \$808,390 at June 30, 2006, are related to gift annuities.

During 2000, the Foundation became a named beneficiary to one-fourth of a trust held by a third party. The trust is restricted to scholarships. Under the terms of the trust, the Foundation will receive a distribution each year of approximately one-fourth of 5% of the value of the trust, even if the 5% is to be paid from the principal. The Foundation records one-fourth of the annual changes in market value of the trust as investment income. The value of the Foundation's share of the trust was \$1,500,079 as of June 30, 2006, and the Foundation received a \$70,000 distribution in 2006.

**St. Mary's College Of Maryland Foundation, Inc.**

**Notes To Financial Statements**

**Note 2. Investments (Continued)**

Investment income for the year ended June 30, 2006, consists of the following:

	Unrestricted	Temporarily Restricted	Total
Interest and dividends	\$ 27,901	\$ 763,298	\$ 791,199
Realized and unrealized gains (losses)	23,276	(172,204)	(148,928)
	<u>\$ 51,177</u>	<u>\$ 591,094</u>	<u>\$ 642,271</u>

**Note 3. Receivables**

Receivables consist of the following at June 30, 2006:

Accrued interest	\$ 43,564
Trade receivables	28,063
Loans receivable	2,600
	<u>\$ 74,227</u>

**Note 4. Promises To Give**

At June 30, 2006, promises to give are composed of the following:

Restricted for the Center of Democracy	\$ 1,543,200
Restricted to other programs	1,396,076
Life insurance policies	1,061,681
Restricted to distinguished professorship of Arts and Sciences	900,000
Restricted to endowed scholarships	712,975
Restricted to scholarships	143,849
Restricted to endowment funds	95,390
Unrestricted	12,000
Unconditional promises to give before unamortized discount and allowance for uncollectibles	5,865,171
Less: Unamortized discount at 6% and allowance for uncollectibles at 4%	2,967,064
<b>Total promises to give</b>	<u>\$ 2,898,107</u>

Promises to give are due to be collected in the following periods:

Less than one year	\$ 741,493
One to five years	1,961,997
Five to ten years	-
More than ten years	3,161,681
	<u>\$ 5,865,171</u>

Amounts due after June 30, 2006, have been discounted to their estimated present value using discount rates ranging from 6% to 10%.

**St. Mary's College Of Maryland Foundation, Inc.**

**Notes To Financial Statements**

**Note 5. Property And Equipment**

Property and equipment and accumulated depreciation is as follows at June 30, 2006:

Asset Category	Estimated Lives	Cost	Accumulated Depreciation	Net	Depreciation Expense
Paintings	-	\$ 343,418	\$ -	\$ 343,418	\$ -
Boat and marine equipment	5-10 years	492,194	423,132	69,062	8,973
Office equipment and other	3-7 years	119,110	118,171	939	20,148
		<u>\$ 954,722</u>	<u>\$ 541,303</u>	<u>\$ 413,419</u>	<u>\$ 29,121</u>

The Foundation owns boats that are used in the College's sailing education programs. Boats were typically received in prior years by donation. The Foundation no longer accepts boat donations.

**Note 6. Assets Held In Charitable Gift Annuities**

The Foundation has established fifteen gift annuity programs. The programs allow the Foundation to accept a gift from a donor in exchange for the Foundation agreeing to pay the donor's annuity payments until the donor's death. The Foundation evaluates each potential annuity prior to acceptance with the consideration of the age of the donor, terms of the annuity payments, required payments terms, and the gift acceptance policy.

Upon execution of the charitable gift annuities, the Foundation records an asset for the fair market value of charitable gift annuities, and a liability based upon the actuarial present value of amounts expected to be paid to the donors. The net of the gift annuity asset and liability is the remainder interest, the residual amount the Foundation expects to receive from the annuities. The present value is readjusted annually, with the value based on an actuarial calculation as summarized below:

Gift annuities remainder interest expected to be received (based on life expectancy tables) in:	
Less than one year	\$ -
One to five years	125,901
Over five years	617,673
Total	<u>\$ 743,574</u>

The following table summarizes activity in the gift annuities for the year ended June 30, 2006:

Charitable gift annuities balance at July 1, 2005	\$ 488,075
Contributions	375,579
Annuity payments	(49,439)
Increase in liability	217,286
Change in value	(287,927)
Charitable gift annuities balance at June 30, 2006	<u>\$ 743,574</u>

## St. Mary's College Of Maryland Foundation, Inc.

### Notes To Financial Statements

#### Note 6. Assets Held In Charitable Gift Annuities (Continued)

Pursuant to charitable gift annuity regulations COMAR 31.09.07, the Foundation maintains sufficient assets to equal the sum of the reserves on its outstanding annuity agreements as noted above.

The reserves on the outstanding annuity agreements are consistent with the assumptions underlying the respective rates adopted by the American Council on Gift Annuities which were in effect at the time of the issuance of the respective annuity contracts.

The liabilities are determined based upon the donor's life expectancy and using discount rates between 5% and 9% at June 30, 2006, provided by IRS valuation tables. At the time of the donor's death, any remaining unamortized liability is recorded as additional donations. At June 30, 2006, the Foundation's fifteen gift annuity liabilities totaled \$743,574.

#### Note 7. Restricted Net Assets

Temporarily restricted net assets consist of the following at June 30, 2006:

	Balance at June 30, 2005	Additions	Restriction Accomplished	Balance at June 30, 2006
Scholarships and awards	\$ 5,461,651	\$ 545,654	\$ (1,139,873)	\$ 4,867,432
Waterfront	1,446,089	424,745	(14,610)	1,856,224
Library support	970,261	23,387	(148,986)	844,662
Endowed chair	702,502	52,709	(187,656)	567,555
Choir support	250,532	27,692	(65,217)	213,007
Center for Democracy	155,714	64,234	(64,118)	155,830
River concert series	91,536	59,533	(151,069)	-
Washington D.C. program	84,887	1,292	-	86,179
Aldom-Plansoen president's endowment	39,243	4,610	(14,100)	29,753
Community connections	35,077	24,980	(20,302)	39,755
Arts alliance	16,312	35,937	(34,157)	18,092
Gift annuity	4,024	330,579	(237,130)	97,473
Slackwater	-	75,274	(19,446)	55,828
Other programs	694,974	556,580	(505,594)	745,960
	<u>\$ 9,952,802</u>	<u>\$ 2,227,206</u>	<u>\$ (2,602,258)</u>	<u>\$ 9,577,750</u>

Scholarships and awards are restricted contributions to assist the students of St. Mary's College based on merit and/or financial need.

Waterfront program provides recreational and athletic opportunities to the students of St. Mary's College.

Library support funds are restricted to support library acquisitions and other library resources.

Endowed chair funds are restricted to support provide faculty with academic distinction in their professions.

Choir funds provide students with the opportunity to travel to Italy every summer to study under professional musicians.

## St. Mary's College Of Maryland Foundation, Inc.

### Notes To Financial Statements

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#### Note 7. Restricted Net Assets (Continued)

Center for Democracy offers academic and community service opportunities unique to the legacy of St. Mary's College.

Washington D.C. program, funds opportunities for students, faculty, and guest academicians to live and learn as they pursue internships, research, and academic programs.

Other programs include support for various funds including but not limited to the Art Department, Women Studies, Christmas in April and Facilities and Events.

During the year ended June 30, 2006, net assets were released from donor restriction when expenses satisfying the restricted purposes were incurred, or by occurrence of other events specified by donors.

Certain unrestricted net assets have been designated by the Board of Directors and consist of the following:

Lectureship series	\$	95,000
Gift annuity		50,000
Scholarships		4,000
Friends of Lacrosse		2,000
	\$	<u>151,000</u>

Permanently restricted net assets represent donor-restricted contributions in which the donor has stipulated that the principle be maintained intact. Unless otherwise stated by the donor, investment income is recorded into the temporarily restricted to be used for specific purposes.

	2005	Additions	2006
Scholarships and awards	\$ 11,112,868	\$ 185,025	\$ 11,297,893
Endowed chair	2,875,404	156,806	3,032,210
Library support	1,711,939	72,857	1,784,796
Other programs	1,935,839	269,889	2,205,728
	<u>\$ 17,636,050</u>	<u>\$ 684,577</u>	<u>\$ 18,320,627</u>

#### Note 8. Related Party Transactions

The Foundation receives services from various individuals whose salaries and benefits are paid by the College. In addition, the College provided the Foundation available administrative office space and use of facilities totaled \$296,731 for the year ended June 30, 2006. Such amounts are recorded as both donated services revenue and supporting services expenses.

#### Note 9. Custodial Funds

The Foundation administers certain funds for the benefit of groups within the College community. These funds and the earnings thereon are not available for the discretionary use of the Foundation. At June 30, 2006, the Foundation administered \$72,044 of funds for these groups. This amount is included in accounts payable on the balance sheet at June 30, 2006.