

**ST. MARY'S COLLEGE OF MARYLAND
FOUNDATION, INC.**

FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2024 AND 2023



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INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of St. Mary's College of Maryland Foundation, Inc. (the Foundation), which comprise the statements of financial position as of June 30, 2024 and 2023, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Foundation as of June 30, 2024 and 2023, 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.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Foundation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management 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, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Foundation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.



CliftonLarsonAllen LLP

Greenbelt, Maryland
October 29, 2024

ST. MARY'S COLLEGE OF MARYLAND FOUNDATION, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
ASSETS		
ASSETS		
Cash	\$ 924,446	\$ 1,211,245
Investments	50,062,849	46,083,335
Investments - Gift Annuity	1,171,613	1,141,849
Accounts Receivable	110,169	126,894
Other Assets	238,678	221,076
Promises to Give, Net	3,208,489	3,274,470
Property and Equipment, Net	<u>1,201</u>	<u>1,201</u>
Total Assets	<u><u>\$ 55,717,445</u></u>	<u><u>\$ 52,060,070</u></u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable and Accrued Expenses	\$ 153,209	\$ 138,474
Gift Annuity	<u>695,923</u>	<u>726,273</u>
Total Liabilities	849,132	864,747
NET ASSETS		
Without Donor Restrictions		
Undesignated	1,638,984	1,442,809
Board-Designated - Quasi-Endowment	<u>201,847</u>	<u>201,847</u>
Subtotal	1,840,831	1,644,656
With Donor Restrictions	<u>53,027,482</u>	<u>49,550,667</u>
Total Net Assets	<u><u>54,868,313</u></u>	<u><u>51,195,323</u></u>
Total Liabilities and Net Assets	<u><u>\$ 55,717,445</u></u>	<u><u>\$ 52,060,070</u></u>

See accompanying Notes to Financial Statements.

ST. MARY'S COLLEGE OF MARYLAND FOUNDATION, INC.
STATEMENTS OF ACTIVITIES
YEARS ENDED JUNE 30, 2024 AND 2023

	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE						
Contributions	\$ 102,685	\$ 2,417,221	\$ 2,519,906	\$ 257,887	\$ 5,896,283	\$ 6,154,170
Donated Services	1,946,754	-	1,946,754	1,790,268	-	1,790,268
Event Revenue	176,519	-	176,519	174,934	-	174,934
Other Revenues	-	12,283	12,283	-	8,190	8,190
Investment Income	517,939	3,820,692	4,338,631	194,416	1,734,197	1,928,613
Net Assets Released from Restrictions	2,773,381	(2,773,381)	-	3,564,316	(3,564,316)	-
Total Support and Revenue	5,517,278	3,476,815	8,994,093	5,981,821	4,074,354	10,056,175
EXPENSES						
Program Services:						
Support to St. Mary's College of Maryland						
Academic Chair/Faculty Support	279,430	-	279,430	363,167	-	363,167
Alumni Activities	127,535	-	127,535	94,752	-	94,752
Center for the Study of Democracy	178,221	-	178,221	175,117	-	175,117
College Department/Division Support	1,310,156	-	1,310,156	1,530,424	-	1,530,424
Scholarships and Awards	708,283	-	708,283	1,085,043	-	1,085,043
Total Program Services	2,603,625	-	2,603,625	3,248,503	-	3,248,503
Supporting Services:						
Management and General	1,294,721	-	1,294,721	1,238,618	-	1,238,618
Fundraising	1,422,757	-	1,422,757	1,251,556	-	1,251,556
Total Supporting Services	2,717,478	-	2,717,478	2,490,174	-	2,490,174
Total Expenses	5,321,103	-	5,321,103	5,738,677	-	5,738,677
CHANGE IN NET ASSETS	196,175	3,476,815	3,672,990	243,144	4,074,354	4,317,498
Net Assets - Beginning of Year	1,644,656	49,550,667	51,195,323	1,401,512	45,476,313	46,877,825
NET ASSETS - END OF YEAR	<u>\$ 1,840,831</u>	<u>\$ 53,027,482</u>	<u>\$ 54,868,313</u>	<u>\$ 1,644,656</u>	<u>\$ 49,550,667</u>	<u>\$ 51,195,323</u>

See accompanying Notes to Financial Statements.

ST. MARY'S COLLEGE OF MARYLAND FOUNDATION, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 3,672,990	\$ 4,317,498
Adjustments to Reconcile Change in Net Assets to Net Cash Used by Operating Activities:		
Contributions Received for Endowment	(822,137)	(457,785)
Contributions Received for Annuities	-	(40,000)
Change in Value of Gift Annuity	(125,712)	(76,449)
Change in Value of Perpetual Trust	(185,127)	(125,214)
Realized and Unrealized Loss / (Gain) on Investments	(3,156,962)	(959,036)
Discount and Allowance on Promises to Give	(12,963)	211,623
Effects of Changes in Operating Assets and Liabilities:		
Promises to Give	73,944	(1,030,580)
Accrued Interest Receivable	16,725	(27,375)
Other Assets	(17,602)	(7,189)
Accounts Payable and Accrued Expenses	14,735	25,051
Gift Annuity	<u>(30,350)</u>	<u>(8,625)</u>
Net Cash Used by Operating Activities	(567,459)	1,821,919
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Investments	(1,916,810)	(20,816,138)
Proceeds from Sale of Investments	<u>1,279,385</u>	<u>17,031,117</u>
Net Cash Provided (Used) by Investing Activities	(637,425)	(3,785,021)
CASH FLOWS FROM FINANCING ACTIVITIES		
Contributions Received for Endowment	822,137	457,785
Contributions Subject to Annuity Agreements	-	40,000
Payments on Annuity Contracts	<u>95,948</u>	<u>(93,466)</u>
Net Cash Provided by Financing Activities	<u>918,085</u>	<u>404,319</u>
NET INCREASE (DECREASE) IN CASH	(286,799)	(1,558,783)
Cash - Beginning of Year	<u>1,211,245</u>	<u>2,770,028</u>
CASH - END OF YEAR	<u><u>\$ 924,446</u></u>	<u><u>\$ 1,211,245</u></u>
SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING ACTIVITIES		
Donated Securities	<u><u>\$ 3,061,965</u></u>	<u><u>\$ 3,061,965</u></u>

See accompanying Notes to Financial Statements.

ST. MARY'S COLLEGE OF MARYLAND FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 1 NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

St. Mary's College of Maryland Foundation, Inc. (the Foundation) is a nonprofit corporation founded in Maryland 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, revenue is recognized when earned and expenses are recorded when incurred.

Use of 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 revenue and expenses. Accordingly, actual results could differ from the estimates that were used.

Cash

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

Financial Risk

The Foundation invests in a professionally managed portfolio that contains fixed income, money market funds, equities, and alternative investments. 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.

ST. MARY'S COLLEGE OF MARYLAND FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 1 NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments

Investments with readily determinable fair values are reflected at fair value. The Foundation also holds positions in alternative investments. These alternative investments are recorded at estimated fair value based on net asset value and fund manager estimates. There are inherent limitations in any valuation technique for nonreadily marketable securities. Therefore, the value is not necessarily indicative of the amount that could be realized in a current transaction. Future events will also affect the estimates of fair value, and the effect of such events on the estimates of fair value could be material. To adjust the carrying value of the investments, unrealized gains and losses are reported in the statements of activities as a part of investment income. Interest and dividends from investments are recorded as investment income when earned.

Investment Pools

The Foundation maintains master investment accounts for its donor-restricted endowments and combines these assets into a common investment pool which closely resembles a mutual fund. The Foundation follows a unitization approach to the pool. Each endowment owns a number of units in the pool. Purchases and sales of shares in the pool are based upon the market value per share at the beginning of the quarter the transaction takes place. All net investment income (interest, dividends, realized and unrealized gains and losses, investment manager and Foundation service and administrative fees) from securities in the master investment accounts are allocated quarterly to the individual endowments based upon the number of units each endowment fund holds.

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 was 0.06% of the gross value of the promises due beyond the year ended June 30, 2024, and 0.05% of the gross value of the promises due beyond the year ended June 30, 2023.

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.

ST. MARY'S COLLEGE OF MARYLAND FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 1 NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and Equipment

Purchased property and equipment are recorded at cost. Donated property and equipment are recognized at appraised value when received. Ownership of purchased or donated property and equipment is routinely transferred to the College. If not transferred, any item with an individual cost exceeding \$1,500 is capitalized, and depreciated using the straight-line method over estimated useful lives of the assets, ranging from five to 10 years.

Impairment of Long-lived Assets

The Foundation accounts for the valuation of long-lived assets by reviewing 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.

Gift Annuities Payable

Carrying amounts represent the present value of the contractual payments over the estimated remaining term.

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. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue when the assets are placed in service. 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.

Contributions with donor restrictions that are received and expended in the same fiscal year are treated as revenue with donor restrictions and net assets released from restriction in that year.

ST. MARY'S COLLEGE OF MARYLAND FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 1 NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition

Contributions received are recorded as with or without donor restrictions 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 support with donor restrictions that increases those net asset classes.

Event revenue is recognized when the particular event occurs.

Contributed Nonfinancial Assets

The Foundation records donated services, including administrative and fundraising, provided by the College, based on an estimate of percentage of time dedicated to the Foundation applied to the actual cost of the services. Donated services from the College are principally related to shared staff time. Contributed office space and facilities are also recorded using the agreed indirect cost rate provided by the College.

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 statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Those expenses include the Foundation office staff, and certain College personnel donated services. The financial statements also report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. Donated services are allocated based on estimates of time and effort. Other expenses are charged directly to program services, general and administrative, or fundraising based on specific identification.

ST. MARY'S COLLEGE OF MARYLAND FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 1 NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

The Foundation is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code as an organization, which is not a private foundation. The Foundation is generally exempt from federal and state income taxes. Unrelated business income may be subject to federal and state income taxes. Management believes that it has no material uncertain tax positions that would require recognition under the accounting codification guidance.

Accounting Standards Update

On January 1, 2023, the Foundation adopted FASB ASU 2016-13, Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments, as amended, which modifies the measurement of expected credit losses. The Foundation adopted this new guidance utilizing the modified retrospective transition method. The adoption of this Standard did not have a material impact on the Foundation's financial statements but did result in changes to the Foundation's accounting policies, including the recognition of credit losses based on expected future credit losses rather than incurred credit losses. The Foundation also updated its accounting policies for determining the recoverability of accounts receivable. Management has concluded that credit losses on balances outstanding at year-end will be immaterial.

NOTE 2 FAIR VALUE MEASUREMENTS

The Fair Value Topic of the FASB Codification (the Codification) defines 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 and sets out a fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). Inputs are broadly defined as assumptions market participants would use in pricing an asset or liability. The three levels of the fair value hierarchy are described 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 at the measurement date.

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 observable quoted prices for the asset or liability;
- 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.

ST. MARY'S COLLEGE OF MARYLAND FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 2 FAIR VALUE MEASUREMENTS (CONTINUED)

Level 3 – Financial assets and liabilities whose values are based on prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable. These inputs reflect management's own assumptions about the assumptions a market participant would use in pricing the asset or liability.

Both observable and unobservable inputs may be used to determine the fair value of positions that the Foundation has classified within the Level 3 category. As a result, the unrealized gains and losses for assets and liabilities within the Level 3 category presented in the tables below may include changes in fair value that were attributable to both observable (e.g., changes in market interest rates) and unobservable (e.g., changes in unobservable long-dated volatilities) inputs.

A review of the fair value hierarchy classifications is conducted on an annual basis. Changes in the type of inputs may result in a reclassification for certain financial assets or liabilities. Reclassifications impacting Level 3 of the fair value hierarchy are reported as transfers in/out of the Level 3 category as of the beginning of the year in which reclassifications occur.

The asset or liability's measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used must maximize the use of observable inputs and minimize the use of unobservable inputs.

In determining the appropriate levels, the Foundation performs a detailed analysis of the assets and liabilities that are subject to the fair value disclosures of the Codification.

ST. MARY'S COLLEGE OF MARYLAND FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 2 FAIR VALUE MEASUREMENTS (CONTINUED)

	2024			
	Level 1	Level 2	Level 3	Total
Equities	\$ 18,564,555	\$ -	\$ -	\$ 18,564,555
Cash and Money Market Funds	5,933,337	-	-	5,933,337
Fixed Income Securities:				
U.S. Corporate Bonds	5,613,904	6,062,885	-	11,676,789
Foreign Exchange and Non-USD				
Fixed Income	-	129,768	-	129,768
Total Fixed Income Securities	<u>5,613,904</u>	<u>6,192,653</u>	<u>-</u>	<u>11,806,557</u>
Alternative Investments:				
Hedge Funds	142,213	-	-	142,213
Real Estate	45,002	-	-	45,002
Hard Assets	<u>1,187,482</u>	<u>-</u>	<u>-</u>	<u>1,187,482</u>
Total Alternative Investments	<u>1,374,697</u>	<u>-</u>	<u>-</u>	<u>1,374,697</u>
Interest Held in Perpetual Trust	<u>-</u>	<u>-</u>	<u>1,598,441</u>	<u>1,598,441</u>
Total Assets	<u>\$ 31,486,493</u>	<u>\$ 6,192,653</u>	<u>\$ 1,598,441</u>	39,277,587
Investments Measured at Fair Value				11,956,875
Using Net Asset Value per Share				<u>\$ 51,234,462</u>
Total Investments				
Gift Annuity Liability	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 695,923</u>	<u>\$ 695,923</u>

ST. MARY'S COLLEGE OF MARYLAND FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 2 FAIR VALUE MEASUREMENTS (CONTINUED)

	2023			
	Level 1	Level 2	Level 3	Total
Equities	\$ 16,147,628	\$ -	\$ -	\$ 16,147,628
Cash and Money Market Funds	9,259,701	-	-	9,259,701
Fixed Income Securities:				
U.S. Corporate Bonds	8,860,640	-	-	8,860,640
Foreign Exchange and Non-USD				
Fixed Income	82,702	-	-	82,702
Alternative Investments:				
Hedge Funds	147,264	-	-	147,264
Real Estate	43,067	-	-	43,067
Hard Assets	1,112,336	-	-	1,112,336
Total Alternative Investments	1,302,667	-	-	1,302,667
Interest Held in Perpetual Trust	-	-	1,483,314	1,483,314
Total Assets	<u>\$ 35,653,338</u>	<u>\$ -</u>	<u>\$ 1,483,314</u>	37,136,652
Investments Measured at Fair Value				10,088,532
Using Net Asset Value per Share				<u>\$ 47,225,184</u>
Total Investments				
Gift Annuity Liability	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 726,273</u>	<u>\$ 726,273</u>

Following is a description of the valuation methodologies used for assets measured at fair value at June 30, 2024 and 2023.

The equity securities, cash and money market funds, fixed income securities, hedge funds, real estate, and hard assets above classified as Level 1 are classified as such due to the underlying assets being publicly traded instruments with observable market-based inputs.

The interest held in perpetual trust are classified as Level 3 due to the fact that the valuation of these assets is based on significant unobservable inputs.

The following is a reconciliation of the beginning and ending balance of assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3) for the years ended June 30:

	2024	2023
Balance - Beginning of Year	\$ 10,088,532	\$ 8,335,011
Net Realized and Unrealized Gains	597,035	(616,096)
Purchases	1,271,308	2,369,617
Balance - End of Year	<u>\$ 11,956,875</u>	<u>\$ 10,088,532</u>

ST. MARY'S COLLEGE OF MARYLAND FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 2 FAIR VALUE MEASUREMENTS (CONTINUED)

The following table provides a summary of changes in fair value of the Foundation's Level 3 financial assets for the years ended June 30:

	2024	2023
Beginning Balance	\$ 1,483,314	\$ 1,428,098
Distributions	(70,000)	(70,000)
Change in Value of Perpetual Trust	185,127	125,216
Ending Balance	<u>\$ 1,598,441</u>	<u>\$ 1,483,314</u>

The following table provides a summary of changes in fair value of the Foundation's Level 3 financial liabilities for the years ended June 30:

	2024	2023
Beginning Balance	\$ 726,273	\$ 734,898
Additions to Gift Annuity Liabilities	-	18,306
Change in Value of Gift Annuity Liabilities	(30,350)	(26,931)
Ending Balance	<u>\$ 695,923</u>	<u>\$ 726,273</u>

Below is additional information regarding the value of the level 3 assets:

Instrument	Fair Value		Principal Valuation Technique	Unobservable Inputs	Range (Weighted Average)
	2024	2023			
Beneficial Interest in Perpetual Trust	1,598,441	1,483,314	FMV of Trust Investments	Value of Underlying Assets	N/A
Gift Annuity	695,923	726,273	FMV of Gift Annuity	Value of Underlying Assets	N/A
	<u>\$ 2,294,364</u>	<u>\$ 2,209,587</u>			

ST. MARY'S COLLEGE OF MARYLAND FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 2 FAIR VALUE MEASUREMENTS (CONTINUED)

Fair value measurements of investments in certain entities that calculate net asset value per share (or its equivalent) for the years ended June 30 are as follows:

	Net Asset Value 2024	Net Asset Value 2023	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Grosvenor Alternative Investments	1,816,908	1,616,952	N/A	Quarterly	70 Days
SOF XII Private Investors Offshore	266,187	112,967	250,000	Illiquid	10 Year Investment Horizon
EQT Infrastructure V Private	993,968	708,144	151,195	Illiquid	12 Year Investment Horizon
GSO Private Investors Offshore II	31,803	38,769	216,915	Illiquid	5 Year Investment Horizon
KKR Asian Fund II Private Investors	207,310	215,455	-	Illiquid	5 Year Investment Horizon
HPS Corporate Lending (HLEND)	1,063,697	1,017,902	-	Quarterly	35 Days
PEG GLOBAL PRIVATE EQUITY X Offshore Special L.P.	439,910	216,497	595,215	Illiquid	7-10 Year Investment Horizon
PEG GLOBAL PRIVATE EQUITY IX Offshore Special L.P.	829,545	687,331	352,494	Illiquid	7-10 Year Investment Horizon
PEG Global Private Equity Institutional Investors VIII Offshore Special L.P.	1,095,422	951,311	163,022	Illiquid	7-10 Year Investment Horizon
PEG Global Private Equity Institutional Investors VI Offshore Special L.P.	1,052,601	1,053,974	83,753	Illiquid	7-10 Year Investment Horizon
PEG Global Private Equity Institutional Investors V Offshore Special L.P.	1,230,112	1,439,355	30,269	Illiquid	7-10 Year Investment Horizon
PEG Global Private Equity Institutional Investors XI Offshore Special L.P.	159,861	-	850,000	Illiquid	7-10 Year Investment Horizon
CPI (Carlyle Property)	882,157	962,141	-	Quarterly	95 Days
Clarion Private Investors, LLC	887,394	1,067,734	N/A	Quarterly	95 Days
	<u>\$ 10,956,875</u>	<u>\$ 10,088,532</u>			

Hedge funds, real estate, and private investments use a variety of strategies, including hedged equity, global trading, market neutral, long and short biased, event driven, and global asset allocation. Hedge funds, real estate, and private investments can invest in a wide variety of both public and private securities including equities, fixed income, commodities, private placements, currencies, real estate, derivatives, and special situation investments.

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 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 the market value of the trust as investment income, which is reflected as contributions under net assets with donor restrictions on the statements of activities. The value of the Foundation's share of the trust was \$1,598,441 and \$1,483,315 as of June 30, 2024 and 2023, respectively. The Foundation received distributions of \$70,000 for each of the years ended June 30, 2024 and 2023.

ST. MARY'S COLLEGE OF MARYLAND FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 2 FAIR VALUE MEASUREMENTS (CONTINUED)

Investment income consists of the following components for the years ended June 30:

	2024	2023
Interest and Dividends	\$ 870,830	\$ 767,912
Realized and Unrealized Gains	3,156,962	959,036
Change in Value of Gift Annuities	125,712	76,449
Change in Value of Interest in Perpetual Trust	185,127	125,216
Total	<u>\$ 4,338,631</u>	<u>\$ 1,928,613</u>

NOTE 3 PROMISES TO GIVE

Promises to give consists of the following at June 30:

	2024	2023
Planned Gifts	\$ 1,700,000	\$ 1,700,000
Restricted to Other Programs	1,965,688	923,830
Restricted to Scholarships	583,607	1,704,409
Unconditional Promises to Give Before Unamortized		
Discount and Allowance for Uncollectibles	4,249,295	4,328,239
Less: Unamortized Discount at 1.89% for FY17, 2.35% for FY20, 0.46% for FY21, 3.00% for FY22, 4.13% for FY23, 4.52% for FY24	1,039,646	1,052,743
Less: Allowance for Uncollectibles	1,160	1,026
Total Promises to Give	<u>\$ 3,208,489</u>	<u>\$ 3,274,470</u>

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

	2024	2023
Less Than One Year	\$ 580,162	\$ 540,748
One to Five Years	1,469,133	1,587,491
Five to Ten Years	500,000	500,000
More Than Ten Years	1,700,000	1,700,000
Total	<u>\$ 4,249,295</u>	<u>\$ 4,328,239</u>

ST. MARY'S COLLEGE OF MARYLAND FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 3 PROMISES TO GIVE (CONTINUED)

The Foundation has \$7,513,571 and \$3,643,071 in conditional pledges as of June 30, 2024 and 2023, respectively. Due to the conditional nature of these pledges, they are not recorded in the Foundation's financial statements.

NOTE 4 PROPERTY AND EQUIPMENT

Property and equipment and accumulated depreciation are as follows at June 30:

	Estimated Useful Lives	2024	2023
Office Equipment and Other	3-7 years	\$ 14,001	\$ 14,001
Less: Accumulated Depreciation		(12,800)	(12,800)
Total		<u>\$ 1,201</u>	<u>\$ 1,201</u>

Depreciation expense was \$-0- for the years ended June 30, 2024 and 2023.

NOTE 5 ASSETS HELD IN CHARITABLE GIFT ANNUITIES

The Foundation has established 32 gift annuity programs for the years ended June 30, 2024 and 2023. 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 re-adjusted annually, with the value based on an actuarial calculation.

Gift annuities remainder interest expected to be paid out (based on life expectancy tables) in:

	2024	2023
Less Than One Year	\$ 95,948	\$ 95,948
One to Five Years	383,793	383,793
Over Five Years	216,182	246,532
Total	<u>\$ 695,923</u>	<u>\$ 726,273</u>

ST. MARY'S COLLEGE OF MARYLAND FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 5 ASSETS HELD IN CHARITABLE GIFT ANNUITIES (CONTINUED)

The following table summarizes activity in the gift annuities for the years ended June 30:

Charitable Gift Annuities Balance at June 30, 2022	\$ 1,118,866
Contributions	40,000
Annuity Payments	(93,466)
Change in Value	76,449
Charitable Gift Annuities Balance at June 30, 2023	<u>1,141,849</u>
Contributions	-
Annuity Payments	(95,948)
Change in Value	125,712
Charitable Gift Annuities Balance at June 30, 2024	<u><u>\$ 1,171,613</u></u>

Pursuant to charitable gift annuity regulations COMAR 31.09.07.03, 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 a discount rate on the date of receipt, provided by Internal Revenue Service valuation tables. At the time of the donor's death, any remaining unamortized liability is recorded as additional donations.

NOTE 6 CONCENTRATION OF REVENUE RISK

For the years ended June 30, 2024 and 2023, the Foundation received approximately 28% of total contributions from one funding source and 66% of total contributions from two funding sources, respectively.

NOTE 7 NET ASSETS

Board-designated net assets without donor restrictions represent funds placed in an endowment for the following purposes and consist of the following as of June 30:

	2024	2023
Anne Skone Weaver Endowed Scholarship Fund	\$ 56,924	\$ 56,924
Maurine Holbert Hogaboom Endowed Scholarship Fund	25,434	25,434
Goodpastor Lectureship Fund	95,000	95,000
Ruth Cooper Memorial Scholarship Fund	24,489	24,489
Total	<u><u>\$ 201,847</u></u>	<u><u>\$ 201,847</u></u>

ST. MARY'S COLLEGE OF MARYLAND FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 7 NET ASSETS (CONTINUED)

Net assets with donor restrictions activity consists of the following:

	Balance, June 30, 2023	Additions	Investment Activity	Restriction Accomplished	Balance, June 30, 2024
Purpose Restricted	\$ 8,817,650	\$ 1,562,742	\$ 98	\$ (1,706,021)	\$ 8,674,469
Interest in Perpetual Trust	1,483,314	-	185,127	(70,000)	1,598,441
Invested in Perpetuity	34,385,278	866,762	-	(5,000)	35,247,040
Endowment Earnings	4,864,425	-	3,635,467	(992,360)	7,507,532
Total	<u>\$ 49,550,667</u>	<u>\$ 2,429,504</u>	<u>\$ 3,820,692</u>	<u>\$ (2,773,381)</u>	<u>\$ 53,027,482</u>

	Balance, June 30, 2022	Additions	Investment Activity	Restriction Accomplished	Balance, June 30, 2023
Purpose Restricted	\$ 6,800,005	\$ 3,338,278	\$ (477)	\$ (1,320,156)	\$ 8,817,650
Interest in Perpetual Trust	1,428,098	-	125,216	(70,000)	1,483,314
Invested in Perpetuity	31,819,083	2,566,195	-	-	34,385,278
Endowment Earnings	5,429,127	-	1,609,458	(2,174,160)	4,864,425
Total	<u>\$ 45,476,313</u>	<u>\$ 5,904,473</u>	<u>\$ 1,734,197</u>	<u>\$ (3,564,316)</u>	<u>\$ 49,550,667</u>

The Foundation adopted a unitization approach to its common endowment investment pool. This approach closely resembles a mutual fund where each individual endowment fund owns shares in the pool. The investment income balance includes the net assets with donor restrictions, as well as net assets with donor restrictions held in perpetuity components of each fund. Investment income is only allocated to funds with a perpetuity component. An allocation of investment loss, in excess of the balance with donor restrictions in the fund, is absorbed by the Foundation's net assets without donor restrictions.

The Learning through Experiential and Applied Discovery (LEAD) initiative - the integration of disciplinary knowledge and professionalization - is the College's pathway to national prominence, keeping our College competitive, enabling us to give our students undeniable relevant advantages in the workplace and in the world. As such, the LEAD Fund is a discretionary, current-use fund that provides the needed resources for the success of the LEAD initiative.

Other notable funding areas include: new academic majors, departments and programs; Honors College Promise (internships, international education, and undergraduate research); faculty innovation and development; endowed and current-use student scholarships and awards; athletics and co-curricular programs; and the St. Mary's Fund, support for strategic needs, emergency student needs, and areas of greatest need.

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

During the years ended June 30, 2024 and 2023, net assets were released from donor restriction when expenses satisfying the restricted purposes were incurred, or by occurrence of other events specified by donors.

ST. MARY'S COLLEGE OF MARYLAND FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 7 NET ASSETS (CONTINUED)

Net assets with donor restrictions held in perpetuity represent donor-restricted contributions in which the donor has stipulated that the principal be maintained intact. Unless otherwise stated by the donor, investment income is recorded into net assets with donor restrictions to be used for specific purposes.

NOTE 8 ENDOWMENT NET ASSETS

Interpretation

The Foundation has interpreted the Maryland enacted version of Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gifts as of the gift date of the donor-restricted endowment funds, absent explicit donor stipulations to the contrary. Management has interpreted UPMIFA as requiring the preservation of the fair value of original donor-restricted contributions as of the date of the gift, absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as net assets with donor restrictions held in perpetuity (a) the original value of permanently restricted cash contributions and (b) the discounted value of future permanently restricted cash contributions, net of allowance for uncollectible pledges. The remaining portion of donor-restricted cash contributions are classified as net assets with donor restrictions until those amounts are appropriated for expenditure in a manner consistent with the standard of prudence prescribed by UPMIFA.

In accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted cash contributions:

- The purposes of the Foundation and donor-restricted endowment fund
- The duration and preservation of the fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other available financial resources
- Investment policies

The Foundation has adopted investment and spending policies for cash contributions in perpetuity that attempt to provide a predictable stream of funding to programs, while maintaining purchasing power. Additionally, we have interpreted UPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law. At June 30, 2024, one funds with an original gift value of \$1,006,000, fair value of \$571,082 and a deficiency of \$434,918 were reported in net assets with donor restrictions. At June 30 2023, five funds with an original gift value of \$1,253,548, fair value of \$871,023 and a deficiency of \$382,525 were reported in net assets with donor restrictions

ST. MARY'S COLLEGE OF MARYLAND FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 8 ENDOWMENT NET ASSETS (CONTINUED)

Spending Policy

For the years ended June 30, 2024 and 2023, the Foundation approved a spending policy and applied a service fee as noted below:

	<u>Spending Policy</u>	<u>Service Fee</u>
FY2024	4.00%	1.00%
FY2023	4.50%	2.00%

These percentages were applied to the earnings of the assets with donor restrictions held in perpetuity based on a twelve quarter rolling average. The service fee rate is fixed at a level that is sufficient to cover the core Foundation expenses, including, but not limited to, insurance, accounting, legal, and investment management. The earnings with donor restrictions held in perpetuity are used in accordance with either the donor's stated purpose or to support the Foundation's operations in general as described in Note 8 to the financial statements.

During the year ended June 30, 2024, the board resolved to set the spending rate to 4.25% and the service fee to 1.25% for fiscal year 2025.

Investment Policy

The Foundation's investment policy is approved by the joint investment advisory committee which was established by the Foundation's board of directors. The committee analyzes risk and return and determines target asset allocation. The committee selects investment advisors and provides them with the approved asset allocations. The portfolio must offer sufficient liquidity to meet payments of philanthropic endeavors and operating expenses. The Foundation's intent is to remain in perpetuity, and as such, the portfolio should support this goal.

Endowment fund activity, including funds designated by the board of directors to function as endowments as described in Note 7, for the years ended June 30, 2024 and 2023, consists of the following:

ST. MARY'S COLLEGE OF MARYLAND FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 8 ENDOWMENT NET ASSETS (CONTINUED)

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment Net Assets, June 30, 2022	\$ 201,847	\$ 35,751,759	\$ 35,953,606
Contributions	-	1,519,013	1,519,013
Net Investment Loss	-	1,609,458	1,609,458
Appropriation of Endowment Assets for Expenditure	-	(2,174,160)	(2,174,160)
Endowment Net Assets, June 30, 2023	201,847	36,706,070	36,907,917
Contributions	-	822,127	822,127
Net Investment Gain	-	3,635,466	3,635,466
Appropriation of Endowment Assets for Expenditure	-	(962,360)	(962,360)
Endowment Net Assets, June 30, 2024	<u>\$ 201,847</u>	<u>\$ 40,201,303</u>	<u>\$ 40,403,150</u>

The balances with donor restrictions held in perpetuity above do not include pledges receivables of \$2,558,269 and \$2,543,635 for the years ended June 30, 2024 and 2023, respectively. The endowment assets are primarily comprised of the Foundation's investments, as detailed in Note 2. The remaining endowment assets are comprised of cash.

ST. MARY'S COLLEGE OF MARYLAND FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 9 EXPENSES BY NATURE AND FUNCTION

Functional expenses by natural classification as of June 30 are as follows:

2024									
	Program Services					Supporting Services:			
	Academic Chair/Faculty Support	Alumni Activities	Center for the Study of Democracy	College Department /		Scholarships and Awards	Management and General	Fundraising	Total Expenses
				Division Support					
Contractual Services	\$ -	\$ -	\$ 12,173	\$ 65,883	\$ -	\$ 133,619	\$ 105,000	\$ 316,675	
Meetings and events	-	127,153	92,081	260,401	-	104,954	47,530	632,119	
Donated services	-					676,578	1,270,176	1,946,754	
Operations (accounting bank fees, legal, insurance, other)	-	382		772,482	-	180,918	51	953,833	
Salary Support	279,430	-	73,967	211,390	-	123,652	-	688,439	
Scholarships/Awards/ Internships	-	-	-	-	708,283	-	-	708,283	
Gift to College	-	-	-	-	-	75,000	-	75,000	
Total	\$ 279,430	\$ 127,535	\$ 178,221	\$ 1,310,156	\$ 708,283	\$ 1,294,721	\$ 1,422,757	\$ 5,321,103	

2023									
	Program Services					Supporting Services:			
	Academic Chair/Faculty Support	Alumni Activities	Center for the Study of Democracy	College Department /		Scholarships and Awards	Management and General	Fundraising	Total Expenses
				Division Support					
Contractual Services	\$ -	\$ -	\$ 16,386	\$ 375,532	\$ -	\$ 67,018	\$ 120,097	\$ 579,033	
Meetings and events	-	92,348	65,568	421,484	-	87,548	42,035	708,983	
Donated services	-	-	-	-	-	700,844	1,089,424	1,790,268	
Operations (accounting bank fees, legal, insurance, other)	-	1,127	1,993	512,562	-	231,708	-	747,390	
Salary Support	363,167	-	91,170	210,838	-	76,500	-	741,675	
Scholarships/Awards/ Internships	-	-	-	-	1,085,043	-	-	1,085,043	
Gift to College	-	1,277	-	10,008	-	75,000	-	86,285	
Total	\$ 363,167	\$ 94,752	\$ 175,117	\$ 1,530,424	\$ 1,085,043	\$ 1,238,618	\$ 1,251,556	\$ 5,738,677	

NOTE 10 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. These donated services and facilities amounted to \$1,946,754 and \$1,790,268 for the years ended June 30, 2024 and 2023, respectively. Such amounts are recorded as both donated services revenue and supporting services expenses.

ST. MARY'S COLLEGE OF MARYLAND FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 10 RELATED PARTY TRANSACTIONS (CONTINUED)

Additionally, the Foundation provides reimbursements to the College for expenses incurred on behalf of the Foundation and the Foundation supports the College for various programmatic expenses. These reimbursements and support amounted to \$2,267,213 and \$2,782,338 for the years ended June 30, 2024 and 2023, respectively. Such amounts are recorded as program expenses and supporting services expenses. At June 30, 2024 and 2023, the Foundation had a payable outstanding with the College in the amounts of \$124,162 and \$114,962, respectively, for such reimbursements. These amounts have been included in the accounts payable balance on the statements of financial position.

NOTE 11 LIQUIDITY AND AVAILABILITY

The Foundation receives contributions with donor restrictions to be used in accordance with the associated purpose restrictions. It also receives gifts to establish endowments that will exist in perpetuity; the income generated from such endowments is used to fund scholarships, endowed chairs and professorships, and program support. In addition, the Foundation receives support without donor restrictions which fund programs, scholarships and general expenditures with the remainder funded investment income without donor restrictions, and appropriated earnings from gifts with donor restrictions.

The Foundation regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to prudently maximize the investment of its available funds. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Foundation considers investment income without donor restrictions and contributions without donor restriction to be available to meet cash needs for general expenditures. General expenditures include administrative and general expenses and fundraising expenses expected to be paid in the subsequent year. Annual operations are defined as activities occurring during the Foundation's fiscal year.

The Foundation has the following financial assets available within one year of the balance sheet date to meet cash needs for general expenditure held in cash and short-term investments.

	2024	2023
Financial Assets at Year-End:		
Cash	\$ 924,446	\$ 1,211,245
Promises to Give	3,208,489	3,274,470
Investments	51,234,462	47,225,184
Donor Funded Life Insurance	186,954	177,889
Total	<u>55,554,351</u>	<u>51,888,788</u>
Less Amounts Not Available for Use Within One Year:		
Net Assets With Donor Restrictions	(53,027,482)	(49,550,667)
Board-Designated Quasi-Endowment	(201,847)	(201,847)
Gift Annuities	(1,171,613)	(1,141,849)
	<u>(54,400,942)</u>	<u>(50,894,363)</u>
Financial Assets Available to Meet General Expenditures Over the Next 12 Months	<u>\$ 1,153,409</u>	<u>\$ 994,425</u>

ST. MARY'S COLLEGE OF MARYLAND FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 11 LIQUIDITY AND AVAILABILITY (CONTINUED)

None of these financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the balance sheet date. The Foundation has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

The Foundation's endowment funds consist of donor-restricted endowments and board-designated quasi-endowments. Income from donor-restricted endowments is restricted for specific purposes and, therefore, is not available for general expenditure with the exception of the service fee applied to the funds. As described in Note 8, the endowment has a service fee of 1% and 2% for FY24 and FY23, respectively, and \$334,918 and \$674,564 of appropriations from the endowment and quasi-endowment will be available within the next 12 months for general expenditures for the years ended June 30, 2024 and 2023, respectively.

NOTE 12 SUBSEQUENT EVENTS

Management evaluated subsequent events through October 29, 2024, the date the financial statements were available to be issued. Events or transactions occurring after June 30, 2024, but prior to October 29, 2024, that provided additional evidence about conditions that existed at June 30, 2024, have been recognized in the financial statements for the year ended June 30, 2024. Events or transactions that provided evidence about conditions that did not exist at June 30, 2024, 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, 2024.



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