



MATSON
& ISOM

MENDOCINO COLLEGE FOUNDATION, INC.

Ukiah, California

FINANCIAL STATEMENTS WITH
INDEPENDENT AUDITORS' REPORT

June 30, 2012

TABLE OF CONTENTS

June 30, 2012

Mendocino College Foundation, Inc.

	Page Number
Independent Auditors' Report	1
 FINANCIAL SECTION	
Statement of Financial Position	3
Statement of Activities	4
Statement of Cash Flows	5
Notes to the Financial Statements	6



MATSON
& ISOM

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Mendocino College Foundation, Inc.
Ukiah, California

We have audited the accompanying statement of financial position of Mendocino College Foundation, Inc., a nonprofit corporation (the Foundation), as of June 30, 2012, 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.

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 financial statements referred to above present fairly, in all material respects, the financial position of the Foundation as of June 30, 2012, 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.

Matson and Isom

November 30, 2012
Redding, California

FINANCIAL SECTION

**STATEMENT OF
FINANCIAL POSITION**

Mendocino College Foundation, Inc.

June 30, 2012

ASSETS

Cash and cash equivalents	\$	80,967
Investments:		
Evelyn Foote Fund		1,006,174
Foundation Trust Fund		5,092,728
Halliday Fund		81,627
Gala receivable		17,365
Assets held by others		110,651
Land		733,196
Infrastructure		33,278
Total Assets	\$	7,155,986

LIABILITIES AND NET ASSETS

LIABILITIES

Accounts payable	\$	12,278
------------------	----	--------

NET ASSETS

Unrestricted net assets		5,704,102
Temporarily restricted net assets		310,335
Permanently restricted net assets		1,129,271
Total Net Assets		7,143,708
Total Liabilities and Net Assets	\$	7,155,986

The accompanying notes are an integral part of these financial statements.

STATEMENT OF ACTIVITIES

Mendocino College Foundation, Inc.

Year Ended June 30, 2012	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
REVENUES, GAINS, AND OTHER SUPPORT				
Special events (Gala):				
Gross revenue	\$ 84,317	\$ -	\$ -	\$ 84,317
Less: Event expenses	(33,908)	-	-	(33,908)
Total Special Events	50,409	-	-	50,409
Contributions	17,445	191,622	171,422	380,489
Investment return (loss):				
Interest and dividends	135,093	24,227	-	159,320
Net realized gains (losses)	111,218	2,232	-	113,450
Net unrealized gains (losses)	(73,146)	14,367	-	(58,779)
Interest on bank deposits	352	-	-	352
Net assets released from restrictions	223,023	(223,023)	-	-
Total Revenues, Gains, and Other Support	464,394	9,425	171,422	645,241
EXPENSES				
Program services:				
Scholarships - Foote Fund	36,000	-	-	36,000
Scholarships - General	121,418	-	-	121,418
Support of Mendocino-Lake Community College District	167,175	-	-	167,175
Total Program Services	324,593	-	-	324,593
Supporting services:				
Management and general	213,187	-	-	213,187
Fundraising	71,782	-	-	71,782
Total Supporting Services	284,969	-	-	284,969
Total Expenses	609,562	-	-	609,562
Change in net assets	(145,168)	9,425	171,422	35,679
Net Assets - Beginning of Year	5,849,270	300,910	957,849	7,108,029
Net Assets - End of Year	\$ 5,704,102	\$ 310,335	\$ 1,129,271	\$ 7,143,708

The accompanying notes are an integral part of these financial statements.

STATEMENT OF CASH FLOWS*Mendocino College Foundation, Inc.*

Year Ended June 30, 2012

CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets	\$ 35,679
Adjustments to reconcile change in net assets to net cash used by operating activities:	
Less: Reinvested interest and dividends	(159,320)
Less: Realized and unrealized net gain on investments	(54,671)
Less: Noncash contribution (gift annuity)	(12,344)
Changes in:	
Gala receivable	(711)
Accounts payable	(99)
Deferred revenues	(500)
Net Cash Used by Operating Activities	(191,966)

CASH FLOWS FROM INVESTING ACTIVITIES

Proceeds from sale of investments	553,143
Purchase of investments	(365,676)
Net Cash Provided by Investing Activities	187,467
Net Increase (Decrease) in Cash	(4,499)
Cash - Beginning of Year	85,466
Cash - End of Year	\$ 80,967

NONCASH TRANSACTIONS

Interest and Dividends - Reinvested	\$ 159,320
--------------------------------------------	-------------------

The accompanying notes are an integral part of these financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization The Mendocino College Foundation, Inc. (the Foundation), a component unit included in the reporting entity of the Mendocino-Lake Community College District (the District), is a nonprofit organization. It was founded during the 1984/1985 year to strengthen student services by providing student scholarships, enriching instruction and basic skills, as well as enhancing program and staff development. Its goal is to promote and develop a mutually beneficial relationship between the College and the community. Because of the education nature of its activities, it has been granted tax-exempt status under section 501(c)(3) of the U.S. Internal Revenue Code.

Basis of Presentation and Accounting These financial statements, which are presented on the accrual basis of accounting, have been prepared to present balances and transactions according to the existence or absence of donor-imposed restrictions. This has been accomplished by classification of net assets and transactions into three classes - unrestricted, temporarily restricted or permanently restricted, as follows:

Unrestricted Net Assets: Net assets not subject to donor-imposed stipulations.

Temporarily Restricted Net Assets: Net assets subject to donor-imposed stipulations that will be met by actions of the Foundation and/or the passage of time. When the time restriction stipulation ends or when funds are expended for intended purposes, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Permanently Restricted Net Assets: Net assets subject to donor-imposed stipulations that they be maintained permanently by the Foundation.

Revenues are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law.

Expiration of temporary restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets.

Income Taxes The Foundation operates under Section 501(c)(3) of the Internal Revenue Code and 23701(d) of the California Revenue and Taxation Code and is exempt from federal and state income taxes. Accordingly, no provision for income taxes is included in the financial statements. In addition, the Foundation qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization that is not a private foundation under Section 509(a)(2).

Use of Estimates The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**NOTES TO THE FINANCIAL
STATEMENTS**

June 30, 2012

Mendocino College Foundation, Inc.

Cash and Cash Equivalents For purposes of the statement of cash flows, the Foundation considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents. Funds invested in the County Treasurer's investment pool are considered cash equivalents and are recorded at the value of the pool shares held, which approximates the fair value of the underlying cash and investments of the pool.

Investments Investments are reported at fair value based on quoted market prices with realized and unrealized gains or losses reported in the statement of activities.

Capital Assets Expenditures for maintenance and repairs are charged to expense as incurred. Major improvements are capitalized. Property and equipment are recorded at cost on the date of acquisition or fair value at time of donation.

Assets Held by Others Assets held by others represent amounts held by the Community College League of California (the League) for the Foundation. The League facilitated three gift annuities for the Foundation. The amount recorded approximates the net present value of the future benefit to be received by the Foundation.

Endowment Investment and Spending Policy The Foundation's endowment consists of the Evelyn Foote Fund and gift annuities that will create a perpetual scholarship fund when the Foundation receives the residual of the annuities, sometime in the future. As required by generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board of Directors of the Foundation has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA), as enacted by the State of California, 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, the Foundation classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, and (b) the original value of subsequent gifts to the permanent endowment.

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 UPMIFA.

**NOTES TO THE FINANCIAL
STATEMENTS**

June 30, 2012

Mendocino College Foundation, Inc.

In accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the donor-restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the Foundation, and (7) the Foundation's investment policies.

Investment Return Objectives, Risk Parameters and Strategies: The Foundation has adopted investment and spending policies, approved by the Board of Directors, for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment funds while also maintaining the purchasing power of those endowment assets over the long-term. Accordingly, the investment process seeks to achieve an after-cost total real rate of return, including investment income as well as capital appreciation, which exceeds the annual distribution with acceptable levels of risk. Endowment assets are invested in a well-diversified asset mix, which includes equity and debt securities, that is intended to result in a consistent inflation-protected rate of return, over time, of approximately 8% for the Foundation Trust Fund and 7% for the Evelyn Foote Fund annually. Actual returns in any given year may vary from this amount. Investment risk is measured in terms of the total endowment fund; investment assets and allocation between asset classes and strategies are managed to not expose the fund to unacceptable levels of risk.

Spending Policy: The Foundation has a policy of appropriating for distribution each year 5% for the Foundation Trust Fund and 4% for the Evelyn Foote Fund. These percentages are applied to each fund's 12-quarter rolling average fair market value. In establishing this policy, the Foundation considers the long-term expected return on its investment assets, the nature and duration of the individual endowment funds, which must be maintained in perpetuity because of donor-restrictions, and the possible effects of inflation. The Foundation expects the current spending policy to allow its endowment funds to grow at a nominal average rate of 3% annually, which is consistent with the Foundation's objective to maintain the purchasing power of the endowment assets as well as to provide additional real growth through investment return.

Contributions The Foundation recognizes contributions from unconditional promises to give when such promises are made if the amounts can be reasonably determined. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Contributions are available for unrestricted use unless specifically restricted by the donor. Unconditional promises to give that are to be received in future years are discounted at the Foundation's risk-free rate of return.

Donated Assets Donated marketable securities and other noncash donations (gift annuities) are recorded as contributions at their estimated fair values at the date of donation.

Donated Services Donated services are recognized as contributions in accordance with FASB ASC Subtopic 958-605, *Not-for-Profit Entities – Revenue Recognition*, if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Foundation.

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2012

Mendocino College Foundation, Inc.

During the year, the Foundation received services meeting these criteria from the District in the form of accounting and administrative services as well as use of facilities. The value of these services is not included in the financial statements as management believes the value is not material to the financial statements as a whole. The Foundation did not receive any other services during the year that met the criteria for recognition in these financial statements.

Volunteers also provided their time and performed a variety of tasks that assisted the Foundation with specific program services and fundraising. Although such donated services do not meet the aforementioned criteria for recognition in the financial statements, they are essential to the success of the Foundation’s mission and programs.

Subsequent Events Management has evaluated subsequent events through November 30, 2012, the date on which the financial statements were available to be issued.

2. INVESTMENTS

At June 30, 2012, the Foundation’s investments consisted of the following:

	Halliday Fund	Evelyn Foote Fund	Foundation Trust Fund	Total
Money market funds	\$ -	\$ 321	\$ 55,738	\$ 56,059
Mutual funds	81,627	1,005,853	5,036,990	6,124,470
Total Investments	\$ 81,627	\$ 1,006,174	\$ 5,092,728	\$ 6,180,529

3. CONCENTRATION OF CREDIT RISK

The Foundation has concentrated essentially all cash with the County. Because of the nature of pooled accounts, the Foundation is not able to determine what portion of its balances are insured; however, the *California Government Code* requires California banks and savings and loan associations to secure local government’s (such as the County) deposits by pledging government securities as collateral. The market value of pledged securities must equal 110% of an entity's deposits. California law also allows financial institutions to secure an entity's deposits by pledging first trust deed mortgage notes having a value of 150% of an entity’s total deposits.

4. CAPITAL ASSETS

As of June 30, 2012, the Foundation holds real property that was donated in previous years. This real property was valued (as determined by real estate professionals) at \$733,196 at the time of the donation. A road has been built on the property totaling \$33,278 that has been capitalized as infrastructure.

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2012

Mendocino College Foundation, Inc.

5. TEMPORARILY RESTRICTED NET ASSETS - FOUNDATION

Temporarily restricted net assets consisted of the following individual contributions at June 30, 2012:

<hr/> <hr/>	
ADOPT A FIFTH GRADER	
The program was established during the 2007/08 fiscal year by donors donating funds to the program. The donors give the Foundation \$700 to adopt a fifth grade student. The student will receive \$25 during 5th grade and \$500 upon graduation from high school, or \$1,000 if they enroll at Mendocino College as a full-time student after graduating high school.	\$ 61,586
KOENINGER FUND	
The Koeninger Fund was established during the 2007/08 fiscal year by a donation received from Mary Lou and Wade Koeninger to fund a program whereby each June, a fifth grader attending Hopland Elementary is awarded \$25. The student will then receive \$500 upon graduation from high school, or \$1,000 if they enroll at Mendocino College as a full-time student after graduating high school. The donation also funds an annual \$500 donation through 2012 for each of the MESA and EOPS programs. In addition, the donation funds an annual \$1,000 donation through 2012 to a college activity as chosen by the Superintendent/President of Mendocino College.	20,000
NURSING SCHOLARSHIP FUND	
The Nursing Scholarship Fund was established by donations from the Kathleen Kohn Fetzer Family Foundation and Doug Atkinson, and is restricted for scholarships to nursing students.	13,165
ESL BOOK VOUCHERS	
Established in Fall 2011 through a donation from the American Association of University Women, Ukiah Branch, ESL Book Award funds are available to students enrolled in ESL (English as a Second Language) courses at Mendocino College. Students must be nominated by their instructor. Awards are given in voucher form and are limited to one student per semester to purchase or rent books at the Mendocino College bookstore.	300
Balance Forward	\$ 95,051

**NOTES TO THE FINANCIAL
STATEMENTS**

June 30, 2012

Mendocino College Foundation, Inc.

Balance Brought Forward	\$ 95,051
BISTRIN SCHOLARSHIP	
The Bistrin Scholarship was created in 2011 when Mendocino College Foundation Director Harry Bistrin passed away and donations were received in his memory. The first Bistrin Scholarship will be awarded for the 2012/13 academic year.	1,147
MENDOCINO COLLEGE ATHLETICS BOOSTER AFFILIATE ORGANIZATION	
The Mendocino College Athletic Boosters became an Affiliate of the Mendocino College Foundation on March 2, 2010. The Athletic Booster's purpose is to organize and conduct activities that will promote and assist the athletic programs of Mendocino College. The Boosters will establish partnerships with other community organizations within the Lake and Mendocino County areas to help promote and support college athletic programs.	1,296
MENDOCINO COLLEGE FRIENDS OF THE LIBRARY AFFILIATE ORGANIZATION	
The Mendocino College Friends of the Library became an Affiliate of the Mendocino College Foundation in June 2004. The Friends of the Library's purpose is to organize and conduct activities at the college, its centers, and in the community that will promote and assist the educational and service programs of Mendocino College, as well as establish partnerships with existing organizations in the Mendocino-Lake Community College District.	422
GEORGE AND RUTH BRADFORD FOUNDATION SCHOLARSHIP	
Due to a generous donation made this year by the George and Ruth Bradford Foundation, we were able to award a scholarship this year in their name to a student who has maintained a 2.5 grade point average and is currently enrolled in 6 or more units or is a graduating high school senior attending the Fall 2012 semester.	1,000
Balance Forward	\$ 98,916

**NOTES TO THE FINANCIAL
STATEMENTS**

June 30, 2012

Mendocino College Foundation, Inc.

Balance Brought Forward	\$ 98,916
LAKE COUNTY FRIENDS OF MENDOCINO COLLEGE AFFILIATE ORGANIZATION	
The Lake County Friends of Mendocino College (LCFMC) became an Affiliate of the Mendocino College Foundation on June 7, 2011. The purpose of the LCFMC is to support the mission and goals of the Foundation and the Mendocino-Lake Community College District (“Mendocino College”), organize and conduct activities in Lake County that will promote and assist the educational and service programs of Mendocino College, and establish partnerships with existing organizations in Lake County whose mission and activities are consistent with the goals and purposes of LCFMC.	4,160
SUSTAINABLE TECH PROGRAM	
The Foundation received a one-time designated donation for the Sustainable Tech Program in the current year.	3,000
HALLIDAY PERPETUAL SCHOLARSHIP	
See note 6 Endowments for explanation.	1,627
EVELYN FOOTE TRUST	
See note 6 Endowments for explanation.	202,632
Total Temporarily Restricted Net Assets	<u>\$ 310,335</u>

**NOTES TO THE FINANCIAL
STATEMENTS**

June 30, 2012

Mendocino College Foundation, Inc.

6. ENDOWMENTS

<hr/> <hr/>	
EVELYN FOOTE TRUST	
Beginning in 1992 and continuing over subsequent years, the Foundation received major contributions from the Evelyn Foote Remainder Annuity Trust for a total amount of \$803,542. The trust stipulated that the contributions shall be used to establish a perpetual fund in Ms. Foote's name, and income from the fund shall be distributed annually to supplement extracurricular programs or scholarships to benefit District students. The Foundation has determined the trust document does not consider unrealized gains and losses as income that becomes available for annual distribution.	\$ 803,542
GIFT ANNUITY	
The Foundation is the beneficiary of gift annuities funded during the prior years. At the end of the donor's life, the Foundation will receive the residual of the assets used to create the annuities. The amounts have been restricted by the donors to fund a scholarship endowment.	110,651
HULDA AND ALFRED WEGER SCHOLARSHIP	
During fiscal year 2009/10, Hulda Weger donated \$25,000 to be used for annual scholarships. The \$25,000 generates a permanent \$1,000 per year scholarship to benefit Ukiah High School graduates who attend Mendocino College.	25,000
SALMEN FAMILY SCHOLARSHIP	
The Salmen family's perpetual scholarship was established in 2010 to support Mendocino College students pursuing a career in one or more of the following sciences: astronomy, chemistry, computer, physics, and math by providing an annual \$1,000 scholarship. Salmen donates \$3,000 annually, and a \$3,000 donation is provided by the New York Life Foundation's matching gift program. The perpetual scholarship should be fully funded by Fall 2015.	12,000
Balance Forward	<hr/> \$ 951,193 <hr/>

**NOTES TO THE FINANCIAL
STATEMENTS**

June 30, 2012

Mendocino College Foundation, Inc.

Balance Brought Forward	\$ 951,193
ALBERT BELTRAMI PERPETUAL INTERNSHIP SCHOLARSHIP	
Established in 2011, this scholarship is for Mendocino College students pursuing a career in local government. The student(s) selected will intern in a local city or county government office and enroll in Mendocino College Work Experience Education for college credit. Participating students receive \$500-\$1,000 for successfully completing the internship and coursework. An additional \$1,000 one-time donation was made to this scholarship for the 2011/12 academic year.	50,000
LES GREGG FAMILY SCHOLARSHIP	
Mrs. Catherine Gregg and daughter, Leslie Gregg Banta, established a new perpetual scholarship in memory of their late husband and father, longtime Ukiah restaurant owner, Les Gregg. The scholarship is awarded to students enrolled in 6 or more units in the Culinary Arts Management Program at Mendocino College.	25,000
JOE AND DOROTHY HALLIDAY SCHOLARSHIP	
In 2011, the Mendocino College Foundation received a generous gift through the estate of Joe and Dorothy Halliday. The Hallidays were loyal and hard working Point Arena residents with ancestral ties to the Mendocino Coastal communities dating back to the late 1800s. The gift will fund three scholarships with an internship component. Priority is given to Point Arena High School graduates. Recipients must demonstrate a high level of community volunteerism and have successfully completed a basic geography examination.	80,000
JOHN BOGNER FINE ARTS SCHOLARSHIP	
This perpetual scholarship was established by countless donations from our community to honor and remember beloved community leader and advocate Mr. John Bogner. Theatre and music were a passion of Bogner's, and it is fitting that this award be given to a student pursuing a career in the fine arts.	23,078
Total Permanently Restricted Net Assets	\$ 1,129,271

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2012

Mendocino College Foundation, Inc.

Endowment net asset composition by type of fund as of June 30, 2012, is as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Foundation Trust Fund	\$ 4,851,574	\$ 106,076	\$ 135,078	\$ 5,092,728
Evelyn Foote Fund	-	202,632	803,542	1,006,174
Halliday Fund	-	1,627	80,000	81,627
Gift Annuity Fund	-	-	110,651	110,651
Total Endowment at June 30, 2012	\$ 4,851,574	\$ 310,335	\$ 1,129,271	\$ 6,291,180
Endowment net assets - beginning of year	\$ 4,993,553	\$ 300,910	\$ 957,849	\$ 6,252,312
Contributions	-	191,622	171,422	363,044
Interest and dividends	135,093	24,227	-	159,320
Net realized gains (losses)	111,218	2,232	-	113,450
Net unrealized gains (losses)	(73,146)	14,367	-	(58,779)
Amounts appropriated for expenditures	(315,144)	(223,023)	-	(538,167)
Endowment Net Assets - End of Year	\$ 4,851,574	\$ 310,335	\$ 1,129,271	\$ 6,291,180

From time to time, the fair value of assets associated with individual donor designated endowment funds may fall below the level the donor requires the Foundation to retain, over the long-term, as a fund of perpetual duration. There were no deficiencies of this nature at June 30, 2012.

7. EXPENSE CLASSIFICATION

The natural classification for the management and general and the fundraising expenses at June 30, 2012, are as follows:

	Management and General	Fundraising
Salaries and consulting fees	\$ 126,997	\$ 71,782
Supplies, materials, and other	86,190	-
Total Management, General, and Fundraising Expenses	\$ 213,187	\$ 71,782

**NOTES TO THE FINANCIAL
STATEMENTS**

June 30, 2012

Mendocino College Foundation, Inc.

8. FAIR VALUE MEASUREMENTS

Fair values of assets measured on a recurring basis at June 30, 2012, are as follows:

Year Ended June 30	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Money market funds	\$ 56,059	\$ 56,059	\$ -	\$ -
Mutual funds	6,124,470	6,124,470	-	-
Assets held by others	110,651	-	-	110,651
Total	\$ 6,291,180	\$ 6,180,529	\$ -	\$ 110,651

Assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3):

July 1, 2011	\$ 98,307
Contribution	-
Adjustment to present value	12,344
June 30, 2012	\$ 110,651

Fair value for the assets held by others (Level 3) is determined by management's judgment to approximate the present value of the future distributions expected to be received.