Grant Thornton

An instinct for growth™

Financial Statements and Report of Independent Certified Public Accountants

OCCIDENTAL COLLEGE

June 30, 2012 and 2011

Contents

Report of Independent Certified Public Accountants

Audit – Tax – Advisory

Grant Thornton LLP
515 South Flower Street, 7th Floor
Los Angeles, CA 90071-2201

T 213.627.1717
F 213.624.6793
www.GrantThornton.com

Board of Trustees
Occidental College

We have audited the accompanying balance sheets of Occidental College (the "College") as of June 30, 2012 and 2011 and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the College's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America as established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide 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 Occidental College as of June 30, 2012 and 2011, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Grant Thornton LLP

Los Angeles, California
November 29, 2012

Occidental College

BALANCE SHEETS

As of June 30, 2012 and 2011

	2012	2011
ASSETS		
Cash and cash equivalents	$ 5,099,712	$ 4,654,236
Assets whose use is limited	2,053,400	5,021,555
Student accounts receivable, less allowance for doubtful accounts of $265,882 and $258,247 at June 30, 2012 and 2011, respectively	479,619	529,606
Contracts and grants receivable	1,278,975	1,111,053
Contributions receivable, net	8,843,874	10,169,449
Inventories	617,026	534,233
Other assets	2,125,345	3,700,542
Trust deeds receivable	1,204,975	1,304,050
Investments	375,618,824	394,157,412
Student notes receivable, net	21,914,020	20,919,846
Bond issuance costs	1,551,726	1,619,420
Assets held in trust by others	9,738,693	9,511,195
Property and equipment, net	156,115,909	139,657,896
Total assets	$ 586,642,098	$ 592,890,493
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable and accrued expenses	$ 13,740,070	$ 12,930,263
Student deposits and deferred revenue	5,095,869	4,698,378
Bonds payable	83,450,000	85,125,000
Bonds premium, net	1,606,378	1,679,395
Government loans payable	4,167,567	4,167,567
Annuities payable	13,277,802	13,580,392
Asset retirement obligations	2,829,185	2,622,354
Total liabilities	124,166,871	124,803,349
NET ASSETS		
Unrestricted	136,384,918	134,557,615
Temporarily restricted	178,066,163	190,732,089
Permanently restricted	148,024,146	142,797,440
Total net assets	462,475,227	468,087,144
Total liabilities and net assets	$ 586,642,098	$ 592,890,493

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

Occidental College

STATEMENT OF ACTIVITIES

Year ended June 30, 2012

(with comparative totals for the year ended June 30, 2011)

	Unrestricted	Temporarily Restricted	Permanently Restricted	2012 Total	2011 Total
Operating Revenues:					
Student revenues:					
Tuition and fees	$ 89,149,193	$ -	$ -	$ 89,149,193	$ 83,321,084
Room and board	18,693,265	-	-	18,693,265	17,028,846
Less: Financial assistance	(37,005,895)	-	-	(37,005,895)	(33,363,213)
Net student revenues	70,836,563	-	-	70,836,563	66,986,717
Private gifts, grants and contracts	8,286,621	-	-	8,286,621	8,742,667
Federal and state grants and contracts	3,268,968	-	-	3,268,968	3,022,889
Investment income designated for operations	3,108,017	14,774,578	-	17,882,595	17,424,344
Other	5,689,587	-	-	5,689,587	5,107,847
Net assets released from restrictions	14,294,034	(14,294,034)	-	-	-
Total operating revenues	105,483,790	480,544	-	105,964,334	101,284,464
Operating Expenditures:					
Academic program	48,859,533	-	-	48,859,533	47,725,533
Co-curricular program	28,682,935	-	-	28,682,935	28,036,450
Public service	4,278,435	-	-	4,278,435	4,516,598
Marketing	10,849,401	-	-	10,849,401	10,136,024
Institutional support	8,139,121	-	-	8,139,121	7,554,770
Total operating expenditures	100,809,425	-	-	100,809,425	97,969,375
Operating income	4,674,365	480,544	-	5,154,909	3,315,089
Other changes in net assets:					
Net assets released for capital expenditures	1,364,820	(1,364,820)	-	-	-
Private gifts, grants and contracts non-operating	1,116,769	4,054,390	3,949,413	9,120,572	12,476,414
Other	-	-	45,900	45,900	50,910
Present value adjustment for annuities	(112,347)	(133,051)	322	(245,076)	(2,139,384)
Change in fair value of assets held in trust by others	-	36,683	(47,136)	(10,453)	1,441,992
Realized and unrealized (losses) gains, net	(3,336,734)	(17,483,063)	1,142,028	(19,677,769)	43,762,247
Change in underwater funds	(1,128,822)	1,128,822	-	-	-
Redesignation of net assets	(750,748)	614,569	136,179	-	-
Total other changes in net assets	(2,847,062)	(13,146,470)	5,226,706	(10,766,826)	55,592,179
Changes in net assets	1,827,303	(12,665,926)	5,226,706	(5,611,917)	58,907,268
Net assets, beginning of year	134,557,615	190,732,089	142,797,440	468,087,144	409,179,876
Net assets, end of year	$ 136,384,918	$ 178,066,163	$ 148,024,146	$ 462,475,227	$ 468,087,144

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

Occidental College

STATEMENT OF ACTIVITIES

Year ended June 30, 2011

(with comparative totals for the year ended June 30, 2010)

	Unrestricted	Temporarily Restricted	Permanently Restricted	2011 Total	2010 Total
Operating Revenues:					
Tuition and fees	$ 83,321,084	$ -	$ -	$ 83,321,084	$ 75,397,868
Room and board	17,028,846	-	-	17,028,846	15,492,578
Less: financial assistance	(33,363,213)	-	-	(33,363,213)	(29,081,439)
Net student revenues	66,986,717	-	-	66,986,717	61,809,007
Private gifts, grants and contracts	8,742,667	-	-	8,742,667	10,093,419
Federal and state grants and contracts	3,022,889	-	-	3,022,889	2,702,287
Investment income designated for operations	2,978,460	14,445,884	-	17,424,344	17,512,184
Other	5,106,755	1,092	-	5,107,847	4,656,722
Net assets released from restrictions	14,481,058	(14,481,058)	-	-	-
Total operating revenues	101,318,546	(34,082)	-	101,284,464	96,773,619
Operating Expenditures:					
Academic program	47,725,533	-	-	47,725,533	47,118,231
Co-curricular program	28,036,450	-	-	28,036,450	27,312,491
Public service	4,516,598	-	-	4,516,598	3,865,204
Marketing	10,136,024	-	-	10,136,024	9,485,092
Institutional support	7,554,770	-	-	7,554,770	8,187,943
Total operating expenditures	97,969,375	-	-	97,969,375	95,968,961
Operating income (loss)	3,349,171	(34,082)	-	3,315,089	804,658
Other changes in net assets:					
Net assets released for capital expenditures	1,072,306	(1,072,306)	-	-	-
Private gifts, grants and contracts non-operating	2,035,000	5,969,462	4,471,952	12,476,414	3,149,465
Other			50,910	50,910	40,834
Present value adjustment for annuities	(117,589)	(463,872)	(1,557,923)	(2,139,384)	(1,207,210)
Change in fair value of assets held in trust by others	-	1,158,851	283,141	1,441,992	575,836
Realized and unrealized gains, net	7,342,329	33,227,934	3,191,984	43,762,247	24,406,192
Change in underwater funds	2,201,493	(2,201,493)	-	-	-
Redesignation of net assets	(291,851)	-	291,851	-	-
Total other changes in net assets	12,241,688	36,618,576	6,731,915	55,592,179	26,965,117
Changes in net assets	15,590,859	36,584,494	6,731,915	58,907,268	27,769,775
Net assets, beginning of year	118,966,756	154,147,595	136,065,525	409,179,876	381,410,101
Net assets, end of year	$ 134,557,615	$ 190,732,089	$ 142,797,440	$ 468,087,144	$ 409,179,876

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

Occidental College

STATEMENTS OF CASH FLOWS

Year Ended June 30, 2012 and 2011

	2012	2011
Cash flows from operating activities:		
Changes in net assets	$ (5,611,917)	$ 58,907,268
Adjustments to reconcile changes in net assets to net cash used in operating activities:		
Depreciation and amortization	6,409,246	6,431,207
Gifts of stock and securities	(4,738,697)	(1,109,073)
Net unrealized and realized losses (gains) on investments	6,746,666	(55,011,476)
Contributions restricted for long-term investments	(3,949,413)	(4,471,952)
Contributions for capital expenditures	(1,116,769)	(2,035,000)
Student notes receivable, net	273,384	(75,952)
Changes in assets and liabilities:		
Student accounts receivable, net	49,987	82,961
Contracts and grants receivables	(167,922)	(167,176)
Contributions receivable, net	1,887,837	(7,860,755)
Inventories	(82,793)	(18,914)
Other assets	1,575,197	(2,349,971)
Accounts payable and accrued expenses	(3,288,034)	(906,934)
Student deposits and deferred revenue	397,491	(20,208)
Asset retirement obligations	206,831	218,763
Net cash used in operating activities	(1,408,906)	(8,387,212)
Cash flows from investing activities:		
Decrease in trust deeds receivable	99,075	277,199
Change in assets whose use is limited	2,968,155	5,723,413
Disbursement of student loan receivables	(3,441,634)	(3,622,916)
Collection of student loan receivables	2,174,076	2,071,697
Purchases of investments	(176,513,067)	(147,026,244)
Proceeds from sales and maturities of investments	193,043,686	157,410,183
Purchases of property and equipment	(18,774,741)	(9,631,827)
Net cash (used in) provided by investing activities	(444,450)	5,201,505
Cash flows from financing activities:		
Contributions restricted for long-term investment	3,387,151	4,921,339
Contributions for capital expenditures	1,116,769	2,035,000
Change in assets held in trust by others	(227,498)	(1,441,992)
Repayment of long-term debt	(1,675,000)	(1,610,000)
Change in annuities payable	(302,590)	1,214,224
Net cash provided by financing activities	2,298,832	5,118,571
Net increase in cash and cash equivalents	445,476	1,932,864
Cash and cash equivalents at beginning of year	4,654,236	2,721,372
Cash and cash equivalents at end of year	$ 5,099,712	$ 4,654,236
Supplemental cash flow information:		
Cash paid for interest	$ 4,080,886	$ 4,142,127
Gifts of stock and securities	$ 4,738,697	$ 1,109,073
Unpaid fixed asset purchases	$ 4,097,841	$ 1,616,285

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

NOTE 1 – ORGANIZATION

Nature of Operations

Occidental College (the "College") is an independent, coeducational college of liberal arts and sciences, founded in 1887. Occidental College seeks to provide an education of high quality in the best tradition of the liberal arts, emphasizing thorough competence in a chosen field of study together with a broad understanding of our historical and cultural heritage and the relationships among fields of knowledge. The College is accredited by the Western Association of Schools and Colleges.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting and Reporting

The accompanying financial statements of the College, a not-for-profit educational institution, have been prepared on the accrual basis of accounting in accordance with Generally Accepted Accounting Principles in the United States of America ("GAAP").

The College reports 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.

Unrestricted Net Assets

Unrestricted net assets are comprised of assets which are for operating purposes or assets which are not subject to donor-imposed restrictions and are general in nature. Unrestricted net assets have been segregated into the following categories:

Designated – Educational and general – includes funds that are internally designated for operational or special use.

Designated – Functioning as endowment – includes certain gifts not otherwise restricted and Board designations of assets to function as endowment.

Designated – Student loans funds – includes lending activity to students utilizing College resources designated for that purpose as well as funds intended for a general College loan program.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Unrestricted Net Assets (continued)

Designated – Life income and annuity contracts – the College has legal title to life income and annuity contracts and agreements, subject to life interests of the beneficiaries. No significant financial benefit is or can be realized until the contractual obligations are released.

Designated – Renewal and replacement – includes amounts internally designated for renewal and replacement of property and equipment.

Invested in property and equipment – includes property and equipment stated at cost or fair value at the date of gift, less accumulated depreciation and any related debt. Depreciation is computed on a straight-line basis over the estimated useful lives for land improvements (up to 20 years), buildings and improvements (up to 40 years), and equipment and library books (up to 10 years). The College follows the policy of generally recording contributions of long-lived assets directly to unrestricted net assets. However, if the donor stipulates how long the assets must be used, the contributions are recorded as temporarily restricted support. Upon disposition of assets, the cost and related accumulated depreciation is removed with the resulting gain or loss recognized in unrestricted net assets.

Temporarily Restricted Net Assets

Temporarily restricted net assets are those assets whose use by the College is subject to donor-imposed stipulations that can be fulfilled by actions of the College pursuant to those stipulations or that expire by the passage of time. Such assets include accumulated endowment investment gains, certain charitable remainder unitrusts, pooled income funds, gift annuities, and certain pledges receivable for which the ultimate purpose of the proceeds is not permanently restricted.

Permanently Restricted Net Assets

Permanently restricted net assets are those assets subject to donor-imposed stipulations that they be maintained in perpetuity by the College. Generally, the donors of these assets permit the College to use all or part of the investment return on these assets for unrestricted purposes. Such assets primarily include the College's permanent endowment, certain charitable remainder unitrusts, and loan funds established by outside donors.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Revenues and Expenses

Student tuition and fees are recorded as revenues in the period during which the related academic services are rendered. Student tuition and fees received in advance of services to be rendered are recorded as deferred revenue.

Contributions are reported as increases in the appropriate category of net assets, except contributions that the donor restricts where the restrictions are met within the same fiscal year, as these contributions are included in unrestricted net assets. Contributions other than cash are recorded at their fair value or net realizable value at the date of gift.

Revenues from grants and contracts are exchange transactions and are recognized as allowable expenditures under such agreements as costs are incurred.

Revenues from sources other than contributions are reported as increases in unrestricted net assets. Gains and losses on investments are reported as increases or decreases to the appropriate net asset category.

Expenses are generally reported as decreases in unrestricted net assets. Expirations of temporary restrictions on net assets are reported as “net assets released from restrictions” from temporarily restricted net assets to unrestricted net assets. Temporary restrictions on gifts to acquire long-lived assets are met in the period in which the assets are acquired or placed into service.

Contributions, including unconditional promises to give, are recognized as revenue in the period received. Conditional promises to give are not recorded as contributions until the conditions on which they depend are substantially met. Unconditional promises to give are donor commitments where there is sufficient evidence they exist, verifiable documentation, no ambiguous conditions, and they are legally enforceable. If these contributions are to be received after a year and/or over a number of years, they are discounted at a rate equivalent with the short-term and mid-term applicable risk adjusted rate. The discount is amortized and recorded as additional contribution revenue in accordance with the donor-imposed restrictions, if any. In addition, an allowance for uncollectible promises to give, based on past collection experience, is recorded.

The financial statements present expenses by functional classification in accordance with the overall educational mission of the College.

Depreciation expense is allocated directly based upon the nature of the underlying assets. Interest expense on external debt is allocated to the functional categories which have benefited from the proceeds. Plant operations and maintenance represents space-related costs that are allocated to the functional categories directly and/or based on the square footage occupancy.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Cash and Cash Equivalents

Cash and cash equivalents include short-term, highly liquid investments with a maturity of three months or less at the time of purchase. Cash and cash equivalents representing assets held as endowment and similar funds and assets held for annuity and life income payments are included in long-term investments. Cash and cash equivalents are reported at cost which approximates fair value.

The College has cash balances that periodically exceed the Federal Deposit Insurance Corporation limit. The Dodd-Frank Wall Street Reform and Consumer Protection Act ensures that all funds in a noninterest-bearing transaction account are insured in full by the Federal Deposit Insurance Corporation ("FDIC") through December 31, 2012. This temporary unlimited coverage is in addition to, and separate from, the coverage of at least $250,000 available to depositors under the FDIC's general deposit insurance rules. Cash and cash equivalents as reflected on the balance sheets is fully FDIC insured.

Assets Whose Use Is Limited

Certain proceeds of the serial bonds (see Note 9) held by trustees are limited as to use in accordance with the requirements of the trust agreements. The workers' compensation bank account is also limited as to use in accordance with State of California and insurance requirements. The assets whose use is limited are comprised of cash and cash equivalents and are recorded at fair value.

Investments

Investments are stated at fair value. The fair value of investments is based on quoted prices from national security exchanges, except for limited partnerships, mortgages, and venture capital which are based on information provided by external investment managers at the most recent valuation period date for the fiscal year-end. Real estate is stated at the lower of cost or fair value. Fair value for real estate is based on market appraisals. In order to ensure real estate is carried at the lower of cost or market, market appraisals are obtained every four years unless a trend in the market warrants more frequent appraisals. Management monitors the activity of external investment managers and performs reconciliations and other procedures to assure that the valuations used in the financial statements are fairly stated. The College believes the carrying amounts of these investments are a reasonable estimate of fair value. Because the limited partnership investments are not readily marketable, their estimated value is subject to uncertainty and, therefore, may differ from the value that would have been used had a ready market for such investments existed. Such differences could be material. Realized and unrealized gains and losses on investments are the difference between the fair market value and the cost basis of the investments. The net realized and unrealized gains and losses are reported in the statements of activities.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Investments (continued)

All investments of permanently restricted net assets and unrestricted net assets designated as endowment funds are carried in an investment pool unless special considerations or donor stipulations require that they be held separately.

Management of Pooled Investments

The College follows an investment policy for its pooled endowment investments which anticipates a greater long-term return through investing for capital appreciation and long-term growth. According to the College's endowment spending policy, the amount of investment return available for current operations is determined by applying a specified percentage, 5.4%, of a twenty-one-quarter average unit market value to the units held as of September 30 of the prior fiscal year.

Inventories

Inventories in the bookstore, campus dining, and stockroom are stated at the lower of cost or market. Cost has been determined using the average-cost method.

Bond Issuance Costs

Bond issuance costs represent insurance, issuance and underwriters' costs related to the California Educational Facilities Authority ("CEFA") Series 2005A and 2005B Bonds and the CEFA Series 2008 Bonds (see Note 9). These amounts are amortized over the life of the bonds using the straight-line method, which approximates the effective interest method.

Collections

Collections, such as rare books and works of art, which were acquired through purchases and contributions since the College's inception, are not recognized as assets on the balance sheets. These collections are held solely for their potential educational value or historical significance. Management has determined that the cost to establish the current market value is deemed to exceed the benefit and therefore the collections were not assigned a value for the purpose of capitalization. Purchases of collection items are recorded as decreases in unrestricted net assets in the year in which the items are acquired or as temporarily or permanently restricted net assets if the assets used to purchase the items have been restricted by donors. Contributed collection items are not reflected in the financial statements. Proceeds from deaccessions or insurance recoveries are reflected as increases in the appropriate net asset category.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Estates and Trusts

The College is named beneficiary of various estates in probate. Unless the ultimate amount available for distribution can be determined before the close of the probate proceedings, the College does not record these amounts until the point of asset distribution. Trusts in which the College is named as irrevocable beneficiary, but is not trustee, are recorded as assets held in trust by others when the College is notified by the trustee.

Actuarial Liability

The College uses the actuarial method of recording life income and annuity contract net assets. Under this method, when a gift is received, cash or investments received are recorded at market value, while the present value of the aggregate annuity obligation is recorded as a liability, based upon life expectancy tables. The remainder is recorded as revenue in the appropriate net asset category. Investment income and some gains are credited, and annuity payments and investment losses are charged to the liability accounts, with periodic adjustments made between the liability and the net assets to record actuarial gains or losses. The actuarial liability is based on the present value of future payments discounted at rates ranging from 3.6% to 11.2% and the 2000 Annuity Mortality Table.

Asset Retirement Obligation

GAAP defines a conditional asset retirement obligation as a legal obligation to perform an asset retirement activity in which the timing and (or) method of settlement are conditional on a future event that may or may not be within the control of the entity. Uncertainty with respect to the timing and/or method of settlement of the asset retirement obligation does not defer recognition of a liability. The obligation to perform the asset retirement activity is unconditional, and accordingly, a liability should be recognized.

There were $206,831 and $218,763 asset retirement costs for the years ending June 30, 2012 and 2011, respectively and $2,829,185 and $2,622,354 of conditional retirement asset obligations included in the balance sheets as of June 30, 2012 and 2011, respectively.

Student Loans

The College administers a federal student loan program, the Perkins Student Loan program. Loans made under this program have a ten-year repayment period, with interest rates between 3% and 6%. In the event of termination of the program, the loan repayments would be distributed to the federal government and the College on the basis of their relative contributions to the program. It is anticipated that any uncollectible loan balances would be treated in a similar manner.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Use of Estimates

The preparation of financial statements in conformity with GAAP 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, expenses and other changes in net assets during the reporting period. While management believes that these estimates are adequate as of June 30, 2012, it is possible that actual results could differ from those estimates.

Income Taxes

The College operates as a not-for-profit organization and has been recognized by the Internal Revenue Service as an organization exempt from income taxation pursuant to Internal Revenue Code Section 501(c)(3) on its income other than unrelated business income and has also been recognized by the Franchise Tax Board as exempt from state franchise or income tax pursuant to California Revenue and Taxation Code Section 23701(d) on its income other than unrelated business income.

As required by GAAP, the College has identified and evaluated its significant tax positions for which the statute of limitations remain open and has determined that there is no material unrecognized benefit or liability to be recorded. The open tax years are the years ended June 30, 2008 through June 30, 2012 for federal tax purposes and the years ended June 30, 2007 through June 30, 2012 for California tax purposes. There have been no material changes in unrecognized benefits as of June 30, 2012, nor are any material changes anticipated in the twelve months following June 30, 2012. There have been no related tax penalties or interest, which would be classified as a tax expense in the statement of activities.

Fair Value of Financial Instruments

For those financial instruments for which it is practical, the following methods and assumptions are used to estimate fair value:

> Receivables – Amounts receivable under student accounts receivable, contracts and grants receivable, contributions receivable, and trust deeds receivable are carried at cost, less allowing for doubtful accounts, which approximates fair value. Determination of the fair value of student loans receivable, which are primarily federally sponsored student loans with U.S. governmental mandated interest rates and repayment terms and subject to significant restrictions as to their transfer or disposition, could not be made without incurring excessive costs.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Fair Value of Financial Instruments (continued)

Long-term debt – Fair value was estimated based upon the discounted amount of future cash outflows based on current rates available to the College for debt of the same remaining maturities.

Recent Accounting Pronouncements

In January 2010, the Financial Accounting Standards Board ("FASB") issued guidance to improve the disclosures related to fair value measurements. The new guidance requires expanded fair value disclosures, including the reasons for significant transfers between Level 1 and Level 2 and the amount of significant transfers into each level disclosed separately from transfers out of each level. For Level 3 fair value measurements, information in the reconciliation of recurring Level 3 measurements about purchases, sales, issuances and settlements shall be presented separately on a gross basis, rather than as one net number. In addition, clarification is provided about existing disclosure requirements, such as presenting fair value measurement disclosures for each class of assets and liabilities that are determined based on their nature and risk characteristics and their placement in the fair value hierarchy (that is, Level 1, 2, or 3), as opposed to each major category of assets and liabilities, as required in the previous guidance. Disclosures about the valuation techniques and inputs used to measure fair value for both recurring and nonrecurring fair value measurements will be required for fair value measurement that fall in either Level 2 or Level 3. The new guidance is effective for annual reporting periods beginning after December 15, 2010, except for the disclosures related to the gross presentation of purchases, sales, issuances and settlements for Level 3 fair value measurements, which are effective for reporting periods beginning after December 15, 2011. The expanded disclosures are included in the College's financial statements effective June 30, 2010, except for the disclosures related to the gross Level 3 presentation, which was included in the College's financial statements effective June 30, 2011.

Functional Expense Reporting

The costs of providing program and supporting services have been summarized by function, based on estimates developed by management.

Redesignation of Net Assets

Certain amounts previously received from donors have been transferred among net asset categories due to changes in donor designations.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Reclassifications

Certain reclassifications have been made to the prior year amounts to conform to the current year presentation.

NOTE 3 – INVESTMENTS

The carrying value of investments is based on the quoted market prices, analytical pricing methods for investments for which there is no market, and the carrying value of limited partnership net assets in proportion to the College's interest. The carrying values are considered fair values, except for real estate, which is reported at the lower of cost or market. The following schedule summarizes the assets in pooled investments and the assets held as separate investments at June 30:

	2012	2011
Cash and cash equivalents	$ 38,825,788	$ 35,312,441
U.S. equities	78,016,227	75,906,654
Global equities (developed)	29,133,365	41,341,166
Emerging markets	28,793,405	33,107,139
Domestic fixed income	48,317,205	49,740,786
Global fixed income	5,857,097	6,367,918
Marketable alternative investments	57,972,207	61,794,476
Marketable inflation hedging assets	36,579,568	39,640,513
Private equity and venture capital	51,159,465	48,070,174
Real estate	964,497	2,876,145
	$ 375,618,824	$ 394,157,412

NOTE 3 – INVESTMENTS – Continued

The following schedule summarizes the College's investment return for the years ended June 30:

	2012	2011
Dividends, interest and rents	$ 6,331,373	$ 7,477,716
Realized gains, net	16,898,518	8,885,766
Unrealized (losses) gains, net	(21,197,136)	48,724,697
	2,032,755	65,088,179
Less: Investment expense	(3,827,929)	(3,901,588)
Investment income designated for operations	(17,882,595)	(17,424,344)
Realized and unrealized (losses) gains, net of allocation to operations and investment expense	$ (19,677,769)	$ 43,762,247

Investment income was classified as follows for the year ended June 30:

	June 30, 2012			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Dividends, interest and rents	$ 1,599,316	$ 4,355,087	$ 376,970	$ 6,331,373
Realized gains, net	3,633,586	11,931,784	1,333,148	16,898,518
Unrealized losses, net	(4,721,946)	(16,006,331)	(468,859)	(21,197,136)
Total	$ 510,956	$ 280,540	$ 1,241,259	$ 2,032,755

	June 30, 2011			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Dividends, interest and rents	$ 1,394,990	$ 5,661,756	$ 420,970	$ 7,477,716
Realized gains, net	1,548,572	7,220,987	116,207	8,885,766
Unrealized gains, net	8,073,209	37,911,227	2,740,261	48,724,697
Total	$ 11,016,771	$ 50,793,970	$ 3,277,438	$ 65,088,179

NOTE 3 – INVESTMENTS – Continued

Where permitted by gift agreement and/or applicable government regulations, investments are pooled. Pooled investments and allocations of pooled investment income are accounted for on a unit-making value method. The following schedule summarized the College's pooled investments for the years ended June 30:

	2012	2011
Unit-market value at end of year	$ 376.27	$ 400.94
Units owned:		
Unrestricted:		
Funds functioning as endowment	153,417	147,982
Total unrestricted	153,417	147,982
Permanently restricted:		
Endowment funds	723,114	703,463
Total permanently restricted	723,114	703,463
Total units	876,531	851,445

At June 30, 2012 and 2011, investments include approximately $28,331,000 and $31,098,000 respectively, in securities related to life income and annuity contracts.

NOTE 4 – FAIR VALUE MEASUREMENTS

The College accounts for its investments at fair value. Accounting Standards Codification ("ASC") 820, *Fair Value Measurements*, defines fair value, established a framework used to measure fair value, and expands disclosures about fair value measurements. The standard prioritized, within the measurement of fair value, the use of market-based information over entity-specific information and established a three-level hierarchy for fair value measurement based on the transparency of information, such as the pricing source used in the valuation of an asset or liability as of the measurement date.

Investments measured and reported at fair value are classified and disclosed in one of the following categories:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the College has the ability to access.

NOTE 4 – FAIR VALUE MEASUREMENTS – Continued

Level 2 Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable of the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or to other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The determination of where an asset or liability falls in the hierarchy requires significant judgment. The College evaluates its hierarchy disclosures each reporting period and, based on various factors, it is possible that an asset or liability may be classified differently from period to period. However, the College expects that changes in classifications between different levels will be rare.

The asset or liability's fair value 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 need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The College's valuation methodologies used for alternative investments measured at fair value is based on net asset value ("NAV") of shares held by the College at fiscal year end. There have been no changes in the methodologies used at June 30, 2012. The preceding method described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the College believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

NOTE 4 – FAIR VALUE MEASUREMENTS – Continued

The following table summarizes the valuation of the College's investments by the ASC 820 fair value hierarchy levels as of June 30:

	June 30, 2012			
	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	$ 38,825,788	$ -	$ -	$ 38,825,788
US equities	47,542,221	-	30,474,006	78,016,227
Global equities (developed)	9,977,752	19,155,613	-	29,133,365
Emerging markets	8,405,541	20,387,864	-	28,793,405
Domestic fixed income	38,621,580		9,695,625	48,317,205
Global fixed income	-	5,857,097	-	5,857,097
Marketable alternative investments	-	-	57,972,207	57,972,207
Marketable inflation hedging assets	9,821,559	-	26,758,009	36,579,568
Private equity and venture capital	-	-	51,159,465	51,159,465
Assets held by others	9,317,718	-	420,975	9,738,693
Total	$ 162,512,159	$ 45,400,574	$ 176,480,287	$ 384,393,020

	June 30, 2011			
	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	$ 35,312,441	$ -	$ -	$ 35,312,441
US equities	48,275,869	-	27,630,785	75,906,654
Global equities (developed)	11,837,135	29,504,031	-	41,341,166
Emerging markets	-	33,107,139	-	33,107,139
Domestic fixed income	39,421,191	-	10,319,595	49,740,786
Global fixed income	-	6,367,918	-	6,367,918
Marketable alternative investments	-	-	61,794,476	61,794,476
Marketable inflation hedging assets	8,932,319	-	30,708,194	39,640,513
Private equity and venture capital	-	-	48,070,174	48,070,174
Assets held by others	9,074,310	-	436,885	9,511,195
Total	$ 152,853,265	$ 68,979,088	$ 178,960,109	$400,792,462

NOTE 4 – FAIR VALUE MEASUREMENTS – Continued

The following table summarizes the valuation of the College's Level 3 reconciliation by the ASC 820 standards for the year ended June 30:

	Level 3 Assets Year Ended June 30, 2012		Level 3 Assets Year Ended June 30, 2011	
Beginning balance	$	178,960,109	$	150,349,359
Total gains or losses (included in changes in net assets)		1,717,106		27,947,972
Purchases		15,298,869		18,514,375
Sales		(19,495,797)		(17,851,597)
Ending balance	$	176,480,287	$	178,960,109

NOTE 4 – FAIR VALUE MEASUREMENTS – Continued

The College uses the NAV to determine the fair value of all the underlying investments which (a) do not have a readily determinable fair value and (b) prepare their financial statements consistent with the measurement principles or have the attributes of an investment company. The following table lists those investments by major category:

	Fair Value June 30, 2012	Strategy	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Commingled funds	$ 85,570,205	These funds invest mostly in domestic and international debt and equity securities. The investments are mostly public securities, and the funds are held in partnership or trust format.	$ -	Range from daily to quarterly	5 - 30 days notice
Marketable alternative investments	57,972,207	Hedge funds looking to generate steady returns in the range of 7 to 12 percent with relatively low volatility and relatively low correlations to the equity markets.	-	Range from quarterly to annually	45 - 90 days notice
Marketable inflation hedging assets	26,758,009	Investments in natural resource equities, commodities, Treasury Inflation-Protected Securities that are meant to generate long-term returns similar to the US stock market but would also be expected to perform better in a market in which inflation is rapidly rising.	-	Range from monthly to semi-annually	10 - 45 days notice
Private equity	42,320,576	Investments in privately held energy and or mining companies that are meant to generate long- term returns similar to the US stock market but would also be expected to perform better in a market in which inflation is rapidly rising.	22,077,714	N/A*	N/A*
Venture capital	8,838,889	Investments in privately held start up and or fast growing companies expected to generate returns above traditional equity markets.	625,000	N/A*	N/A*
Totals	$ 221,459,886		$ 22,702,714		

* These funds are in a private equity structure

NOTE 5 - TRUST DEEDS RECEIVABLE

The College held notes receivable from faculty members and administrators totaling approximately $1,138,000 and $1,219,000 at June 30, 2012 and 2011, respectively. These notes are included in the trust deeds receivable balance on the balance sheets and are recorded at cost. Such loans were issued under the College's housing assistance program, and are collateralized by first or second deeds of trust. The interest rate is 5.0% with maturities up to 25 years. As of June 30, 2012 and 2011, no amounts were past due and no amounts have been written off. All semi-monthly payments are made through payroll deductions. Management has determined no allowance on the trust deed receivable balance is necessary as of June 30, 2012 and 2011, based on prior collection experience and current economic factors.

NOTE 6 – CONTRIBUTIONS RECEIVABLE

Unconditional promises to give are included in the financial statements as contributions receivable and gift revenue in the appropriate net asset category. Contributions are recorded after discounting at the risk adjusted rate. The risk adjusted rates range from .19% and 4.38% for the years ended June 30, 2012 and 2011. Amortization of the discount is included in gift revenue.

As of June 30, unconditional promises to give are expected to be realized in the following periods:

	2012	2011
Less than one year	$ 2,638,832	$ 3,056,032
Between one year and five years	6,592,507	7,646,142
	9,231,339	10,702,174
Less: Discount	(113,942)	(218,206)
Allowance for uncollectible amounts	(273,523)	(314,519)
Contributions receivable, net	$ 8,843,874	$ 10,169,449

Contributions receivable at June 30, 2012 have the following restrictions:

Endowment for programs, activities and scholarships	$ 3,897,892
Building construction	4,811,061
Education and general	522,386
Total contributions receivable, net	$ 9,231,339

Unconditional promises to give include amounts from members of the College's Board of Trustees of $5,489,000 and $8,735,000 as of June 30, 2012 and 2011, respectively.

NOTE 7 – STUDENT LOANS RECEIVABLE

The College makes uncollateralized loans to students based on financial need. Student loans are funded through Federal government loan programs or institutional resources. At June 30, 2012 and 2011, student loans represented 3.7% and 3.5% of total assets, respectively.

NOTE 7 – STUDENT LOANS RECEIVABLE – Continued

At June 30, student loans consisted of the following:

	2012	2011
Federal government programs	$ 5,466,037	$ 5,177,415
Institutional programs	19,615,767	18,738,266
	25,081,804	23,915,681
Less allowance for doubtful accounts:		
Beginning of year	(2,995,835)	(3,179,726)
(Increases)/decreases	(172,963)	169,123
Write-offs	1,014	14,768
End of year	(3,167,784)	(2,995,835)
Student loans receivable, net	$ 21,914,020	$ 20,919,846

The College participates in the federal Perkins revolving loan program. The availability of funds for loans under the program is dependent on reimbursements to the pool from repayments on outstanding loans. Funds advanced by the Federal government of $4,167,567 at June 30, 2012 and 2011, respectively, are ultimately refundable to the government and are classified as liabilities in the balance sheets.

Outstanding loans cancelled under the program result in a reduction of the funds available for loan and a decrease in the liability to the government.

At June 30, 2012 and 2011, the following amounts were past due under student loan programs:

June 30,	In default less than 240 days	In default between 240 days and 2 years	In default more than 2 years	Total past due
2012	$ 1,305,072	$ 356,589	$ 1,130,520	$ 2,792,181
2011	$ 997,560	$ 335,018	$ 1,031,283	$ 2,363,861

Allowances for doubtful accounts are established based on prior collection experience and current economic factors which, in management's judgment, could influence the ability of loan recipients to repay the amounts per the loan terms. Institutional loan balances are written off only when they are deemed to be permanently uncollectible.

NOTE 8 – PROPERTY AND EQUIPMENT

Property and equipment consists of the following at June 30:

	2012	2011
Land and improvements	$ 6,338,280	$ 6,338,280
Buildings	180,424,637	177,937,698
Furniture and equipment	19,663,374	21,238,763
Construction-in-progress	30,194,803	10,339,048
	236,621,094	215,853,789
Less: Accumulated depreciation	(80,505,185)	(76,195,893)
Property and equipment, net	$156,115,909	$139,657,896

Depreciation expense for the years ended June 30, 2012 and 2011 was $6,414,568 and $6,436,530, respectively.

NOTE 9 – DEBT

California Educational Facilities Authority ("CEFA") Bonds

In March 2008, the College issued $20,000,000 in bonds through the CEFA (Series 2008 Bonds). The College issued serial bonds with fixed-interest rates ranging from 4.00% to 5.30%, payable on April 1 and October 1 through 2038.

The CEFA Series 2008 Bonds were used for certain capital projects.

The Series 2008 Bonds are collateralized by the pledge of certain revenues of the College including all tuition, room, board fees, and other fees or charges arising out of general College operations.

The loan agreements for the 2008 CEFA issue contain restrictive covenants which include the maintenance of certain minimum enrollment levels as well as maintaining assets available for debt coverage at a specified level. The College was in compliance with all bond covenants at June 30, 2012 and 2011.

In March 2005, the College issued $70,335,000 in bonds through the CEFA (Series 2005A and 2005B Bonds). The College issued serial bonds with fixed-interest rates ranging from 3.00% to 5.25%, payable on April 1 and October 1 through 2036.

NOTE 9 – DEBT – Continued

The CEFA Series 2005A and 2005B Bonds were used to legally defease the outstanding debt from the College's CEFA Series 1997 Bonds, as well as to provide funds for certain capital projects.

The Series 2005A and 2005B Bonds are collateralized by the pledge of certain revenues of the College including all tuition, room, and board fees, and other fees or charges arising out of general College operations.

The loan agreements for the 2005A and 2005B CEFA issue contain restrictive covenants which include the maintenance of certain minimum enrollment levels as well as maintaining assets available for debt coverage at a specified level. The College was in compliance with all bond covenants at June 30, 2012 and 2011.

Bonds payable at June 30, 2012 are summarized as follows:

	Authorized and Issued	Remaining Interest Rates	Remaining Bonds Outstanding
California Educational Facilities Authority ("CEFA") Revenue Bonds			
Series 2005A & 2005B	$ 70,335,000	3.50 to 5.25%	$ 64,135,000
Series 2008	20,000,000	4.00 to 5.30%	19,315,000
Total	$ 90,335,000		$ 83,450,000

Future principal payment requirements on the bonds payable are summarized as follows:

Year Ending June 30,	Series 2005A & 2005B CEFA Bonds	Series 2008 CEFA Bonds	Total
2013	$ 1,375,000	$ 365,000	$ 1,740,000
2014	1,430,000	375,000	1,805,000
2015	1,485,000	395,000	1,880,000
2016	1,555,000	410,000	1,965,000
2017	1,625,000	425,000	2,050,000
2018 and thereafter	56,665,000	17,345,000	74,010,000
Total	$ 64,135,000	$ 19,315,000	$ 83,450,000

NOTE 9 – DEBT – Continued

The estimated fair value of the College's bonds payable was approximately $88,772,000 and $87,625,000 at June 30, 2012 and 2011, respectively. This fair value was estimated based upon the discounted amount of future cash outflows based on current rates available to the College for debt of the same remaining maturities (Level 2).

Lines of Credit

The College has two $5,000,000 lines of credit outstanding. The first line of credit was issued to the College on April 12, 2011 and the second line of credit was issued to the College on November 9, 2011. Both lines of credit will expire on February 1, 2013. The lines of credit are collateralized by all blanket UCC filings. No amounts were drawn on either line of credit as of or during the year ended June 30, 2012.

NOTE 10 – NET ASSETS

Net assets consist of the following at June 30, 2012 and 2011:

	2012	2011
Unrestricted		
Designated – educational and general	$ 9,909,622	$ 7,162,434
Designated – functioning as endowment	56,242,008	59,677,226
Designated – student loan funds	2,857,932	2,718,938
Designated – life income and annuity contracts	3,419,023	3,383,547
Designated – renewal and replacement	3,409,786	1,639,717
Invested in property and equipment	60,546,547	59,975,753
Total unrestricted net assets	136,384,918	134,557,615
Temporarily restricted		
Current restricted	1,180,938	1,213,386
Accumulated endowment investment gains	149,987,980	166,212,045
Life income and annuity contracts	5,796,521	6,071,186
Property and equipment funds	8,139,206	3,900,145
Contributions receivable, net	5,134,515	5,782,958
Assets held in trust by others	7,827,003	7,552,369
Total temporarily restricted net assets	178,066,163	190,732,089
Permanently restricted		
Endowment corpus	124,489,898	116,504,074
Life income and annuity contracts	5,859,857	7,915,292
Student loan funds	12,053,342	12,032,757
Contributions receivable, net	3,709,359	4,386,491
Assets held in trust by others	1,911,690	1,958,826
Total permanently restricted net assets	148,024,146	142,797,440
Total net assets	$462,475,227	$468,087,144

NOTE 10 – NET ASSETS – Continued

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of other events specified by donors, as follows:

	June 30,	
	2012	2011
Expenditures for program activities,	$ 14,294,034	$ 14,481,058
Expenditures for fixed assets	1,364,820	1,072,306
	$ 15,658,854	$ 15,553,364

NOTE 11 – RETIREMENT PLAN

All academic and nonacademic employees are eligible to participate in the Teachers Insurance and Annuity Association ("TIAA") and/or the College Retirement Equity Fund ("CREF") defined contribution programs. TIAA is a nonprofit, legal reserve life insurance and annuity company and CREF is a nonprofit corporation companion to TIAA.

Benefits are funded by contributions from both the College and participating employees. All contributions are credited to participant accounts, and all College contributions are fully vested. The College's contributions for the years ended June 30, 2012 and 2011 were approximately $3,723,000 and $3,618,000, respectively, which are included as expenditures in the statements of activities.

NOTE 12 – FUNDRAISING EXPENSES

During the years ended June 30, 2012 and 2011, the College incurred fundraising expenses of approximately $5,137,000 and $4,396,000, respectively, exclusive of expenses for Alumni Relations and Public Relations.

NOTE 13 – COMMITMENTS AND CONTINGENCIES

In connection with certain other equity investments, the College has committed to make additional investments totaling approximately $22,702,000 over the next several years.

In the normal course of operations, the College is named as a defendant in lawsuits and is subject to periodic examinations by regulatory agencies. After consultation with legal counsel, management is of the opinion that liabilities, if any, arising from such litigation and examinations would not have a material effect on the College's financial position.

NOTE 13 – COMMITMENTS AND CONTINGENCIES – Continued

Certain federal grants which the College administers and for which it receives reimbursements are subject to audit and final acceptance by federal granting agencies. The amount of expenditures that may be disallowed by the grantor, if any, cannot be determined at this time. The College expects that such amounts, if any, would not have a significant impact on the financial position of the College.

NOTE 14 – ENDOWMENT FUNDS

The Board of Trustees of the College interpreted the California Uniform Prudent Management of Institutional Funds Act ("UPMIFA") to state that the College, in the absence of explicit donor stipulations to the contrary, may appropriate for expenditure or accumulate so much of an endowment fund as the College determines prudent for the uses, benefits, purposes, and duration for which the endowment fund is established. As a result of this interpretation, the College classifies as permanently restricted net assets, the original value of gifts donated to the endowment, original value of subsequent gifts to the endowment, and accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument. 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 expenditures by the College in a manner consistent with the standard of prudence prescribed by UPMIFA which includes the:

1) Duration and preservation of the fund
2) Mission of the College and the donor-restricted endowment fund
3) General economic conditions
4) Possible effects of inflation and deflation
5) Expected total return from income and appreciation of investments
6) Other resources of the College
7) Investment policy of the College

NOTE 14 – ENDOWMENT FUNDS – Continued

The following represents a description of the changes in net endowment assets for the years ended June 30:

	June 30, 2012			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Net endowment assets, beginning of year	$ 59,677,226	$ 166,212,045	$ 116,504,074	$ 342,393,345
Investment return:				
Investment income, net	3,886,577	13,257,203	-	17,143,780
Net appreciation	(4,642,452)	(15,835,512)	-	(20,477,964)
Total investment return	(755,875)	(2,578,309)	-	(3,334,184)
New gifts	1,170,747	-	3,816,119	4,986,866
Matured life income and annuity contracts			3,499,757	3,499,757
Pledge payments			634,545	634,545
Other changes, including redesignations	386,749	-	35,403	422,152
Appropriation for expenditures	(3,108,017)	(14,774,578)	-	(17,882,595)
Change in underwater endowments	(1,128,822)	1,128,822	-	-
Net endowment assets, end of year	$ 56,242,008	$ 149,987,980	$ 124,489,898	$ 330,719,886

	June 30, 2011			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Net endowment assets, beginning of year	$ 48,554,818	$ 136,588,447	$ 113,747,341	$ 298,890,606
Investment return:				
Investment income, net	1,105,474	5,363,638	-	6,469,112
Net appreciation	8,299,697	40,907,337	-	49,207,034
Total investment return	9,405,171	46,270,975	-	55,676,146
New gifts	1,151,709	-	2,214,317	3,366,026
Appropriation for expenditures	(2,978,460)	(14,445,884)	-	(17,424,344)
Other changes, including redesignations	1,342,495	-	542,416	1,884,911
Change in underwater endowments	2,201,493	(2,201,493)	-	-
Net endowment assets, end of year	$ 59,677,226	$ 166,212,045	$ 116,504,074	$ 342,393,345

From time to time, the fair value of the assets associated with individual donor-restricted endowment funds may fall below the value of the initial and subsequent donor gift amounts. Deficits of this nature were reported as an adjustment to unrestricted net assets of $(1,519,000) and $(390,000) as of June 30, 2012 and 2011, respectively.

NOTE 15 – SUBSEQUENT EVENTS

The College evaluated its June 30, 2012 financial statements for subsequent events through November 29, 2012, the date the financial statements were available to be issued. The College is not aware of any subsequent events which would require recording or disclosure in the financial statements.