

**WEINGART FOUNDATION**

FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2012

**WEINGART FOUNDATION**  
**FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2012**

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
Weingart Foundation

We have audited the accompanying statement of financial position of Weingart Foundation (a non-profit organization) as of June 30, 2012, and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of the management of Weingart Foundation. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from the 2011 financial statements of Weingart Foundation and in our report dated September 9, 2011, we expressed an unqualified opinion on those financial statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Weingart 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.

*Green Hasson & Janks LLP*

September 21, 2012  
Los Angeles, California

# WEINGART FOUNDATION

## STATEMENT OF FINANCIAL POSITION

June 30, 2012

With Summarized Totals at June 30, 2011

	2012	2011
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 2,726,988	\$ 4,058,567
Accounts and Other Receivables	1,870,060	1,026,656
Prepaid Expenses and Other Assets	1,085,817	778,184
Investments	691,660,613	712,582,200
Program Related Investments	1,000,000	-
<b>TOTAL ASSETS</b>	<b>\$ 698,343,478</b>	<b>\$ 718,445,607</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES:</b>		
Accounts Payable and Accrued Expenses	\$ 1,560,038	\$ 919,121
Grants Payable	9,653,671	5,447,163
Deferred Excise Taxes	3,645,939	3,913,350
<b>TOTAL LIABILITIES</b>	<b>14,859,648</b>	<b>10,279,634</b>
<b>NET ASSETS:</b>		
Unrestricted	683,483,830	708,165,973
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 698,343,478</b>	<b>\$ 718,445,607</b>

The Accompanying Notes are an Integral Part of These Financial Statements

# WEINGART FOUNDATION

## STATEMENT OF ACTIVITIES

Year Ended June 30, 2012

With Summarized Totals for the Year Ended June 30, 2011

	2012	2011
<b>REVENUE AND GAINS (LOSSES):</b>		
Interest and Dividends	\$ 16,381,796	\$ 15,370,182
Net Realized and Unrealized Gains (Losses) on Investments	(6,937,328)	95,521,202
Rental Income (Net)	11,740,894	11,477,129
<b><i>TOTAL REVENUE AND GAINS (LOSSES)</i></b>	<b>21,185,362</b>	<b>122,368,513</b>
<b>EXPENSES:</b>		
<b>Program Services:</b>		
Grants	39,162,207	29,857,610
Grant Expenses	2,932,259	2,596,259
<b><i>Total Program Services</i></b>	<b>42,094,466</b>	<b>32,453,869</b>
Investment Expenses	3,097,217	3,050,742
Excise Tax Expense	675,822	2,112,795
<b><i>TOTAL EXPENSES</i></b>	<b>45,867,505</b>	<b>37,617,406</b>
<b><i>CHANGE IN UNRESTRICTED NET ASSETS</i></b>	<b>(24,682,143)</b>	<b>84,751,107</b>
Unrestricted Net Assets - Beginning of Year	708,165,973	623,414,866
<b><i>UNRESTRICTED NET ASSETS - END OF YEAR</i></b>	<b>\$ 683,483,830</b>	<b>\$ 708,165,973</b>

The Accompanying Notes are an Integral Part of These Financial Statements

# WEINGART FOUNDATION

## STATEMENT OF FUNCTIONAL EXPENSES Year Ended June 30, 2012 With Summarized Totals for the Year Ended June 30, 2011

	Program	Investment	Total	
	Services	Expenses	2012	2011
Grants Approved	\$ 39,162,207	\$ -	\$ 39,162,207	\$ 29,857,610
Personnel Costs:				
Salaries	1,314,507	356,168	1,670,675	1,388,514
Payroll Taxes	77,394	23,209	100,603	89,432
Employee Benefits	609,217	182,694	791,911	691,650
Professional Fees	338,154	2,248,845	2,586,999	2,685,968
Directors Fees	152,900	152,900	305,800	305,800
Rent	198,177	59,430	257,607	220,749
Insurance	57,917	17,368	75,285	75,238
Office Expenses	90,737	27,864	118,601	92,052
Travel and Meetings	75,569	23,435	99,004	82,800
Other Expenses	17,687	5,304	22,991	14,798
<b>TOTAL FUNCTIONAL EXPENSES - 2012</b>	<b>\$ 42,094,466</b>	<b>\$ 3,097,217</b>	<b>\$ 45,191,683</b>	
<b>TOTAL FUNCTIONAL EXPENSES - 2011</b>	<b>\$ 32,453,869</b>	<b>\$ 3,050,742</b>		<b>\$ 35,504,611</b>

The Accompanying Notes are an Integral Part of These Financial Statements

# WEINGART FOUNDATION

## STATEMENT OF CASH FLOWS

Year Ended June 30, 2012

With Summarized Totals for the Year Ended June 30, 2011

	2012	2011
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in Unrestricted Net Assets	\$ (24,682,143)	\$ 84,751,107
Adjustments to Reconcile Change in Unrestricted Net Assets to Net Cash Used in Operating Activities:		
Net Realized and Unrealized (Gains) Losses on Investments	6,937,328	(95,521,202)
Deferred Excise Tax Expense (Benefit)	(267,411)	1,469,229
Change in Present Value Discount on Grants Payable	(499,259)	-
Forgiveness of Program Related Investments	-	141,622
(Increase) Decrease in:		
Accounts and Other Receivables	(843,404)	179,031
Prepaid Expenses and Other Assets	(307,633)	616,515
Increase (Decrease) in:		
Accounts Payable and Accrued Expenses	640,917	208,821
Grants Payable	4,705,767	(3,662,671)
	<b>(14,315,838)</b>	<b>(11,817,548)</b>
 <b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Proceeds on Sale of Investments	27,391,719	48,667,184
Purchases of Investments	(13,407,460)	(36,937,125)
Advances on Program Related Investments	(1,000,000)	-
Collection of Program Related Investments	-	2,000,000
	<b>12,984,259</b>	<b>13,730,059</b>
 <b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(1,331,579)</b>	<b>1,912,511</b>
Cash and Cash Equivalents - Beginning of Year	4,058,567	2,146,056
 <b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<b>\$ 2,726,988</b>	<b>\$ 4,058,567</b>
 <b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:</b>		
Cash Paid During the Year for Excise Taxes	\$ 254,056	\$ 110,000

The Accompanying Notes are an Integral Part of These Financial Statements

# **WEINGART FOUNDATION**

## **NOTES TO FINANCIAL STATEMENTS**

June 30, 2012

### **NOTE 1 - ORGANIZATION**

Weingart Foundation (the Foundation) is a private foundation that was established as a tax-exempt, nonprofit corporation pursuant to the Corporation Code of the State of California on June 29, 1951. The Foundation makes grants to nonprofit agencies and charitable organizations located primarily in Southern California.

### **NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### **(a) BASIS OF PRESENTATION**

The accompanying financial statements have been prepared on the accrual basis of accounting.

#### **(b) ACCOUNTING**

To ensure observance of certain constraints and restrictions placed on the use of resources, the accounts of the Foundation are maintained in accordance with the principles of net assets accounting. This is the procedure by which resources for various purposes are classified for accounting and reporting purposes into net asset classes that are in accordance with specified activities or objectives. All net assets of the Foundation are unrestricted.

#### **(c) USE OF ESTIMATES**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect reported amounts of assets, liabilities, revenues and expenses as of the date and for the period presented. Actual results could differ from those estimates.

#### **(d) CASH AND CASH EQUIVALENTS**

For purposes of the statement of cash flows, the Foundation considers cash on hand, deposits in banks, money market accounts and certificates of deposit with an original maturity of three months or less to be cash and cash equivalents. The carrying value of cash and cash equivalents at June 30, 2012 approximates its fair value.

#### **(e) CONCENTRATION OF CREDIT RISK**

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

A significant portion of the Foundation's real estate investments is located in California. As a result, the Foundation may be susceptible to adverse trends and economic conditions in California.



# WEINGART FOUNDATION

## NOTES TO FINANCIAL STATEMENTS

June 30, 2012

### NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (f) ACCOUNTS AND OTHER RECEIVABLES

Receivables are recorded when billed or accrued and represent claims against third parties that will be settled in cash. The carrying value of receivables, net of the allowance for doubtful accounts, if any, represents their estimated net realizable value. The allowance for doubtful accounts, if any, is estimated based on historical collection trends, type of debtor, the age of outstanding receivables and existing economic conditions. If events or changes in circumstances indicate that specific receivable balances may be impaired, further consideration is given to the collectability of those balances and the allowance is adjusted accordingly. Past due receivable balances are written-off when internal collection efforts have been unsuccessful in collecting the amount due. At June 30, 2012, all receivables are deemed to be fully collectible; therefore, no allowance for doubtful accounts receivable has been established.

#### (g) INVESTMENTS

Investments in equity and debt securities with readily determinable market values are reported at fair value. The fair value of investments is valued at the closing price on the last business day of the fiscal year. Realized gains and losses are calculated based upon the underlying cost of the securities traded. Interest and dividend income is recorded when earned. Gains or losses (including investments bought, sold, and held during the year), and interest and dividend income are reflected in the statement of activities as increases or decreases in unrestricted net assets.

Investment securities, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain long-term investments, it is reasonably possible that changes in the values of these investments will occur in the near term and that such changes could materially affect the amounts reported in the statement of financial position.

Investments are made according to the investment policies, guidelines, and objectives adopted by the Foundation's Board of Directors. These guidelines provide for investments in equities, fixed income, and other securities with performance measured against appropriate indices. The investments are generally managed and reviewed by outside investment managers contracted by the Foundation.

Investments in real estate are stated at estimated fair market values, which are determined based on valuations performed by appraisers or by management. These valuations are subjective judgments, and the actual fair market values of real estate investments can only be determined by negotiation between independent third parties in a sales transaction.

The Foundation has a 90% limited partnership interest in a property-holding partnership. The partnership interest is carried at the Foundation's percentage ownership based on the fair market value of the underlying real estate, and the Foundation recognized income of \$3,512,454 from this investment during the year ended June 30, 2012, which is included in net rental income.

# WEINGART FOUNDATION

## NOTES TO FINANCIAL STATEMENTS

June 30, 2012

### NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (g) INVESTMENTS (continued)

The Foundation has a 33% interest in a property-holding trust. The trust interest is carried at the Foundation's percentage ownership based on the fair market value of the underlying real estate, and the Foundation recognized income of \$527,393 from this investment during the year ended June 30, 2012, which is included in net rental income.

The Foundation reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the book value of the assets may not be recoverable. An impairment loss is recognized when the sum of the undiscounted future cash flows is less than the carrying amount of the asset, in which case a write-down is recorded to reduce the related asset to its estimated fair value. No impairment losses were recognized on long-lived assets during the year ended June 30, 2012.

#### (h) PROGRAM-RELATED INVESTMENTS

In accordance with Internal Revenue Code (IRC) Section 4944, the Foundation is permitted to make investments in furtherance of its charitable purpose. At June 30, 2012, the Foundation had one program-related investment in the form of an unsecured non-interest-bearing loan to a charitable organization for the amount of \$1,000,000. The loan matures in November 2014 and bears interest at 4.0% per annum.

#### (i) GRANTS

Grants, including conditional grants, are charged against operations when authorized by the Foundation's Board of Directors. The actual payment of the grant may not necessarily occur in the year of authorization. Based on historical grant cancellation rates and the Foundation's giving trend, management has determined that there is only a remote chance that the conditional grants will not be paid and considers the liability for grants payable at June 30, 2012 to be fairly stated. Grants which are expected to be paid beyond one year are discounted at an appropriate rate, which management has determined to be 3%. Amortization of the present value discount rate is recorded as additional grants expense.

#### (j) INCOME TAXES

The Foundation is exempt from taxation under Internal Revenue Code Section 501(c)(3) and California Revenue and Taxation Code Section 23701(d). The Foundation is subject to a 2% (1% if certain criteria are met) federal excise tax on net investment income. For the year ended June 30, 2012, the Foundation was subject to the 2% federal excise tax, which totaled \$943,233 for the year ended June 30, 2012. Deferred excise taxes arise from the net unrealized appreciation in the fair value of investments and are calculated using the 2% excise tax rate, as the qualification for the 1% excise tax rate is usually not determined until the year in which the unrealized gains become realized.

The excise tax expense in the statement of activities consists of the following for the year ended June 30, 2012:

Current	\$	943,233
Deferred		<u>(267,411)</u>
<b>TOTAL EXCISE TAX EXPENSE</b>	<b>\$</b>	<b><u>675,822</u></b>

# **WEINGART FOUNDATION**

## **NOTES TO FINANCIAL STATEMENTS**

June 30, 2012

### **NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

#### **(k) FUNCTIONAL ALLOCATION OF EXPENSES**

The costs of providing the Foundation's programs and other activities have been presented in the statement of functional expenses. During the year, such costs are accumulated into separate groupings as either direct or indirect. Indirect or shared costs are allocated among program and support services by a method that best measures the relative degree of benefit. The Foundation uses proportional salary dollars to allocate indirect costs.

#### **(l) COMPARATIVE TOTALS**

The financial statements include certain prior-year summarized comparative information. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Foundation's financial statements for the year ended June 30, 2011, from which the summarized information was derived.

#### **(m) SUBSEQUENT EVENTS**

The Foundation has evaluated events and transactions occurring subsequent to the statement of financial position date of June 30, 2012 for items that should potentially be recognized or disclosed in these financial statements. The evaluation was conducted through September 21, 2012 the date these financial statements were available to be issued. Refer to Note 8 for subsequent events.

### **NOTE 3 - INVESTMENTS**

The Foundation has implemented the fair value accounting standard for those assets that are re-measured and reported at fair value at each reporting period. This standard establishes a single authoritative definition of fair value, sets out a framework for measuring fair value based on inputs used, and requires additional disclosures about fair value measurements.

In general, fair values determined by Level 1 inputs utilize quoted prices (unadjusted) in active markets for identical assets. Fair values determined by Level 2 inputs utilize data points that are observable such as quoted prices, interest rates and yield curves. Fair values determined by Level 3 inputs are unobservable data points for the asset and include situations where there is little, if any, market activity for the asset.

# WEINGART FOUNDATION

## NOTES TO FINANCIAL STATEMENTS

June 30, 2012

### NOTE 3 - INVESTMENTS (continued)

The following table presents information about the Foundation's assets that are measured at fair value on a recurring basis at June 30, 2012, and indicates the fair value hierarchy of the valuation techniques utilized to determine such fair value:

	Year Ended June 30, 2012	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<b>MARKETABLE SECURITIES:</b>				
Fixed Income	\$ 68,239,264	\$ -	\$ 68,239,264	\$ -
U.S. Equities	210,036,972	-	210,036,972	-
International Equities	129,755,786	-	129,755,786	-
Real Assets Fund	63,180,491	14,269,372	48,911,119	-
Opportunities Fund	70,973,100	2,022,017	68,951,083	-
<b>TOTAL MARKETABLE SECURITIES</b>	<b>542,185,613</b>	<b>16,291,389</b>	<b>525,894,224</b>	<b>-</b>
<b>REAL ESTATE:</b>				
Commercial Properties	97,960,000	-	-	97,960,000
Real Estate Holding Trust	6,740,000	-	-	6,740,000
Real Estate Partnership Interest	44,775,000	-	-	44,775,000
<b>TOTAL REAL ESTATE</b>	<b>149,475,000</b>	<b>-</b>	<b>-</b>	<b>149,475,000</b>
<b>TOTAL INVESTMENTS</b>	<b>\$ 691,660,613</b>	<b>\$ 16,291,389</b>	<b>\$ 525,894,224</b>	<b>\$ 149,475,000</b>

The following is a rollforward of the amounts for the year ended June 30, 2012 for investments within Level 3:

	Fair Value Measurements Using Significant Unobservable Inputs (Level 3)			
	Commercial Properties	Real Estate Holding Trust	Real Estate Partnership Interest	Total
Balance - July 1, 2011	\$ 91,475,000	\$ 5,650,000	\$ 43,650,000	\$ 140,775,000
Purchases	704,832	-	553,654	1,258,486
Unrealized Gains	5,780,168	1,090,000	571,346	7,441,514
<b>BALANCE - JUNE 30, 2012</b>	<b>\$ 97,960,000</b>	<b>\$ 6,740,000</b>	<b>\$ 44,775,000</b>	<b>\$ 149,475,000</b>

During the year ended June 30, 2012, the net change in unrealized gain for Level 3 investments still held at June 30, 2012 amounted to \$7,441,514, which is reflected as part of net realized and unrealized gains (losses) on investments on the statement of activities.

The Foundation recognizes transfers at the beginning of each reporting period. Transfers between Level 1 and 2 investments generally relate to whether a market becomes active or inactive. The transfers between Level 2 and 3 investments related to whether significant relevant observable inputs are available for the fair value measurement in their entirety and when redemption rules become more or less restrictive. There were no transfers between levels during the year ended June 30, 2012.

# WEINGART FOUNDATION

## NOTES TO FINANCIAL STATEMENTS

June 30, 2012

### NOTE 3 - INVESTMENTS (continued)

The fair value of the marketable securities within Level 1 was obtained based on quoted market prices at the closing of the last business day of the fiscal year.

The fair value of the marketable securities within Level 2 was based on the net asset value per share (NAV) of units held by the Foundation. The NAV is determined by the asset managers based on the value of underlying investments within the funds. All lock-up periods on the funds have expired and redemptions can be made monthly, daily, or quarterly in some instances upon 3 to 45 days notice, depending on the fund. There are no unfunded commitments at June 30, 2012.

The fair value of investments in real estate within Level 3 is estimated based on valuations performed by appraisers or by management, using the income approach in accordance with the fair value accounting standard. Inputs used for the income approach included the evaluation of certain observable market data such as comparable rent and capitalization rates on similar property types.

The Foundation is in the process of selling a substantial portion of its investments in real estate. As of June 30, 2012, one property with a fair market value of \$1,000,000 was in escrow and four properties with fair market values totaling \$109,635,000 were subject to purchase and sale agreements under negotiations.

### NOTE 4 - GRANTS PAYABLE

Grants authorized but unpaid at June 30, 2012 are reported as liabilities. The following is a summary of grants authorized and payable at June 30, 2012:

To Be Paid in Less than One Year	\$ 3,292,433
To Be Paid in One to Five Years	<u>6,908,334</u>
<b>TOTAL</b>	10,200,767
Less: Present Value Discount (3%)	<u>(547,096)</u>
<b>TOTAL GRANTS PAYABLE</b>	<u>\$ 9,653,671</u>

Included in grants payable are authorized grants totaling \$8,495,000 that are contingent upon certain requirements being met by the grantees.

Grant activity during the year ended June 30, 2012 is summarized as follows:

Grants Approved in Prior Years	
Pending Payment	\$ 5,447,163
Grants Approved in Current Year	<u>40,661,466</u>
<b>TOTAL GRANTS APPROVED</b>	46,108,629
Less: Grants to be Paid in Subsequent Years	(9,653,671)
Less: Movement in Present Value Discount	<u>(499,259)</u>
<b>GRANTS PAID IN CURRENT YEAR</b>	<u>\$ 35,955,699</u>

# WEINGART FOUNDATION

## NOTES TO FINANCIAL STATEMENTS

June 30, 2012

### NOTE 4 - GRANTS PAYABLE (continued)

The Foundation is required to distribute annually, to qualifying charitable organizations, an amount equal to 5% of the average fair market value of the Foundation's assets (the minimum distribution). If the Foundation does not distribute the required minimum distribution, a one-year grace period is granted to distribute the undistributed income. If undistributed income is not distributed by the close of the following tax year, a minimum 30% penalty under Internal Revenue Code (IRC) S4942(a) will apply. The Foundation met the IRC grant distribution requirement for the year ended June 30, 2012.

### NOTE 5 - LEASES

The Foundation leases commercial space to tenants under long-term non-cancelable operating leases. The leases generally contain provisions for a base rent, subject to fixed escalation, plus reimbursement for certain operating expenses.

Approximate minimum future rental income on leases on properties not in escrow or subject to purchase and sale agreements (refer to Note 3) at June 30, 2012 is as follows:

#### Years Ending June 30

2013	\$	3,956,661
2014		2,640,992
2015		1,530,134
2016		325,829
2017		325,829
Thereafter		<u>8,444,392</u>
<b>TOTAL</b>	<b>\$</b>	<b><u>17,223,837</u></b>

Rental income (net) for the year ended June 30, 2012 consists of the following:

Rental Income	\$	15,088,383
Rental Expense		<u>(3,347,489)</u>
<b>RENTAL INCOME (NET)</b>	<b>\$</b>	<b><u>11,740,894</u></b>

### NOTE 6 - RETIREMENT PLAN

The Foundation offers its full-time employees a 403(b) defined contribution pension plan. Under the provisions of the plan, the Foundation makes annual contributions up to certain limits prescribed by Internal Revenue Service regulations. Contributions vest immediately and investments are employee-directed. The Foundation contributed \$355,055 to the plan during the year ended June 30, 2012 on behalf of its employees.

# **WEINGART FOUNDATION**

## **NOTES TO FINANCIAL STATEMENTS**

June 30, 2012

### **NOTE 7 - RELATED PARTY TRANSACTIONS**

The Foundation's Board of Directors has adopted a conflict of interest policy and re-affirms its belief that its mission is fostered by having on the Board persons active in the community, including those who serve on the boards of organizations who are or may become grant recipients. The conflict of interest policy is intended to assure grantees of the Foundation that decisions of the Foundation are made objectively with full knowledge of the involvement, if any, of the Board and staff and their immediate family members with grant-seeking agencies. Board members with an affiliation with the grantees were not involved in the grant making decision process.

The Board of Directors was compensated for performance of Board services during the year ended June 30, 2012.

### **NOTE 8 - SUBSEQUENT EVENTS**

On August 17, 2012, the Foundation closed escrow on one of its commercial properties. The sales price of \$8,710,000 approximated the carrying value of the investment at June 30, 2012. As of the date of the auditors' report, three of the other four properties referred to in Note 3 are in escrow. The fourth property with a fair market value of \$1,000,000 at June 30, 2012 is no longer in escrow.