



THOMPSON NOBLE COMPANY LLP  
CERTIFIED PUBLIC ACCOUNTANTS

## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
North Bay Developmental  
Disabilities Services, Inc.  
d.b.a. North Bay Regional Center  
Napa, California

We have audited the accompanying statements of financial position of North Bay Developmental Disabilities Services, Inc. (d.b.a. North Bay Regional Center) as of June 30, 2010 and 2009, and the related statements of activities and changes in net assets, functional expenses and cash flows for the years then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards 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 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 North Bay Developmental Disabilities Services, Inc. (d.b.a. North Bay Regional Center) at June 30, 2010 and 2009, and the results of its activities and changes in its net assets and cash flows for the years then ended in conformity with generally accepted accounting principles in the United States of America.

CERTIFIED PUBLIC ACCOUNTANTS

October 5, 2010

**NORTH BAY DEVELOPMENTAL DISABILITIES SERVICES, INC.**  
**d.b.a. NORTH BAY REGIONAL CENTER**  
**STATEMENT OF FINANCIAL POSITION**  
**JUNE 30, 2010 AND 2009**

		<u>ASSETS</u>		<u>Total Funds</u>	
		<u>General Funds</u>	<u>State and Client Funds</u>	<u>June 30, 2010</u>	<u>June 30, 2009</u>
<b>Current Assets:</b>					
Cash	\$	55,263	\$ 10,419,000	\$ 10,474,263	\$ 6,938,635
Claims receivable - State:					
Current		-	34,241,414	34,241,414	36,649,521
Prior years (Note 2)		-	756,317	756,317	45,062
Accrued vacation (Note 1)		-	703,000	703,000	630,000
Prepaid expenses		-	151,439	151,439	160,175
Equipment (Note 1)		-	-	-	-
		<u>55,263</u>	<u>46,271,170</u>	<u>46,326,433</u>	<u>44,423,393</u>
<b>Other Assets:</b>					
Cash - held in trust		-	1,224,060	1,224,060	1,249,397
		-	<u>1,224,060</u>	<u>1,224,060</u>	<u>1,249,397</u>
	<b>\$</b>	<b><u>55,263</u></b>	<b>\$ <u>47,495,230</u></b>	<b>\$ <u>47,550,493</u></b>	<b>\$ <u>45,672,790</u></b>
 <b>LIABILITIES AND NET ASSETS</b>					
<b>Current Liabilities:</b>					
Accounts payable	\$	-	\$ 10,991,951	\$ 10,991,951	\$ 10,983,934
Advance - State		-	23,941,862	23,941,862	32,805,171
Line of credit		-	10,668,000	10,668,000	-
Accrued vacation benefits (Note 1)		-	703,000	703,000	630,000
		-	46,304,813	46,304,813	44,419,105
Funds Held for Others		-	1,190,417	1,190,417	1,204,302
		-	47,495,230	47,495,230	45,623,407
<b>Net Assets:</b>					
Unrestricted Net Assets		<u>55,263</u>	<u>-</u>	<u>55,263</u>	<u>49,383</u>
	<b>\$</b>	<b><u>55,263</u></b>	<b>\$ <u>47,495,230</u></b>	<b>\$ <u>47,550,493</u></b>	<b>\$ <u>45,672,790</u></b>

The accompanying opinion and notes are an integral part of this statement.

**NORTH BAY DEVELOPMENTAL DISABILITIES SERVICES, INC.**  
**d.b.a. NORTH BAY REGIONAL CENTER**  
**STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**YEAR ENDED JUNE 30, 2010 AND 2009**

	General Funds	State and Client Funds	Total Funds	
			June 30, 2010	June 30, 2009
<b>Public Support and Revenue:</b>				
Contributions & membership	\$ 15,833	\$ -	\$ 15,833	\$ 9,922
Fees and grants from governmental agencies	-	130,728,187	130,728,187	131,066,848
Client support	-	14,609,738	14,609,738	14,386,760
Other income	-	6,938	6,938	21,600
Investment income	184	180,000	180,184	330,907
	<u>16,017</u>	<u>145,524,863</u>	<u>145,540,880</u>	<u>145,816,037</u>
<b>Expenses:</b>				
Program services:				
Developmental services	-	126,358,134	126,358,134	127,009,154
Trust management	-	14,623,001	14,623,001	14,398,747
General and administrative	10,137	4,543,728	4,553,865	4,407,848
	<u>10,137</u>	<u>145,524,863</u>	<u>145,535,000</u>	<u>145,815,749</u>
Increase in Net Assets	5,880	-	5,880	288
Net Assets - Beginning of Year	<u>49,383</u>	<u>-</u>	<u>49,383</u>	<u>49,095</u>
Net Assets - End of Year	<u>\$ 55,263</u>	<u>\$ -</u>	<u>\$ 55,263</u>	<u>\$ 49,383</u>

The accompanying opinion and notes are an integral part of this statement.

**NORTH BAY DEVELOPMENTAL DISABILITIES SERVICES, INC.**  
**d.b.a. NORTH BAY REGIONAL CENTER**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED JUNE 30, 2010**

	<u>Program Services</u>		General and Administrative	<u>Combined</u>
	<u>Contracts</u>	<u>Trust Management</u>		
<b>Personnel Services:</b>				
Salaries	\$ 7,864,959	\$ -	\$ 1,103,902	\$ 8,968,861
Employee benefits, payroll taxes, etc.	<u>2,923,464</u>	<u>-</u>	<u>371,176</u>	<u>3,294,640</u>
	<u>10,788,423</u>	<u>-</u>	<u>1,475,078</u>	<u>12,263,501</u>
<b>Operating Expenses:</b>				
Equipment rental	-	-	159,291	159,291
Equipment maintenance	-	-	110,805	110,805
Occupancy	-	-	1,645,076	1,645,076
Security	-	-	18,399	18,399
Contract/consultant	4,050	-	37,875	41,925
Communication	-	-	256,969	256,969
General office expense	-	-	160,749	160,749
Printing	-	-	9,961	9,961
Insurance	-	-	79,709	79,709
Data processing	-	-	21,616	21,616
Interest	-	-	18,248	18,248
Bank service fees	-	-	72,054	72,054
Board expense	-	-	9,829	9,829
Legal fees	-	-	160,389	160,389
Accounting fees	-	-	30,000	30,000
Equipment purchases	-	-	154,680	154,680
Travel/training	236,834	-	24,902	261,736
General expenses	-	-	54,323	54,323
ARCA dues	-	-	53,912	53,912
	<u>240,884</u>	<u>-</u>	<u>3,078,787</u>	<u>3,319,671</u>
<b>Purchased Services:</b>				
Out-of-home	30,860,937	9,190,191	-	40,051,128
Day programs	29,576,452	-	-	29,576,452
Transportation	6,176,335	-	-	6,176,335
Other	47,351,807	5,432,810	-	52,784,617
Prevention	126,127	-	-	126,127
Community Placement	<u>1,237,169</u>	<u>-</u>	<u>-</u>	<u>1,237,169</u>
	<u>115,328,827</u>	<u>14,623,001</u>	<u>-</u>	<u>129,951,828</u>
	<u>\$ 126,358,134</u>	<u>\$ 14,623,001</u>	<u>\$ 4,553,865</u>	<u>\$ 145,535,000</u>

The accompanying opinion and notes are an integral part of this statement.

**NORTH BAY DEVELOPMENTAL DISABILITIES SERVICES, INC.**  
**d.b.a. NORTH BAY REGIONAL CENTER**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED JUNE 30, 2009**

	<u>Program Services</u>		<u>General and Administrative</u>	<u>Combined</u>
	<u>Contracts</u>	<u>Trust Management</u>		
<b>Personnel Services:</b>				
Salaries	\$ 8,071,896	\$ -	\$ 1,225,420	\$ 9,297,316
Employee benefits, payroll taxes, etc.	<u>2,864,792</u>	<u>-</u>	<u>413,727</u>	<u>3,278,519</u>
	<u>10,936,688</u>	<u>-</u>	<u>1,639,147</u>	<u>12,575,835</u>
<b>Operating Expenses:</b>				
Equipment rental	-	-	157,917	157,917
Equipment maintenance	-	-	115,492	115,492
Occupancy	-	-	1,519,804	1,519,804
Security	-	-	18,202	18,202
Contract/consultant	27,428	-	53,070	80,498
Communication	-	-	137,113	137,113
General office expense	-	-	106,831	106,831
Printing	-	-	5,883	5,883
Insurance	-	-	94,695	94,695
Data processing	-	-	18,469	18,469
Interest	-	-	24,254	24,254
Bank service fees	-	-	47,626	47,626
Board expense	-	-	2,011	2,011
Legal fees	-	-	239,019	239,019
Accounting fees	-	-	30,000	30,000
Equipment purchases	-	-	76,556	76,556
Travel/training	289,273	-	20,099	309,372
General expenses	-	-	52,129	52,129
ARCA dues	-	-	49,531	49,531
	<u>316,701</u>	<u>-</u>	<u>2,768,701</u>	<u>3,085,402</u>
<b>Purchased Services:</b>				
Out-of-home	31,330,275	8,770,885	-	40,101,160
Day programs	30,930,387	-	-	30,930,387
Transportation	6,433,040	-	-	6,433,040
Other	46,377,950	5,627,862	-	52,005,812
CPP	684,113	-	-	684,113
	<u>115,755,765</u>	<u>14,398,747</u>	<u>-</u>	<u>130,154,512</u>
	<u>\$ 127,009,154</u>	<u>\$ 14,398,747</u>	<u>\$ 4,407,848</u>	<u>\$ 145,815,749</u>

The accompanying opinion and notes are an integral part of this statement.

**NORTH BAY DEVELOPMENTAL DISABILITIES SERVICES, INC.**  
**d.b.a. NORTH BAY REGIONAL CENTER**  
**STATEMENT OF CASH FLOWS**  
**YEAR ENDED JUNE 30, 2010 AND 2009**

	General Funds	State and Client Funds	Total Funds	
			June 30, 2010	June 30, 2009
<b>Cash Flow from Operating Activities:</b>				
Change in net assets	\$ 5,880	\$ -	\$ 5,880	\$ 288
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:				
Increase in cash - held in trust	-	25,337	25,337	(189,857)
Decrease (increase) in claims receivable	-	1,696,852	1,696,852	(14,854,408)
Decrease (increase) in prepaid expenses	-	8,736	8,736	192,274
Increase in funds held for others	-	(13,885)	(13,885)	193,232
Increase in accounts payable	-	8,017	8,017	329,238
Net cash provided (used) by operating activities	<u>5,880</u>	<u>1,725,057</u>	<u>1,730,937</u>	<u>(14,329,233)</u>
<b>Cash Flow from Investing Activities:</b>				
Net cash used by investing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Cash Flow from Financing Activities:</b>				
Line of credit proceeds	-	10,668,000	10,668,000	-
Change in advance - State	<u>-</u>	<u>(8,863,309)</u>	<u>(8,863,309)</u>	<u>13,892,325</u>
Net cash provided by financing activities	<u>-</u>	<u>1,804,691</u>	<u>1,804,691</u>	<u>13,892,325</u>
Net increase (decrease) in cash and cash equivalents	5,880	3,529,748	3,535,628	(436,908)
Cash and cash equivalents at beginning of year	<u>49,383</u>	<u>6,889,252</u>	<u>6,938,635</u>	<u>7,375,543</u>
Cash and cash equivalents at end of year	<u>\$ 55,263</u>	<u>\$ 10,419,000</u>	<u>\$ 10,474,263</u>	<u>\$ 6,938,635</u>

The accompanying opinion and notes are an integral part of this statement.

**NORTH BAY DEVELOPMENTAL DISABILITIES SERVICES, INC.**  
**d.b.a. NORTH BAY REGIONAL CENTER**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2010 AND 2009**

**NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES:**

*Organization*

North Bay Developmental Disabilities Services, Inc. was incorporated as a nonprofit corporation on April 16, 1970 and does business as North Bay Regional Center. The Center was organized in accordance with the provisions of the Lanterman Developmental Disabilities Services Act of the Welfare and Institutions Code of the State of California. The Center provides diagnostic evaluations, client service coordination and life long planning services for persons with developmental disabilities and their families.

The Center primarily contracts with the Department of Developmental Services, State of California to fund the operations of the regional center and provide services to clients with disabilities residing within the counties of Napa, Sonoma, and Solano. The annual level of funding is dependent on the State of California budget.

*Accounting*

The books and records are maintained in accordance with generally accepted accounting principles in the United States of America and mutually agreed to procedures by the Department of Developmental Services, State of California.

*Basis of Presentation*

The presentation for the statements of financial position, activities and change in net assets, functional expenses and cash flows follows the recommendations of the Financial Accounting Standards Board for *Financial Statements of Not-for-Profit Organizations*

*Contributions*

All contributions are considered to be available for general use unless otherwise specifically restricted by the donor. Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted funds.

*Use of Estimates*

The presentation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**NORTH BAY DEVELOPMENTAL DISABILITIES SERVICES, INC.**  
**d.b.a. NORTH BAY REGIONAL CENTER**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2010 AND 2009**

**NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (continued):**

*Equipment*

Equipment which are purchased with funds contracted through the State of California remain the property of the State of California. The Department of Developmental Services equipment management system guidelines are capitalize 1) non-expendable equipment with a unit cost of \$5,000 or more, 2) sensitive property, and 3) non-specialized adaptive property. The estimated cost basis of the State owned property utilized by the Center is \$797,000.

*Income Taxes*

The Center is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and Section 23701(d) of the Revenue and Taxation Code of California.

*Credit Risk*

The Center maintains cash accounts with one bank which exceed the federally insured limits.

*Concentration of Labor*

The employees of the Center are represented by a union for collective bargaining purposes.

*Contract and Accounts Receivable*

Claims receivables result from providing services pursuant to the contract with the Department of Developmental Services. Other receivables are for client support expected to be received from other sources. No allowance for doubtful accounts is necessary since all balances will become collectible from the Department of Developmental Services as long as the Center spends within its budget.

*Advertising*

Advertising production and communication costs are expensed as they are incurred.

*Cash and Cash Equivalents*

For purposes of the statement of cash flows, the Center considers all highly liquid debt instruments with a maturity of three months or less to be cash equivalents.



**NORTH BAY DEVELOPMENTAL DISABILITIES SERVICES, INC.  
d.b.a. NORTH BAY REGIONAL CENTER  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2010 AND 2009**

**NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (continued):**

*Accrued Vacation Benefits*

The Center has accrued a liability for leave benefits earned in accordance with generally accepted accounting principles. However, such benefits are not reimbursed in accordance with mutually agreed upon procedures pursuant to the contract with the Department of Developmental Services. In these financial statements, the Center has recorded a corresponding receivable from the Department for accrued leave benefits to reflect the future reimbursement of such benefits. The accrual for unfunded leave benefits at June 30, 2010 and 2009 was \$703,000 and \$630,000, respectively.

**NOTE 2 - PRIOR CONTRACTS:**

During the year, the Center processed unanticipated expenses and receipts for prior contract years. The activity of the prior years is not reflected in these financial statements, except the net of the receivables and payables is reflected as a claim receivable - state prior years. At June 30, 2010 and 2009, the receivable balance was \$756,317 and \$45,062, respectively.

**NOTE 3 - FUNCTIONAL ALLOCATION OF EXPENSES:**

The costs of providing the various programs and activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefitted.

**NOTE 4 - SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:**

Cash paid during the year for:

	<u>2010</u>	<u>2009</u>
Interest	\$ -	\$ 24,254
Income taxes	\$ -	\$ -

**NORTH BAY DEVELOPMENTAL DISABILITIES SERVICES, INC.  
d.b.a. NORTH BAY REGIONAL CENTER  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2010 AND 2009**

**NOTE 5 - LEASE COMMITMENTS:**

The Center leases all of its facilities. Facility lease costs on these leases for the year ended June 30, 2010 and 2009 was \$1,630,345 and \$1,464,818, respectively. The Center also leases office equipment and the rental expenses for long-term leases for the year ended June 30, 2010 and 2009 was \$147,184 and \$114,492, respectively.

The following is a schedule by year of future minimum rental payments required under operating leases that have remaining lease terms in excess of one year:

	<u>Facility Rent</u>	<u>Office Equipment</u>
June 30, 2011	\$ 1,146,000	\$ 146,400
June 30, 2012	\$ -	\$ 156,600
June 30, 2013	\$ -	\$ 156,200
June 30, 2014	\$ -	\$ 130,500
June 30, 2015	\$ -	\$ 130,500

**NOTE 6 - SELF-INSURED UNEMPLOYMENT INSURANCE:**

The Center makes contributions to a Joint Unemployment Compensation Trust, to provide for funding the cost of reimbursing the State of California for unemployment benefits paid by the State to former employees who have terminated their employment. The Trust also carries stop-loss insurance to cover possible exposure of unusual employment claims.

**NOTE 7 - LITIGATION:**

The Center has been named in several lawsuits which have arisen from the normal conduct of its operations. At this time it is indeterminable what effect, if any, these lawsuits will have on the operations of the Center. Management intends to vigorously defend the Center against all lawsuits.

**NORTH BAY DEVELOPMENTAL DISABILITIES SERVICES, INC.**  
**d.b.a. NORTH BAY REGIONAL CENTER**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2010 AND 2009**

**NOTE 8 - PENSION PLAN:**

*Defined Benefit Pension Plan*

The Center participates in the California Public Employee's Retirement System (CalPERS), an agent multiple-employer public employee defined benefit pension plan. CalPERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. CalPERS acts as a common investment and administrative agent for participating public employers within the State of California. Benefit provisions and other requirements are established by State statutes within the Public Employees' Retirement Law. Copies of CalPERS' annual financial report may be obtained from the CalPERS Executive Office at 400 P Street, Sacramento, California 95814.

*Funding Policy*

Active plan members are required to contribute 7% of their annual covered salary. The Center contributes the full required contributions for plan members up to the actuarially determined contribution necessary to fund the benefits for its members. The actuarial methods and assumptions used are those adopted by the CalPERS Board of Administration. The required employer contribution rate for the year ended June 30, 2010 was 11.793% and for the year ended June 30, 2009 11.899%. The contribution requirements of the plan members are established by State statute and the employer contribution rate is established and may be amended by CalPERS.

*Annual Pension Cost*

For the year ended June 30, 2010, the Center's annual pension cost was \$1,054,671 and the employer actually contributed \$1,054,671. For the year ended June 30, 2009, the Center's annual pension cost was \$1,084,890 and the employer actually contributed \$1,084,890. The required contribution for the year ended June 30, 2010 was determined as part of the initial actuarial valuation using the entry age normal actuarial cost method with the contributions determined as a percent of pay. The actuarial assumptions included (a) 7.75% investment rate of return (net of administrative expenses), (b) projected salary increases that vary by duration of service, (c) 3.25% overall payroll growth rate, (d) and a 3% inflation rate compounded annually. The actuarial value of the Center's assets was determined using a technique that smooths the effect of short-term volatility in the market value of investments where investment gains and losses are partially recognized in the year they are incurred, with the remainder recognized in subsequent years.

**NORTH BAY DEVELOPMENTAL DISABILITIES SERVICES, INC.**  
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**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2010 AND 2009**

**NOTE 8 - PENSION PLAN (continued):**

Three-year trend information for CalPERS is presented below:

<u>Year ended</u>	<u>Annual Pension Costs (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
6/30/2008	\$ 1,094,970	100%	\$ -
6/30/2009	\$ 1,084,890	100%	\$ -
6/30/2010	\$ 1,054,671	100%	\$ -

Required supplementary information for CalPERS is presented below for the three most recent years for which the Center has available data:

<u>Valuation Date</u>	<u>Entry Age Normal Accrued Liability</u>	<u>Actuarial Value of Assets</u>	<u>Unfunded/ (Overfunded) Liability</u>	<u>Funded Ratio</u>	<u>Annual Covered Payroll Funding</u>	<u>Unfunded Actuarial Liability as a Percent of Payroll</u>
6/30/2006	\$ 19,974,448	\$13,595,542	\$ 6,378,906	68.1%	\$7,844,052	81.3%
6/30/2007	\$ 23,055,386	\$18,136,677	\$ 4,918,709	78.7%	\$8,524,063	57.7%
6/30/2008	\$ 25,460,675	\$18,754,794	\$ 6,705,881	73.7%	\$9,195,476	72.9%

*Other Plans:* The Center has terminated the defined contribution 403(b) retirement account and replaced it with a 457 plan for eligible employees who elected not to participate in the CalPERS retirement plan. The Center will deposit a non-elective employer contribution currently set at 6% of the employees annual salary. Pension costs for the year ended June 30, 2010 and 2009 were \$5,969 and \$4,761, respectively.

**NOTE 9 - LINE OF CREDIT:**

The Center has established an secured revolving line of credit with a financial institution for \$10,668,000. The line of credit is secured by a security interest in all personal property of the Center. At June 30, 2010, \$0 of the credit line was available. Interest payments are due monthly at a variable rate of interest currently at 3.25%. The credit line matures on June 30, 2010. Interest expense for the year was \$18,248. On July 1, 2010, the line of credit was extended to September 30, 2010, increased to \$21,004,000, and was converted from a revolving line of credit to a term facility loan.

**NORTH BAY DEVELOPMENTAL DISABILITIES SERVICES, INC.**  
**d.b.a. NORTH BAY REGIONAL CENTER**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2010 AND 2009**

**NOTE 10 - FAIR VALUE MEASUREMENTS:**

Generally accepted accounting principles defines fair value, establishes a framework for measuring fair value, and establishes a fair value hierarchy that prioritizes the inputs to valuation techniques. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value measurement assumes that the transaction to sell the asset or transfer the liability occurs in the principal market for the asset or liability or, in the absence of a principal market, the most advantageous market. Valuation techniques that are consistent with the market, income or cost approach are used to measure fair value.

The Center's financial instruments are cash, cash held in trust, claims receivable, prepaid expenses, accounts payable, advance-State, accrued vacation benefits and line of credit. The cash, cash held in trust, claims receivable, prepaid expenses, accounts payable, accrued vacation benefits, and advance-State approximate their values based on their short-term nature. The line of credit approximate its value, as interest rates approximates market rates.

**NOTE 11 - SUBSEQUENT EVENTS:**

The management of the Center has reviewed the results of operations for the period of time from its year end June 30, 2010 through October 5, 2010, the date the financial statements were available to be issued, and have determined that no adjustments are necessary to the amounts reported in the accompanying financial statements nor have any subsequent events occurred, the nature of which would require disclosure.