



LISA AND DOUGLAS GOLDMAN FUND

Financial Statements

For the Years Ended
December 31, 2010 and 2009

LISA AND DOUGLAS GOLDMAN FUND

(A California Non-Profit Corporation)

December 31, 2010

CONTENTS

	<u>Page</u>
Independent Auditors' Report	1
Financial Statements:	
Statements of Financial Position	2
Statements of Activities and Changes in Net Assets	3
Statements of Cash Flows	4
Statement of Functional Expenses	5
Notes to Financial Statements	6 - 13

LISA AND DOUGLAS GOLDMAN FUND

One Daniel Burnham Court, Suite 330C

San Francisco, California 94109

(415) 771-1717

Web Site Address: <http://ldgfund.org/>

REGALIA & ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

The Board of Trustees
Lisa and Douglas Goldman Fund

We have audited the statements of financial position of the Lisa and Douglas Goldman Fund as of December 31, 2010 and 2009 and the related statements of activities and changes in net assets, cash flows, and functional expenses for the years then ended. These financial statements are the responsibility of Lisa and Douglas Goldman Fund's management. Our responsibility is to express an opinion on these financial statements based on our audits. The prior year summarized information on the statements of functional expenses has been derived from the Lisa and Douglas Goldman Fund December 31, 2009 financial statements, and in our report dated May 15, 2010, we expressed an unqualified opinion on those financial statements.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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 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 Lisa and Douglas Goldman Fund as of December 31, 2010 and 2009 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.

Regalia & Associates

June 22, 2011
Danville, California

LISA AND DOUGLAS GOLDMAN FUND

Statements of Financial Position December 31, 2010 and 2009

Assets

	<u>2010</u>	<u>2009</u>
Current Assets:		
Cash and cash equivalents	\$ 283,162	1,892,862
Investments	36,553,666	28,270,209
Receivables	39,329	-
Prepaid expenses	8,939	7,039
Total current assets	<u>36,885,096</u>	<u>30,170,110</u>
Other Assets:		
Property and equipment, net	<u>40,536</u>	<u>44,856</u>
Total assets	<u>\$ 36,925,632</u>	<u>30,214,966</u>

Liabilities and Net Assets

Current Liabilities:		
Accounts payable and accrued liabilities	\$ 2,087	6,853
Accrued payroll liabilities	5,092	-
Total current liabilities	<u>7,179</u>	<u>6,853</u>
Net Assets:		
Unrestricted	19,831,455	17,080,338
Temporarily restricted	17,086,998	13,127,775
Total net assets	<u>36,918,453</u>	<u>30,208,113</u>
Total liabilities and net assets	<u>\$ 36,925,632</u>	<u>30,214,966</u>

LISA AND DOUGLAS GOLDMAN FUND

Statements of Activities and Changes in Net Assets For the Years Ended December 31, 2010 and 2009

	2010	2009
<i>Changes in unrestricted net assets:</i>		
Revenue and support:		
Interest and dividend income	\$ 522,103	294,482
Realized investment losses	(367,121)	(3,530)
Miscellaneous Income	-	25,226
Net assets released from restrictions	2,752,750	2,457,000
Total revenue and support	2,907,732	2,773,178
Expenses:		
Programs	2,923,111	2,594,686
Fundraising	-	-
General and administrative	208,571	204,657
Total expenses	3,131,682	2,799,343
Decrease in unrestricted net assets	(223,950)	(26,165)
<i>Changes in temporarily restricted net assets:</i>		
Grants and contributions	6,711,973	5,924,071
Net assets released from restrictions	(2,752,750)	(2,457,000)
Increase in temporarily restricted net assets	3,959,223	3,467,071
Increase in net assets before unrealized gains on investments	3,735,273	3,440,906
Unrealized gains on investments	2,975,067	4,579,492
Net assets at beginning of year	30,208,113	22,187,715
Net assets at end of year	\$ 36,918,453	30,208,113

LISA AND DOUGLAS GOLDMAN FUND

Statements of Cash Flows For the Years Ended December 31, 2010 and 2009

	2010	2009
<i>Cash flows from operating activities:</i>		
Increase in net assets	\$ 6,710,340	8,020,398
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	12,587	10,390
Realized investment losses	367,121	3,530
Unrealized gains on investments	(2,975,067)	(4,579,492)
Changes in:		
Receivables	(39,329)	-
Prepaid expenses	(1,900)	(430)
Accounts payable and accrued liabilities	(4,766)	732
Accrued payroll liabilities	5,092	-
Net cash provided by operating activities	4,074,078	3,455,128
 <i>Cash flows from investing activities:</i>		
Acquisition of investments	(19,240,942)	(2,284,328)
Proceeds from sale/redemption of investments	13,565,431	1,684,968
Acquisition of property and equipment	(8,267)	(19,995)
Net cash used for investing activities	(5,683,778)	(619,355)
Increase (decrease) in cash and cash equivalents	(1,609,700)	2,835,773
Cash and cash equivalents at beginning of year	1,892,862	(942,911)
Cash and cash equivalents at end of year	\$ 283,162	1,892,862
 <i>Supplemental Disclosures:</i>		
Interest expense	\$ -	-
Excise taxes paid	\$ 160	9,000

LISA AND DOUGLAS GOLDMAN FUND

Statement of Functional Expenses

For the Year Ended December 31, 2010

(with Summarized Financial Information for the Year Ended December 31, 2009)

	Programs	Fund- raising	General and Adminis- trative	2010 Total Expenses	2009 Total Expenses
Conferences	\$ -	-	2,956	2,956	5,836
Depreciation	-	-	12,587	12,587	10,390
Grants	2,752,750	-	-	2,752,750	2,457,000
Insurance	14,669	-	682	15,351	10,957
Investment fees	-	-	20,742	20,742	17,809
Legal and professional	-	-	19,178	19,178	17,074
Office and administrative	-	-	100,368	100,368	101,145
Taxes	-	-	160	160	9,160
Salaries and related costs	155,692	-	51,898	207,590	169,972
Total expenditures	\$ 2,923,111	-	208,571	3,131,682	2,799,343

Notes to Financial Statements
December 31, 2010

1. Organization

Established in 1992, the Lisa and Douglas Goldman Fund (the Fund) is a private foundation committed to providing support for charitable organizations that enhance our society.

The Lisa and Douglas Goldman Fund's interests include programs making valuable contributions in a variety of fields: children and youth, civic affairs, civil and human rights, education, environment, health, Jewish affairs, children's literacy, and social and human services. In general, the Fund places highest priority on projects in the San Francisco area.

2. Summary of Significant Accounting Policies

Basis of Accounting

The financial statements of the Fund have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables and other liabilities.

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Accounting Standards Codification (ASC) 958.205, *Presentation of Financial Statements of Not-for-Profit Entities*. Under ASC 958.205, the Fund is required to report 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. As of December 31, 2010 and 2009, there were no permanently restricted net assets.

Revenue Recognition

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions in accordance with the recommendations of ASC 958.605, *Revenue Recognition of Not-for-Profit Entities*.

All donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported on the statements of activities and changes in net assets as net assets released from restrictions.

Property and Equipment

Property and equipment purchased by the Fund will be recorded at cost or, if donated, at the approximate fair value at the date of donation. Repairs and maintenance are charged to expense as incurred. Property and equipment will be depreciated using the straight-line method over the estimated useful lives of the assets.

Investments

Investments include cash, certificates of deposit, stocks, and mutual funds. Purchased investments are initially stated at cost. Investments received by gift are recorded at market value at the date of contribution. Investments in equity securities with readily determinable fair values and all investments in debt securities are reported at fair value with gains and losses included on the statement of activities and changes in net assets.

Notes to Financial Statements

2. Summary of Significant Accounting Policies *(continued)*

The Fund follows the provisions of SFAS No. 157, *Fair Value Measurements*, and has estimated the fair value of its investments using available market information and other valuation methodologies. Accordingly, the estimates presented are not necessarily indicative of the amounts that the Fund could realize in a current market exchange. The use of different assumptions and/or estimation methods may have a material effect on the estimated fair value amounts. The estimates are based on pertinent information available to management as of December 31, 2010. Although management is not aware of any factors that would significantly affect the estimated fair value amounts, current estimates of fair value may differ significantly from the statements presented.

Income Taxes

Financial statement presentation follows the recommendations of ASC 740, *Income Taxes*. Under ASC 740, the Fund is required to report information regarding its exposure to various tax positions taken by the Fund and requires a two-step process that separates recognition from measurement. The first step is determining whether a tax position has met the recognition threshold; the second step is measuring a tax position that meets the recognition threshold. Management believes that the Fund has adequately addressed all tax positions and that there are no unrecorded tax liabilities.

The Fund has received notification from the Internal Revenue Service and the State of California that it qualifies for tax-exempt status under Section 501(c)(3) of the Internal Revenue Code and Section 27301d of the California Revenue and Taxation Code. The exemptions are subject to periodic review by the federal and state taxing authorities and management believes that the Fund continues to satisfy all federal and state statutes in order to qualify for continued tax exemption status. Because the Fund is a Private Foundation, it must file Form 990-PF with the Internal Revenue Service and remit excise taxes on its net investment income (see Note 7).

Contributed Services

Several unpaid volunteers have made significant contributions of time to various departments or programs of the Fund. The value of this contributed time is not reflected in the financial statements since it is not susceptible to objective measurement or valuation.

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. These estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Accordingly, actual results could differ from those estimates.

Functional Allocation of Expenses

The costs of providing the Fund's various programs and other activities have been summarized on a functional basis in the statements of activities and changes in net assets. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

LISA AND DOUGLAS GOLDMAN FUND

Notes to Financial Statements

3. Cash and Cash Equivalents

Cash and cash equivalents of \$283,162 and \$1,892,862 at December 31, 2010 and 2009, respectively, include all funds deposited in a bank with a maturity of three months or less. Such funds have been placed in a money fund account bearing interest at an annualized rate of approximately .01% (as of December 31, 2010). The Fund maintains its cash balances in high quality financial institutions, which at times may exceed federally insured limits. The Fund has not experienced any losses in such accounts.

4. Investments

Investments consist of the following at December 31, 2010 and 2009:

	2010		2009	
	Cost	Market Value	Cost	Market Value
Koshla Venture Partners	\$ 79,231	128,918	53,333	49,687
Legacy Venture V, LLC	128,161	145,539	55,000	51,356
Mutual Funds	6,265,470	5,752,544	-	-
Silver Creek - Hedge Funds	7,653,967	6,827,739	10,412,045	8,417,123
Wells Fargo - Baird Short Term Bond	3,682,406	3,685,226	1,433,755	1,471,621
Wells Fargo - Money Market Funds	5,352,405	5,352,405	336,645	336,645
Wells Fargo - Stock Equity Funds	101,544	143,712	5,278,236	4,313,155
Wells Fargo - Prime Money Market Funds	-	-	2,567,503	2,567,503
Wells Fargo - Vanguard Stock and Mutual Funds	15,087,862	14,517,583	12,999,202	11,063,119
Totals	\$ 38,351,046	36,553,666	33,135,719	28,270,209

Investment income (including interest and dividends) amounted to \$522,103 and \$294,482 for the years ended December 31, 2010 and 2009, respectively. Investment, management fee and related expenses amounted to \$20,742 and \$17,809 for the years ended December 31, 2010 and 2009, respectively. Net unrealized gains (losses) amounted to \$2,975,067 and \$4,579,492 for the years ended December 31, 2010 and 2009, respectively.

Composition of investments utilizing fair value measurements at December 31, 2010 is as follows:

	Totals	Level 1	Level 2	Level 3
Koshla Venture Partners	\$ 128,918	-	-	128,918
Legacy Venture V, LLC	145,539	-	-	145,539
Mutual Funds	5,752,544	-	5,752,544	-
Silver Creek - Hedge Funds	6,827,739	-	-	6,827,739
Wells Fargo - Baird Short Term Bond	3,685,226	-	3,685,226	-
Wells Fargo - Money Market Funds	5,352,405	5,352,405	-	-
Wells Fargo - Stock Equity Funds	143,712	143,712	-	-
Wells Fargo - Vanguard Stock and Funds	14,517,583	14,517,583	-	-
Totals	\$ 36,553,666	20,013,700	9,437,770	7,102,196

Level 1 measurement reflects the value of the investments at quoted prices in active markets for identical assets. Level 2 measurement reflects the value of the investments using significant other observable inputs. Level 3 measurement reflects the value of the investments using significant unobservable inputs.

LISA AND DOUGLAS GOLDMAN FUND

Notes to Financial Statements

4. Investments *(continued)*

The Fund has a Finance Committee which has the responsibility for establishing the Fund's return objectives (generally lower rates of return associated with more stable and safer investments) and to define the risk parameters (generally low risk securities, certificates of deposit and mutual funds). The committee routinely oversees investment performances and reviews cash flows necessary to sustain the Fund's operating activities.

5. Property and Equipment

A summary of property, equipment and improvements is as follows at December 31, 2010 and 2009:

	2010	2009
Furniture and equipment	\$ 57,406	56,820
Leasehold improvements	4,763	4,763
Software and website	15,287	9,925
Subtotal	77,456	71,508
Less accumulated depreciation	(36,920)	(26,652)
Total property and equipment (net)	\$ 40,536	44,856

Total depreciation expense for the years ended December 31, 2010 and 2009 amounted to \$12,587 and \$10,390, respectively, and is included on the statement of functional expenses. During the year ended December 31, 2010, the Fund disposed of fully depreciated equipment in the amount of \$2,319. There was no gain or loss on the disposal.

6. Net Assets

The Fund recognizes support from temporarily restricted net assets when the restrictions imposed by the donors have been satisfied or expired. Temporarily restricted net assets consist of the following at December 31, 2010 and 2009:

	2010	2009
Available for future periods	\$ 17,086,998	13,127,775

Contributions to temporarily restricted net assets amounted to \$6,711,973 and \$5,924,071 for the years ended December 31, 2010 and 2009. During the years ended December 31, 2010 and 2009, \$2,752,750 and \$2,457,000, respectively, in temporarily restricted net assets were released from restriction and transferred to unrestricted net assets. Earnings (including realized and unrealized gains) from investments may be used for general operating purposes and are annually transferred to unrestricted net assets.

7. Excise Taxes

The Fund is classified as a private foundation under the provisions of Internal Revenue Code Section 501(c)(3), and as such, is taxed on its net investment earnings. During the year ended December 31, 2009, the Fund remitted \$9,160 in excise taxes to the Internal Revenue Service. There were not tax payments required for the year ended December 31, 2010.

LISA AND DOUGLAS GOLDMAN FUND

Notes to Financial Statements

8. Related Party Transactions

The Lisa and Douglas E. Goldman Philanthropic Fund is a donor-advised fund at the Jewish Community Federation of San Francisco. It was established with a contribution from Lisa and Douglas Goldman. Although grants are recommended by the Lisa and Douglas Goldman Fund Board for funding, they are subject to the approval of the Federation's board of directors. In April 2007, the Board of Directors of the Fund agreed to continue to pay grants to various charities from the Philanthropic Fund until the balance in the Philanthropic Fund was reduced to \$100,000, at which time all future grants were to be paid out from the Lisa and Douglas Goldman Fund. As of January 2009, grants are no longer made from the donor-advised Philanthropic Fund. During the year ended December 31, 2010 and 2009, the Douglas Goldman 1997 Charitable Lead Trust contributed \$6,711,973 and \$5,924,071 to the Fund, respectively.

9. Grant Expenses

During the fiscal years ended December 31, 2010 and 2009, the Fund agreed to fund certain grant requests as follows:

	2010	2009
<i>Individual grants of \$10,000 or more during the combined last two years:</i>		
ACCESS/Women's Health Rights Coalition	\$ -	10,000
ACLU Foundation of Northern Calif., Inc.	7,500	7,500
AcroSports	-	10,000
American Friends of Tel-Aviv University	10,000	10,000
American Friends of the Israel Museum	5,000	4,000
American Jewish World Service	135,000	5,000
Bay Area Council Foundation	15,000	10,000
Bay Area Wilderness Training	-	10,000
Birthright Israel Foundation	10,000	-
BlueStar PR	-	10,000
Breast Cancer Action	-	15,000
Bureau of Jewish Education	1,000	11,000
California Academy of Sciences	101,000	101,000
California Trout	-	10,000
Cal Athletic Backers	5,000	5,000
CIF/Mission Science Workshop	-	10,000
Clean Water Fund	15,000	-
Community Initiatives	12,000	-
Compassion & Choices	-	10,000
Congregation Emanu-El	145,000	12,400
Contemporary Jewish Museum	127,500	125,000
Cool the Earth	-	10,000
CPMC Foundation	5,000	5,000
Crohn's & Colitis Foundation of America	25,000	50,000
Earth Island Institute	30,000	-
Edventure More	16,500	-
Environment California	-	10,000

LISA AND DOUGLAS GOLDMAN FUND

Notes to Financial Statements

9. Grant Expenses *(continued)*

	2010	2009
ForestEthics	\$ 15,000	15,000
Foundation Center	27,000	27,000
Friends of the Urban Forest	16,000	-
Girls On the Run	-	10,000
Global Green USA	-	10,000
Golden Gate National Parks Conservancy	25,000	-
Goldman School Of Public Policy	50,000	20,000
GRID Alternatives	15,000	15,000
Guttmacher Institute	7,500	-
Haas School Of Business (UC Berkeley)	10,000	14,200
Harper for Kids	10,000	10,000
Healthy Building Network	10,000	10,000
Jamestown Community Center	15,000	10,000
Jewish Coalition For Literacy	10,000	10,000
Jewish Community Center of San Francisco	2,500	77,500
Jewish Community Federation	150,000	125,000
Larkin Street Youth Center	-	25,000
Little Kids Rock, Inc.	-	10,000
Maybeck Foundation	-	40,000
Museum of Performance and Design	-	40,000
My New Red Shoes	5,000	11,000
NARAL Pro-Choice America Foundation	5,000	5,000
National Coalition for Marine Conservation	10,000	-
New Israel Fund	15,000	-
Northern California Environmental Grassroots	-	10,000
Northern California Golf Association Foundation	10,000	10,000
Oakland Museum of California Foundation	41,000	-
Occidental Arts And Ecology Center	20,000	-
One Percent for the Planet	20,000	-
Oshman Family Jewish Community Center	7,500	-
Outward Bound Bay Area Center	10,000	-
Pacific Environment	15,000	-
Peace Development Fund	13,250	-
PEF Israel Endowment Funds, Inc.	25,000	25,000
Physicians For Reproductive Choice & Healing	20,000	-
Planning and Conservation League	20,000	15,000
Population Connection	15,000	-
Project Vote Smart	-	15,000
Reading Is Fundamental, Inc.	30,000	2,000
Reading Partners	20,000	10,000
San Francisco Chronicle Season of Sharing Fund	10,000	10,000
San Francisco Food Bank	7,500	7,500

LISA AND DOUGLAS GOLDMAN FUND

Notes to Financial Statements

9. Grant Expenses *(continued)*

	2010	2009
San Francisco Foundation	\$ -	100,000
San Francisco General Hospital Foundation	-	2,500
San Francisco Parks Trust	22,500	2,500
San Francisco School Alliance	10,000	10,000
San Francisco Symphony	42,000	30,000
SMART	-	10,000
Social & Environmental Entrepreneurs	35,000	30,000
Spark Program	10,000	10,000
Stanford University	10,000	-
Stern Grove Festival Association	70,000	70,000
Strategic Energy Innovations	15,000	10,000
Students Rising Above	10,000	-
Sustainable Conservation	-	15,000
Sustainable Valley Foundation	25,000	-
Taproot Foundation	30,000	20,000
Taube-Koret Campus for Jewish Life	-	100,000
Teach for America - Bay Area	10,000	10,000
Team Up for Youth	-	10,000
The Ocean Conservancy	20,000	-
The Second Opinion	-	12,000
The Tides Foundation	20,000	15,000
Tides Canada Foundation	-	15,000
Tuolumne River Trust	15,000	-
UC Berkeley Regents	710,000	700,000
UC Berkeley Foundation	32,000	20,000
United Way of the Bay Area	10,000	10,000
University of Hawaii Foundation	5,000	-
University of Southern California	-	14,400
University of Southern California Athletics	-	10,000
University of Southern California College of Letters, Arts & Sciences	-	10,000
Upstart Bay Area	10,000	-
Urban Solutions	-	15,000
USC Associates	95,000	-
USC College of Letters, Arts & Sciences	10,000	-
USC Marshall School of Business	55,000	-
Volunteers in Medicine - San Francisco	-	10,000
Wardrobe for Opportunity	20,000	-
Youth Tennis Advantage	5,000	10,000
	2,644,250	2,323,000
<i>Individual grants less than \$10,000 during the combined last two years:</i>		
Various charitable organizations	108,500	134,000
Total grants	\$2,752,750	2,457,000

Notes to Financial Statements

10. Financial Commitments

Office Lease: The Fund leases its office space in San Francisco under a multi-year operating lease expiring January 31, 2013. As of December 31, 2010, the Fund is committed to making monthly rent payments of \$4,203 which includes rent and common area maintenance expenses. Rental rates are subject to adjustment in accordance with the terms of the lease but generally increase at the rate of 2.6% each year. Rent expense amounted to \$77,798 and \$76,426 for the years ended December 31, 2010 and 2009, respectively, and is included in office and administrative expense on the statement of functional expenses. Future minimum rental payments under the lease are as follows: Year ending December 31, 2011: \$51,613; Year ending December 31, 2012: \$53,016; Year ending December 31, 2013: \$4,418.

Grant Allocations: The Fund's Board of Directors has agreed to commit the organization to future grant allocations as follows: Year ending December 31, 2011: \$2,711,000; Year ending December 31, 2012: \$1,835,000; Year ending December 31, 2013: \$1,185,000; Year ending December 31, 2014: \$1,040,000; Year ending December 31, 2015: \$1,000,000.

11. Compensation Commitments

Compensated Absences: Financial statement presentation follows the recommendations of ASC 710.25, *Compensated Absences*. Under ASC 710.25, the Fund is required to record a liability for the estimated amounts of compensation for future absences. Employees are permitted to accrue a specific number of hours of vacation which is payable upon termination of the employee. Sick leave is not paid upon termination. Annual leave accruals are recorded in the financial statements as an accrued liability on the statement of financial position based on hourly rates in effect at the end of the fiscal year.

403(b) Plan: As of December 31, 2009, the Goldman Fund adopted a 403(b) Plan. Employees are eligible to contribute as of their date of hire. The company, in its sole discretion, may make non-elective contributions on employees' behalf. Employees must meet certain eligibility criteria in order to receive contributions by the Goldman Fund. Employer contributions for the year ended December 31, 2010 were \$37,050; there were no employer contributions for the year ended December 31, 2009. Distributions from the 403(b) plan can only be made pursuant to all applicable laws and regulations.

12. Contingencies

In the normal course of business there are outstanding various commitments and contingent liabilities, such as commitments to enter into contracts and grant agreements, the costs of which are not reflected in the financial statements (because they have not yet been incurred). Management believes that such commitments or contingencies have been properly addressed, appropriate amounts have been accrued (where necessary), and there will not be any resolution with a material adverse effect on the financial statements.

13. Subsequent Events

In compliance with ASC 855, *Subsequent Events*, the Fund has evaluated subsequent events through June 22, 2011, the date the financial statements were available to be issued, and, in the opinion of management, there are no subsequent events which need to be disclosed.