Las Trampas, Incorporated

Report on Audits of Financial Statements

For the Years Ended June 30, 2010 and 2009

Las Trampas, Incorporated

Contents

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INDEPENDENT AUDITORS' REPORT

To The Board of Directors
Las Trampas, Incorporated
Lafayette, California

We have audited the accompanying statement of financial position of Las Trampas, Incorporated (a nonprofit corporation hereinafter referred to as the "Organization") as of June 30, 2010, and the related statements of activities, functional expenses, and cash flows for the year 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 audit. The prior year summarized comparative information has been derived from the Organization's 2009 financial statements and, in our report dated September 9, 2009, 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 Las Trampas, Incorporated as of June 30, 2010, 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.

Burr, Pilger & Mayer

San Jose, California
October 13, 2010

BURR PILGER MAYER, INC.
60 S. MARKET STREET, 8TH FLOOR, SAN JOSE, CA 95113 TEL (408) 961-6300 FAX (408) 961-6324

LAS TRAMPAS, INCORPORATED

STATEMENTS OF FINANCIAL POSITION

June 30, 2010 and 2009

ASSETS

		2010		2009
Current Assets:				
Cash and cash equivalents	$	717,548	$	666,192
Accounts receivable		315,728		307,279
Prepaid expenses and deposits		44,138		43,749
Total current assets		1,077,414		1,017,220
Investments		3,381,767		3,167,761
Property and equipment, net		1,787,629		1,868,893
Total assets	$	6,246,810	$	6,053,874

LIABILITIES AND NET ASSETS

		2010		2009
Current Liabilities:				
Accounts payable	$	23,697	$	30,075
Accrued expenses		216,807		205,408
Total current liabilities		240,504		235,483
Mortgages and other notes payable, net of current portion		57,759		57,759
Net Assets:				
Unrestricted:				
Operating		3,054,141		2,882,127
Investment in Building		1,737,679		1,818,958
Board-Designated Endowment		1,064,180		950,239
Total unrestricted		5,856,000		5,651,324
Temporarily restricted		63,047		79,808
Permanently restricted		29,500		29,500
Total net assets		5,948,547		5,760,632
Total liabilities and net assets	$	6,246,810	$	6,053,874

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

LAS TRAMPAS, INCORPORATED
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2010
With Summarized Financial Information
For the Year Ended June 30, 2009

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total 2010	(For Comparative Purposes only) Total 2009
Revenues:					
Operating revenue:					
Tuition and fees	$ 3,438,679	$ -	$ -	$ 3,438,679	$ 3,436,136
Rent	50,275	-	-	50,275	53,457
Contracts	2,689	-	-	2,689	2,914
Net increase (decrease) in fair value of investments	125,855	-	-	125,855	(290,848)
Dividend income	27,152	-	-	27,152	57,670
Other	37,612	-	-	37,612	52,258
Total operating revenue	3,682,262	-	-	3,682,262	3,311,587
Fund-raising revenue:					
Contributions	10,012	47,500	-	57,512	38,640
Donated securities	20,252	-	-	20,252	20,987
Grants	58,650	-	-	58,650	93,000
Fund-raising events	141,894	-	-	141,894	134,458
Bequests	-	-	-	-	25,000
Total fund-raising revenue	230,808	47,500	-	278,308	312,085
Total revenue	3,913,070	47,500	-	3,960,570	3,623,672
Net assets released from restriction	64,261	(64,261)	-	-	-
Total revenue	3,977,331	(16,761)	-	3,960,570	3,623,672
Expenses:					
Program services	3,246,495	-	-	3,246,495	3,133,530
Supporting services:					
General and administrative	410,255	-	-	410,255	427,335
Fund-raising	115,905	-	-	115,905	133,028
Total supporting services expenses	526,160	-	-	526,160	560,363
Total expenses	3,772,655	-	-	3,772,655	3,693,893
Change in net assets	204,676	(16,761)	-	187,915	(70,221)
Net assets, beginning of year	5,651,324	79,808	29,500	5,760,632	5,830,853
Net assets, end of year	$ 5,856,000	$ 63,047	$ 29,500	$ 5,948,547	$ 5,760,632

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

LAS TRAMPAS, INCORPORATED

STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 2010
With Summarized Financial Information
For the Year Ended June 30, 2009

	Residential Homes	Independent and Supported Living	Vocational Programs	Day Programs	Total Program Services	General and Administrative	Fund-Raising	Total Supporting Services	Total 2010	(For Comparative Purposes Only) 2009
FUNCTIONAL EXPENSES:										
Salaries and benefits	$ 956,952	$ 1,164,119	$ 191,905	$ 456,342	$ 2,769,318	$ 328,916	$ 60,904	$ 389,820	$ 3,159,138	$ 3,073,556
Behavioral consultant	26,730	-	-	-	26,730	-	-	-	26,730	29,801
Total salaries and related expenses	983,682	1,164,119	191,905	456,342	2,796,048	328,916	60,904	389,820	3,185,868	3,103,357
Conferences and dues	2,274	300	250	-	2,824	1,153	302	1,455	4,279	5,008
Publications and public relations	-	-	-	-	-	1,491	3,202	4,693	4,693	5,563
Janitorial supplies	9,323	639	991	1,691	12,644	511	100	611	13,255	12,041
Food	45,281	-	-	-	45,281	-	-	-	45,281	42,624
Event expense	-	-	-	-	-	-	40,212	40,212	40,212	55,201
Community living	178	42	531	1,095	1,846	-	-	-	1,846	2,668
Supplies and services	6,137	697	23	23	6,880	4,922	2,223	7,145	14,025	15,032
Utilities and telephone	28,104	14,310	9,442	16,832	68,688	5,037	948	5,985	74,673	73,706
Insurance	21,848	29,652	5,852	15,215	72,567	4,682	781	5,463	78,030	75,941
Professional services	600	350	-	2,221	3,171	47,474	1,530	49,004	52,175	63,338
Travel and auto	4,290	22,234	2,550	1,954	31,028	3,835	-	3,835	34,863	32,653
Program costs	2,041	20,514	7,913	3,208	33,676	-	-	-	33,676	17,842
Office expense	2,822	2,928	1,769	1,100	8,619	6,076	4,389	10,465	19,084	21,168
Repair and maintenance	11,263	7,295	6,204	12,265	37,027	2,214	-	2,214	39,241	39,408
Total expenses before depreciation	1,117,843	1,263,080	227,430	511,946	3,120,299	406,311	114,591	520,902	3,641,201	3,565,550
Depreciation	49,953	31,549	19,718	24,976	126,196	3,944	1,314	5,258	131,454	128,343
Total expenses	$ 1,167,796	$ 1,294,629	$ 247,148	$ 536,922	$ 3,246,495	$ 410,255	$ 115,905	$ 526,160	$ 3,772,655	$ 3,693,893

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

LAS TRAMPAS, INCORPORATED

STATEMENTS OF CASH FLOWS

For the Years Ended June 30, 2010 and 2009

	2010	2009
Cash Flows from Operating Activities:		
Change in net assets	$ 187,915	$ (70,221)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	131,454	128,343
Donated investments	(20,252)	(20,987)
Net (increase) decrease in fair value of investments	(125,855)	290,848
Reinvested dividends	(27,152)	(57,670)
Reinvested interest on certificates of deposit	(30,692)	(45,748)
(Increase) decrease in operating assets:		
Accounts receivable	(8,449)	(29,926)
Prepaid expenses	(389)	1,228
Increase (decrease) in operating liabilities:		
Accounts payable	(6,378)	(2,165)
Accrued expenses	11,399	22,529
Total adjustments	(76,314)	286,452
Net cash provided by operating activities	111,601	216,231
Cash Flows from Investing Activities:		
Purchase of equipment	(50,190)	(44,657)
New certificate of deposits acquired	(1,109,000)	(1,400,000)
Redemption of certificate of deposits	1,098,945	579,994
Net cash (used in) investing activities	(60,245)	(864,663)
Net increase (decrease) in cash	51,356	(648,432)
Cash and cash equivalents, beginning of year	666,192	1,314,624
Cash and cash equivalents, end of year	$ 717,548	$ 666,192

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

LAS TRAMPAS, INCORPORATED

STATEMENTS OF CASH FLOWS (CONTINUED)

For the Years Ended June 30, 2010 and 2009

Supplemental Disclosure of Cash Flow Information

1. Accounting Policy - The Organization considers all highly liquid investments with a maturity of three months or less when purchased to be "cash equivalent".

2. The following cash payments were made during the years for:

	2010	2009
Interest	$ -	$ -

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

1. The Organization

Las Trampas, Incorporated ("the Organization") was incorporated on December 2, 1958, as a nonprofit corporation to provide assistance to children and adults whose abilities are impaired due to mental or neurological deficiencies. The purpose of the Organization is to train, educate, and socially adjust these individuals to further conditions of normal home life, to help them develop suitable skills and occupational activities to the extent that they are able, and to organize social and recreational activities for the benefit of each individual.

Nature of Activities

The Organization has five programs available:

- Residential Homes (ARM) - Program is funded by California statute and provides licensed board and care of four residential homes for developmentally disabled individuals. There are twenty-three consumers residing in the homes.
- Supported Living (SLS) - Program is funded by a contract with the Regional Center of the East Bay to support developmentally disabled individuals in their own residences. There are twenty-two consumers participating in this program.
- Vocational Program (AVP) - Program is funded by California statute and provides a licensed day program for developmentally disabled individuals at the main facility of the Organization. There are nineteen consumers participating in this program.
- Day Program (ADP) - Program is funded by California statute and provides a program for thirty-nine consumers with more developmental challenges than the other programs and for consumers who are non-ambulatory and non-verbal. In addition, AccessArt, a new program, was established to provide a creative focus for the energies of artists with disabilities and advocates for them an increased inclusion in all aspects of community life. There are three consumers participating in AccessArt.
- Independent-Living Services (ILS) - Program is funded by a contract with the Regional Center of the East Bay. This program is designed to support developmentally disabled individuals who are able to live in the community with minimum staff supervision. Las Trampas, Incorporated help them in a particular skill such as budgeting, menu planning, or keeping medical appointments. There is one consumer participating in this program.

2. Summary of Significant Accounting Policies

Basis of Accounting

The financial statements are presented on the accrual basis of accounting and reflect unrestricted, temporarily restricted, and permanently restricted net assets.

Continued

2. **Summary of Significant Accounting Policies,** continued

Basis of Presentation

To ensure observance of certain constraints and restrictions placed on the use of resources, the accounts of the Organization are maintained in accordance with the principles of net asset accounting. This is the procedure by which resources for various purposes are classified for accounting and reporting purposes into net assets that are in accordance with specified activities or objectives. Accordingly, all financial transactions have been recorded and reported by net asset group as follows:

Unrestricted - These generally result from revenues generated by providing services, receiving unrestricted contributions, and receiving interest from banks less expenses incurred in providing program-related services, raising contributions, and performing administrative functions.

Temporarily Restricted - The Organization reports gifts of cash and other assets as temporarily restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor 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 in the statement of activities as net assets released from restrictions. When restrictions are satisfied in the same accounting period as the receipt of the contribution, the Organization reports both the revenue and related expense in the unrestricted net asset class.

Permanently Restricted - These stipulate that resources be maintained permanently but permit the Organization to use up or expend part or all of the income (or other economic benefits) derived from the donated assets. The income from the permanently restricted net assets is to be used to assist developmentally disabled individuals. Permanently restricted net assets are held in certificate of deposits.

The financial statements include certain prior year summarized comparative information in total but not by net asset class or functional classification. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2009, from which the summarized information was derived.

Accounts Receivable and Allowance for Uncollectable Accounts

The Organization utilizes the allowance method for recognizing bad debts. The allowance is based on experience, third-party contracts, and other circumstances, which may affect the ability of clients to meet their obligations. Receivables are considered impaired if full principal payments are not received in accordance with the contract terms. It is the Organization's policy to charge off uncollectible accounts receivable when management determines the receivable will not be collected. Management has determined that no allowance for bad debt is required as of the respective year ends.

Continued

2. **Summary of Significant Accounting Policies,** continued

Fair Value Measurement

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability in the principal or most advantageous market for the assets or liabilities in an orderly transaction between market participants on the measurement date.

Fair value measurement includes a fair value hierarchy, of which the first two are considered observable and the last unobservable, that is intended to increase the consistency and comparability in fair value measurements and related disclosures. Valuation techniques used to measure fair value must maximize the use of observable inputs and minimize the use of unobservable inputs.

Observable inputs reflect assumptions market participants would use in pricing an asset or liability based on market data obtained from independent sources while unobservable inputs reflect a reporting entity's pricing based upon their own market assumptions.

The fair value hierarchy consists of the following three levels:

- Level 1 - instrument valuations are obtained from real-time quotes for transactions in active exchange markets involving identical assets.

- Level 2 - instrument valuations are obtained from readily-available pricing sources for comparable instruments.

- Level 3 - instruments valuations are obtained without observable market value and require a high level of judgment to determine the fair value.

Concentration of Credit Risk

The Organization maintains its cash and cost equivalents in commercial checking and money market accounts. Periodically throughout the year, cash is maintained at the bank in excess of the insured (FDIC) amount of $250,000.

Investments

The Organization carries investments in marketable securities with readily determinable fair values and all investments in debt securities at their fair values in the Statement of Financial Position. Unrealized gains and losses are included in the change in net assets in the Statement of Activities. The Organization's investments are in stocks and mutual funds which have readily determinable fair value.

Property and Equipment

Property and equipment are purchased and stated principally at cost, and donated property and equipment are stated at fair market value. The Organization capitalizes property and equipment with a cost of $500 or more and a useful life in excess of one year.

Depreciation is provided using the straight-line method over the estimated useful lives of the assets, which range from 3 to 30 years. Maintenance and repairs are charged to expense as incurred.

Continued

2. **Summary of Significant Accounting Policies,** continued

Endowments

The State of California enacted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) effective January 1, 2009, the provisions of which apply to endowment funds existing on or established after that date. Net asset classifications of donor-restricted endowment funds subject to an enacted version of UPMIFA have been accounted for appropriately in these financial statements. Additional disclosures about the Organization's endowment funds (both donor-restricted and board-designated endowment funds) whether or not the Organization is subject to UPMIFA have been included for the year ending June 30, 2010.

Interpretation of Relevant Law

The Board of the Organization has interpreted California's enacted version of UPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment fund, absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as permanently restricted net assets (1) the original value of gifts donated to the permanent endowment, (2) the original value of subsequent gifts donated to the permanent endowment, and (3) additions to the permanent endowment in accordance with donor directions. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by the enacted version of UPMIFA.

Spending Policy

In accordance with the State of California's enacted version of UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

(1) The duration and preservation of the fund
(2) The purposes of the Organization and the endowment funds
(3) General economic conditions
(4) The possible effect of inflation and deflation
(5) The expected total return from income and the appreciation of investments
(6) Other resources of the Organization
(7) The investment policies of the Organization

Investment Policy, Strategies, and Objectives

The Organization has adopted investment and spending policies for endowment assets that attempts to maximize total return consistent with an acceptable level of risk, and to provide a predictable stream of funding to programs supported by its endowment. Under this policy, as approved by the Board, the endowment assets are invested in a manner that is intended to produce results that exceed the price and yield results of the relevant indices while assuming a moderate level of investment risk. The Organization expects its endowment funds, over time, to provide an average rate of return of approximately 8% percent annually. Actual returns in any given year may vary from this amount.

Continued

2. **Summary of Significant Accounting Policies,** continued

Investment Policy, Strategies, and Objectives, continued

To satisfy its long-term rate-of-return objectives, the Organization relies on a strategy in which investment returns are achieved through both capital appreciation and current yield. The Organization targets a diversified asset allocation that includes mutual funds, stock and insured deposit accounts to achieve its long-term objectives within prudent risk constraints.

Revenue Recognition

Contributions received are recognized as revenue when received or unconditionally promised.

Program fees are recognized as revenue in the period in which the service is provided.

Donated Services

No amounts have been reflected in the financial statements for donated services. The Organization generally pays for the services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the Organization with specific assistance programs, campaign solicitations, and various committee assignments.

Functional Expense Allocations

Directly identifiable expenses are charged to programs and supporting services. Expenses related to more than one function are charged to programs and supporting services on the basis of periodic time and expense studies. Management and general expenses include those expenses that are not directly identifiable with any other specific function, but provide for the overall support and direction of the Organization.

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 reporting period. Accordingly, actual results could differ from those estimates.

The costs of providing the Organization's programs have been summarized on a functional basis in these financial statements. Based on management's estimates, costs have been allocated between programs and supporting services as they relate to those functions.

Income Tax Status and Uncertainty in Income Taxes

The Organization is exempt from federal income tax under Section 501(c) (3) of the Internal Revenue Code and state income taxes under 23701(d) of the California Revenue Taxation Code. Accordingly, no provision for income taxes has been made in the accompanying statements.

Effective July 1, 2010, the Organization began reviewing and assessing tax positions taken or expected to be taken against the "more-likely-than-not" recognition threshold and measurement attributes for financial statement recognition.

Continued

2. **Summary of Significant Accounting Policies,** continued

Income Tax Status and Uncertainty in Income Taxes, continued

The Organization's policy for evaluating uncertain tax positions is a two step process. The first step is to evaluate the tax position for recognition by determining if the weight of available evidence indicated that it is more-likely-than-not that the position will be sustained upon audit, including resolution of related appeals or litigation processes, if any. The second step is to measure the tax benefit or liability as the largest amount that is more than 50% likely to be realized or incurred upon settlement. Based on an analysis prepared by the Organization, it was determined that the tax positions taken or expected to be taken had no material effect on the recorded tax assets and liabilities of the Organization.

3. **Cash**

Included in cash are restricted client funds of approximately $24,000 and $26,000 as of June 30, 2010 and 2009, respectively, which are used to pay individual client expenses.

4. **Investments**

Investments at June 30, 2010 and 2009 are summarized as follows:

		2010		2009
Mutual funds	$	1,339,087	$	1,184,130
Insured deposit accounts		102,417		84,674
Stocks		1,735		1,176
Certificates of deposit		1,938,528		1,897,781
	$	3,381,767	$	3,167,761

The Organization records investments at fair value as determined by quoted market prices.

The certificates of deposit bear interest ranging from .50% to 1.3% and have maturities ranging from six to eight months with penalties for early withdrawal. Any penalties for early withdrawal would not have a material impact on the financial statements.

5. **Property and Equipment**

Property and equipment at June 30, 2010 and 2009 are summarized as follows:

		2010		2009
Land	$	855,340	$	855,340
Buildings and improvements		2,181,504		2,181,504
Equipment		279,383		229,194
Vehicles		373,885		373,885
		3,690,112		3,639,923
		(1,902,483)		(1,771,030)
	$	1,787,629	$	1,868,893

Continued

5. **Property and Equipment,** continued

Depreciation expense for the years ended June 30, 2010 and 2009 is $131,454 and $128,343, respectively.

Included in building and improvements is one home at June 30, 2010 and two homes at June 30, 2009 with the approximate cost of $160,000 and $320,000, respectively, that were unoccupied.

6. **Line of Credit**

During the year ending June 30, 2010, the Organization established a $400,000 line of credit with Bay Commercial Bank that matures in April 2011 with interest at prime plus 1%, with a minimum rate of 6.5% (currently 6.5%). The line is secured by substantially all assets.` There were no outstanding borrowings at June 30, 2010.

The Organization had a $400,000 line of credit with Heritage National Bank which expired in April 2010. The agreement provided for a $400,000 line of credit, with interest at the prime rate. The line was secured by a blanket security agreement covering all assets. There were no outstanding borrowings at June 30, 2009.

7. **Mortgage and Other Notes Payable**

Mortgage and other notes payable consist of the following:

	2010	2009
Community Development Block Grant, interest of 4% per annum, secured by real property, due August 2035. If the Organization continues to comply with the terms of the loan agreement, the loan and interest will be forgiven and recorded as revenue on the maturity date.	$ 57,759	$ 57,759
Less current maturities	-	-
	$ 57,759	$ 57,759

Future minimum payments due for the next five years are as follows:

	Amount
2011	$ -
2012	-
2013	-
2014	-
2015 and thereafter	57,759
	$ 57,759

Continued

8. Net Assets

Temporarily restricted net assets are available for the following purposes at June 30, 2010 and 2009 as follows:

	2010	2009
"We Can Do It!" Wellness Progran	$ 8,098	$ 9,558
Bathroom Renovations	-	20,000
SLS Program	36,686	45,548
Art Workshop Project	-	4,702
Entrepreneurial Projects	18,263	-
	$ 63,047	$ 79,808

Net assets were released from restrictions by incurring expenses satisfying the restricted purpose or by the expiration of time as follows:

"We Can Do It!" Wellness Progran	$ 1,460
Installation of foam roof and hydraulic lift	20,000
SLS Program	34,862
Art Workshop Project	4,702
Entreprenuarial Project	1,737
Share the Spirit	1,500
	$ 64,261

Endowment net asset composition by type of fund is as follows:

	Unrestricted	Permanently Restricted	Total Net Endowment Assets
2010			
Donor-restricted endowment funds	$ -	$ 29,500	$ 29,500
Board-designated endowment funds	1,064,180	-	1,064,180
	$ 1,064,180	$ 29,500	$ 1,093,680
2009			
Donor-restricted endowment funds	$ -	$ 29,500	$ 29,500
Board-designated endowment funds	950,239	-	950,239
	$ 950,239	$ 29,500	$ 979,739

Continued

8. **Net Assets**, continued

Changes in endowment net assets are as follows:

	Unrestricted	Permanently Restricted	Total Net Endowment Assets
Endowment net assets, June 30, 2008	$ 1,135,192	$ 29,500	$ 1,164,692
Investment income	43,001	634	43,635
Net (depreciation)	(227,954)	-	(227,954)
Amounts appropriated for expenditure	-	(634)	(634)
Endowment net assets, June 30, 2009	950,239	29,500	979,739
Investment income	21,448	384	21,832
Net appreciation	92,493	-	92,493
Amounts appropriated for expenditure	-	(384)	(384)
Endowment net assets, June 30, 2010	$ 1,064,180	$ 29,500	$ 1,093,680

9. **Concentrations and Credit Risk**

Revenues and Support

For the years ended June 30, 2010 and 2009, approximately 87% and 95% of the Organization's revenue and support was provided by the Regional Center of the East Bay, Inc. As of June 30, 2010 and 2009, the Organization had accounts receivable of approximately $305,000 and $293,000, respectively, from this source.

10. **Fair Value Measurement**

The following table summarizes the financial assets measured at fair value on a recurring basis as of June 30, 2010 and 2009:

Assets at Fair Value as of June 30, 2010

	(Level 1)
Mutual funds	$ 1,339,087
Insured deposit funds	102,417
Stocks	1,735
Certificates of deposit	1,938,528
Total	$ 3,381,767

Assets at Fair Value as of June 30, 2009

	(Level 1)
Mutual funds	$ 1,184,130
Insured deposit funds	84,674
Stocks	1,176
Certificates of deposit	1,897,781
Total	$ 3,167,761

Continued

11. Subsequent Events

The Organization evaluated subsequent events for recognition and disclosure through October 13, 2010, the date which these financial statements were available to be issued. Management concluded that no material subsequent events have occurred since June 30, 2010 that require recognition or disclosure in such financial statements.

SUPPLEMENTARY INFORMATION

BPM
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INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION

To The Board of Directors
Las Trampas, Incorporated
Lafayette, California

Our report on our audit of the basic financial statements of Las Trampas, Incorporated (a nonprofit corporation) as of June 30, 2010 appears on Page 1. That audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The information included in the accompanying Schedules I and II is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material aspects in relation to the basic financial statements taken as a whole.

Burr, Pilger & Mayer

San Jose, California
October 13, 2010

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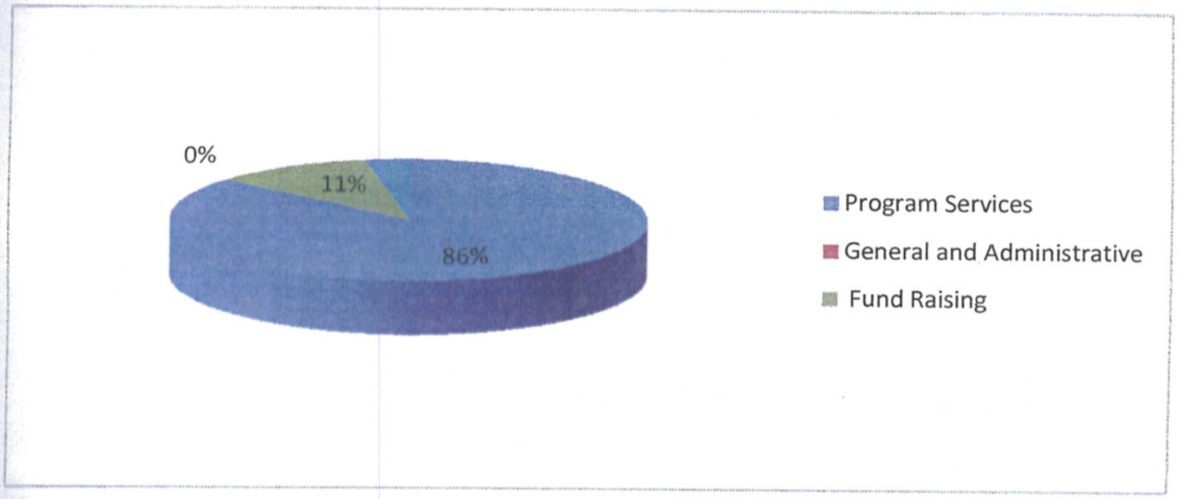
60 S. MARKET STREET, 8TH FLOOR, SAN JOSE, CA 95113 TEL (408) 961-6300 FAX (408) 961-6324

LAS TRAMPAS, INCORPORATED

FUNCTIONAL EXPENSES BY FUNCTIONAL CATEGORY

For the Year Ended June 30, 2010

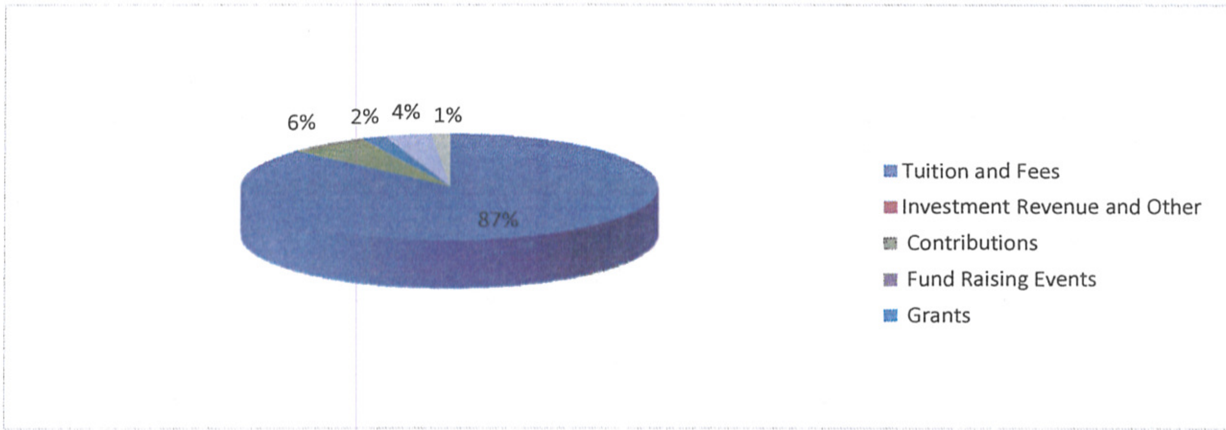


Program Services	General and Administrative	Fund Raising	Total
$ 3,246,495	$ 410,255	$ 115,905	$ 3,772,655

LAS TRAMPAS, INCORPORATED

SOURCE OF REVENUE

For the Year Ended June 30, 2010



Tuition and Fees	Investment Revenue and Other	Contributions	Fund Raising Events	Grants	Total
$ 3,438,679	$ 243,583	$ 77,764	$ 141,894	$ 58,650	$ 3,960,570