

**WORK TRAINING CENTER  
FOR THE HANDICAPPED, INC.  
(A NONPROFIT CORPORATION)**

**CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED  
JUNE 30, 2011 AND 2010**

INDEPENDENT AUDITOR'S REPORT

HARRISON-  
DAILEY-WRIGHT  
accountancy  
corporation



CERTIFIED PUBLIC  
ACCOUNTANTS

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FOUNDED IN  
1977 BY  
RETIRED PRINCIPALS

Richard L. Harrison  
George F. Dailey

To the Board of Directors  
Work Training Center for the Handicapped, Inc.

We have audited the accompanying consolidated statements of financial position of Work Training Center for the Handicapped, Inc. (a nonprofit corporation) and subsidiary as of June 30, 2011 and 2010, and the related consolidated statements of activities, 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 consolidated financial statements based on our audit.

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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of Work Training Center for the Handicapped, Inc. and subsidiary, as of June 30, 2011 and 2010, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

HARRISON-DAILEY-WRIGHT  
Accountancy Corporation

November 21, 2011

**WORK TRAINING CENTER  
FOR THE HANDICAPPED, INC.**  
(A Nonprofit Corporation)

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
JUNE 30, 2011 AND 2010

	ASSETS		Combined	
	Center	Foundation	2011	2010
Current Assets:				
Cash	\$ 761,763	\$ 314,491	\$ 1,076,254	\$ 993,882
Certificates of deposit		347,542	347,542	345,614
Cash - restricted USDA loan reserve	26,317		26,317	
Accounts receivable-net of allowance for uncollectible accounts	931,957		931,957	895,509
Workshop inventory	94,304		94,304	117,214
Deposits	69,170		69,170	66,088
Prepaid expenses	168,406		168,406	111,205
Total Current Assets	2,051,917	662,033	2,713,950	2,529,512
Fixed Assets - Net	2,994,829	421,260	3,416,089	3,013,933
Other Assets:				
North Valley Community Foundation Fund	240,361		240,361	149,262
Assets held in Charitable Remainder Trust	369,185		369,185	364,153
Total Other Assets	609,546		609,546	513,415
Total Assets	<u>\$ 5,656,292</u>	<u>\$ 1,083,293</u>	<u>\$ 6,739,585</u>	<u>\$ 6,056,860</u>

LIABILITIES AND NET ASSETS				
Current Liabilities:				
Accounts payable	\$ 180,413		\$ 180,413	\$ 124,681
Accrued expenses	674,992		674,992	630,106
Long-term debt - current portion	55,854		55,854	80,272
Total Current Liabilities	911,259		911,259	835,059
Long-Term Liabilities:				
Long-term debt - net of current portion	1,311,535		1,311,535	973,002
Other Liability:				
Liability for amounts held for other	71,326		71,326	123,932
Total Liabilities	2,294,120		2,294,120	1,931,993
Net Assets				
Unrestricted	3,064,313	\$ 1,083,293	4,147,606	3,884,646
Temporarily restricted	297,859		297,859	240,221
Total Net Assets	3,362,172	1,083,293	4,445,465	4,124,867
Total Liabilities and Net Assets	<u>\$ 5,656,292</u>	<u>\$ 1,083,293</u>	<u>\$ 6,739,585</u>	<u>\$ 6,056,860</u>

**WORK TRAINING CENTER  
FOR THE HANDICAPPED, INC.**  
(A Nonprofit Corporation)

CONSOLIDATED STATEMENTS OF ACTIVITIES  
FOR THE YEARS ENDED JUNE 30, 2011 AND 2010

	Unrestricted		Temporarily Restricted	Combined	
	Center	Foundation	Center	2011	2010
Revenue, Support and Other:					
Tuition	\$ 6,193,011			\$ 6,193,011	\$ 6,096,441
Contract work	3,511,540			3,511,540	3,358,586
Transportation	1,401,741			1,401,741	1,167,636
Adult education contracts	287,142			287,142	286,837
Grants	37,226			37,226	150,801
Rents		\$ 212,834		212,834	212,834
Fundraising	112,322			112,322	67,382
Activity fees	65,090			65,090	58,870
Shipping	30,404			30,404	20,417
Retail sales	9,521			9,521	8,094
Investment revenue	31,673	2,819		34,492	21,714
Asset sales	2,655			2,655	11,268
Change in value - Split interest agreement			\$ 57,638	57,638	40,117
Other	114,350			114,350	105,472
Total Revenue, Support and Other	11,796,675	215,653	57,638	12,069,966	11,606,469
Expenses:					
Program services	10,525,453	21,997		10,547,450	10,178,552
Management	1,141,088	2,655		1,143,743	1,095,474
Fundraising	58,175			58,175	57,007
Total Expenses	11,724,716	24,652		11,749,368	11,331,033
Change in Net Assets From Operations	71,959	191,001	57,638	320,598	275,436
Other Changes in Net Assets:					
Prior period adjustment				-	15,424
Intercompany transfers	159,195	(159,195)			
Total Other Changes in Net Assets	159,195	(159,195)		-	15,424
Change in Net Assets	231,154	31,806	57,638	320,598	290,860
Net Assets, Beginning of Year	2,833,159	1,051,487	240,221	4,124,867	3,834,007
Net Assets, End of Year	<u>\$ 3,064,313</u>	<u>\$ 1,083,293</u>	<u>\$ 297,859</u>	<u>\$ 4,445,465</u>	<u>\$ 4,124,867</u>