

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

**CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED  
JUNE 30, 2009 AND 2008**

INDEPENDENT AUDITOR'S REPORT

HARRISON-  
DAILEY-WRIGHT  
accountancy  
corporation



CERTIFIED PUBLIC  
ACCOUNTANTS

Michael E. Wright  
CPA

John G. Woodmansee  
CPA

Susan M. Farr  
CPA

Ruth Wright  
CPA

Lisanne M. Kelly  
CPA

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, 2009 and 2008, 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, 2009 and 2008, 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

September 15, 2009

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

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
JUNE 30, 2009 AND 2008

	ASSETS		Combined	
	Center	Foundation	2009	2008
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Current Assets:				
Cash (Note 2)	\$ 389,887	\$ 143,656	\$ 533,543	\$ 233,645
Investment account (Note 2)	30,126	441,387	471,513	450,534
Accounts receivable-net of allowance for uncollectible accounts (Note 2)	960,226		960,226	1,146,650
Workshop inventory (Note 2)	120,981		120,981	188,716
Deposits	61,716		61,716	78,906
Prepaid expenses	<u>180,613</u>		<u>180,613</u>	<u>185,197</u>
Total Current Assets	1,743,549	585,043	2,328,592	2,283,648
Fixed Assets - Net (Note 3):	2,757,213	465,042	3,222,255	3,530,854
Other Assets:				
North Valley Community Foundation Endowment Fund	83,035		83,035	105,274
Assets held in Charitable Remainder Trust (Note 8)	<u>362,396</u>		<u>362,396</u>	<u>369,356</u>
Total Other Assets	<u>445,431</u>		<u>445,431</u>	<u>474,630</u>
Total Assets	<u>\$4,946,193</u>	<u>\$ 1,050,085</u>	<u>\$ 5,996,278</u>	<u>\$ 6,289,132</u>
LIABILITIES AND NET ASSETS				
Current Liabilities:				
Accounts payable	\$ 212,538		\$ 212,538	\$ 223,820
Accrued expenses	643,799		643,799	710,337
Line of credit (Note 4)				150,000
Long-term debt - current portion (Note 5)	<u>86,371</u>		<u>86,371</u>	<u>93,520</u>
Total Current Liabilities	942,708		942,708	1,177,677
Long-Term Liabilities:				
Long-term debt - net of current portion (Note 5)	1,057,271		1,057,271	1,142,720
Other Liability:				
Liability for amounts held for other (Note 8)	<u>162,292</u>		<u>162,292</u>	<u>168,626</u>
Total Liabilities	2,162,271		2,162,271	2,489,023
Net Assets				
Unrestricted	2,583,818	\$ 1,050,085	3,633,903	3,599,379
Temporarily Restricted	<u>200,104</u>		<u>200,104</u>	<u>200,730</u>
Total Net Assets	<u>2,783,922</u>	<u>1,050,085</u>	<u>3,834,007</u>	<u>3,800,109</u>
Total Liabilities and Net Assets	<u>\$4,946,193</u>	<u>\$ 1,050,085</u>	<u>\$ 5,996,278</u>	<u>\$ 6,289,132</u>

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

CONSOLIDATED STATEMENTS OF ACTIVITIES  
FOR THE YEARS ENDED JUNE 30, 2009 AND 2008

	Unrestricted		Temporarily Restricted	Combined	
	Center	Foundation	Center	2009	2008
Revenue, Support and Other:					
Tuition	\$ 6,207,683			\$ 6,207,683	\$ 6,373,692
Contract work	3,446,895			3,446,895	3,414,050
Transportation	1,468,308			1,468,308	1,521,511
Adult education contracts	410,080			410,080	457,761
Grants	50,977			50,977	385,336
Rents		\$ 212,832		212,832	212,834
Butte County Mental Health	48,957			48,957	133,262
Fundraising	104,194			104,194	113,565
Activity fees	79,416			79,416	62,016
Shipping	31,743			31,743	35,988
Retail sales	6,418			6,418	4,243
Investment revenue	(21,580)	10,685	\$ (626)	(11,521)	20,546
Other	73,821			73,821	38,299
Total Revenue, Support and Other	11,906,912	223,517	(626)	12,129,803	12,773,103
Expenses:					
Program services	10,789,759	42,445		10,832,204	11,066,965
Management	1,167,294	2,330		1,169,624	1,299,973
Fundraising	13,936			13,936	16,275
Total Expenses	11,970,989	44,775		12,015,764	12,383,213
Change in Net Assets From Operations	(64,077)	178,742	(626)	114,039	389,890
Other Changes in Net Assets:					
Prior period adjustment (Note 9)	(80,141)			(80,141)	
Intercompany transfers	182,283	(182,283)			
Total Other Changes in Net Assets	102,142	(182,283)		(80,141)	
Change in Net Assets	38,065	(3,541)	(626)	33,898	389,890
Net Assets, Beginning of Year	2,545,753	1,053,626	200,730	3,800,109	3,410,219
Net Assets, End of Year	\$ 2,583,818	\$ 1,050,085	\$ 200,104	\$ 3,834,007	\$ 3,800,109