

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

CONSOLIDATED FINANCIAL STATEMENTS

**FOR THE YEARS ENDED
JUNE 30, 2008 AND 2007**

INDEPENDENT AUDITOR'S REPORT

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

HARRISON-
DAILEY-WRIGHT
accountancy
corporation



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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, 2008 and 2007, 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, 2008 and 2007, 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 13, 2008

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

CONSOLIDATED STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2008 AND 2007

	Unrestricted		Temporarily	Combined	
	Center	Foundation	Restricted Center	2008	2007
Revenue, Support and Other:					
Tuition	\$ 6,373,692			\$ 6,373,692	\$ 6,249,370
Contract work	3,414,050			3,414,050	2,818,387
Transportation	1,521,511			1,521,511	1,448,573
Adult education contracts	457,761			457,761	439,784
Grants	385,336			385,336	271,866
Rents		\$ 212,834		212,834	212,834
Butte County Mental Health	133,262			133,262	129,324
Fundraising	107,516		\$ 6,049	113,565	106,258
Activity fees	62,016			62,016	75,116
Shipping	35,988			35,988	21,369
Retail sales	4,243			4,243	
Investment revenue	(5,641)	26,187		20,546	
Other	38,299			38,299	33,092
Total Revenue, Support and Other	12,528,033	239,021	6,049	12,773,103	11,805,973
Expenses:					
Program services	11,044,333	22,632		11,066,965	10,250,284
Management	1,298,098	1,875		1,299,973	1,302,491
Fundraising	16,275			16,275	20,367
Total Expenses	12,358,706	24,507		12,383,213	11,573,142
Change in Net Assets From Operations	169,327	214,514	6,049	389,890	232,831
Other Changes in Net Assets:					
Prior period adjustments (Note 9)					(28,394)
Intercompany transfers	204,265	(204,265)			
Total Other Changes in Net Assets	204,265	(204,265)			(28,394)
Change in Net Assets	373,592	10,249	6,049	389,890	204,437
Net Assets, Beginning of Year	2,172,161	1,043,377	194,681	3,410,219	3,205,782
Net Assets, End of Year	\$ 2,545,753	\$ 1,053,626	\$ 200,730	\$ 3,800,109	\$ 3,410,219