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UNITED CEREBRAL PALSY

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# OF GREATER NEW ORLEANS, INC.

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### FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT

JUNE 30, 1999 AND 1998

under provisions of state law, this report is a public document. A copy of the report has been submitted to the sudited, or reviewed, entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court

Release Date 12-8-99

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#### **TABLE OF CONTENTS**

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INDEPENDENT AUDITORS' REPORT ON BASIC FINANCIAL STATEMENTS AND ACCOMPANYING SCHEDULE	Page
FINANCIAL STATEMENTS:	
Statements of Financial Position	2
Statement of Activities, Year Ended June 30, 1999	3
Statement of Activities, Year Ended June 30, 1998	4
Statement of Functional Expenses, Year Ended June 30, 1999	5

Statement of Functional Expenses, Year Ended June 30, 1998	6
Statements of Cash Flows	7
Notes to Financial Statements	8
ACCOMPANYING SCHEDULE:	
Schedule of Income and Expenses by Program	14
REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE	
WITH GOVERNMENT AUDITING STANDARDS	15
Schedule of Findings and Questioned Costs	17

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#### INDEPENDENT AUDITORS' REPORT ON BASIC FINANCIAL STATEMENTS AND ACCOMPANYING SCHEDULE

To the Board of Directors of United Cerebral Palsy of Greater New Orleans, Inc. New Orleans, Louisiana

We have audited the accompanying statements of financial position of United Cerebral Palsy of Greater New Orleans, Inc. (UCP) as of June 30, 1999 and 1998, and the related statements of activities, functional expenses, and cash flows for the years then ended. These financial statements are the responsibility of UCP's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards and <u>Government Auditing Standards</u>, issued by the Comptroller General of the United States. 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 audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, UCP's financial position as of June 30, 1999 and 1998, and the changes in its net assets and its cash flows for the years then ended, in conformity with generally accepted accounting principles.

In accordance with <u>Government Auditing Standards</u>, we have also issued our report dated August 24, 1999, on our consideration of UCP's internal control over financial reporting and our tests of its compliance with certain laws, regulations, contracts and grants.

Our audits were made for the purpose of forming an opinion on the basic financial statements of UCP taken as a whole. The accompanying schedule of income and expenses by program for the year ended June 30, 1999, is presented for purposes of additional analysis and is not a required part of the basic financial statements. The information in this schedule has been subjected to the procedures applied in the audit of the basic financial statements and, in our opinion, is fairly

#### stated in all material respects in relation to the basic financial statements taken as a whole.

Legin + Matern, agar

#### August 24, 1999

Energy Centre + 1100 Poydias St. + 3 Bh Floor + New Orleans, LA 70103 + Telephone 50+56140020 + Fax 50+56140023

#### Member American Institute of Certified Public Accountants.

Private Companies Practice Section — 

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### UNITED CEREBRAL PALSY OF GREATER NEW ORLEANS, INC. STATEMENTS OF FINANCIAL POSITION

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JUNE 30, 1999 AND 1998

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		1999		1998
ASSETS				
Cash and cash equivalents	\$	62,205	\$	256,827
Contract fees and grants receivable, less allowance		,	Ť	
for uncollectibles of \$8,814 and \$14,274 in 1999 and 1998, respectively		311,278		234,518
Certificates of deposit	1	305,318		172,544
Equipment and leasehold improvements, less	1			
accumulated depreciation and amortization		144,396		127,077
Prepaid pension costs		77,303		133,136
Other assets	[	15,538		26,260
Total assets	\$	916,038	\$	950,362

\$ 910,038	<u> </u>
\$ 94,306	\$ 52,555
-	41,976
-	41,425
5,796	12,996
166,458	148,952
743,690	795,347
5,890	6,063
749,580	801,410
<u>\$ 916,038</u>	<u>\$                                    </u>
	\$ 94,306 33,508 32,848 5,796 <u>166,458</u> <u>743,690</u> 5,890 <u>5,890</u>

#### The accompanying notes are an integral part of these financial statements. 2

#### UNITED CEREBRAL PALSY OF GREATER NEW ORLEANS, INC. STATEMENT OF ACTIVITIES YEAR ENDED JUNE 30, 1999

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	ĺ	Temporarily	
	Unrestricted	Restricted	Total
REVENUES AND OTHER SUPPORT			
Program service fees	\$ 1,653,833	\$ -	\$ 1,653,833
Government fees and grants	834,795	-	834,795
Allocation from United Way	-	402,543	402,543
Designations from United Way	26,221	-	26,221
Sales to public	220,427	-	220,427
Contributions in-kind	51,712		51,712
Contributions - corporate sponsors	31,640	-	31,640
Contributions - general public	10,877	140	11,017
Special events	76,827	-	76,827
Investment and other income	23,809		23,809
Net assets released from restrictions:			
Satisfaction of program restrictions	402,856	(402,856)	<del>_</del>
Total revenues and other support	3,332,997	(173)	3,332,824
EXPENSES			
Program services:			
Adult Program	948,588	-	948,588
Children's Program	695,016	-	695,016
Sports Program	11,415	-	11,415
Supported Living Services	1,236,861	-	1,236,861
Total program services	2,891,880		2,891,880
Supporting services:			
Management and general	394,108	-	394,108
Fund-raising	98,666	-	98,666
Total supporting services	492,774	-	492,774
Total expenses	3,384,654		3,384,654
CHANGE IN NET ASSETS	(51,657)	(173)	(51,830
Net assets, beginning of period	795,347	6,063	801,410
Net assets, end of period	\$ 743,690	\$ 5,890	\$ 749,580

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

#### UNITED CEREBRAL PALSY OF GREATER NEW ORLEANS, INC. STATEMENT OF ACTIVITIES

#### YEAR ENDED JUNE 30, 1998

		Temporarily	
	Unrestricted	Restricted	Total
<b>REVENUES AND OTHER SUPPORT</b>			
Program service fees	\$ 1,678,360	\$-	\$ 1,678,360
Government fees and grants	547,214	-	547,214
Allocation from United Way	-	388,907	388,907
Designations from United Way	20,969	-	20,969
Sales to public	231,487	-	231,487
Contributions in-kind	51,356	-	51,356
Contributions - corporate sponsors	48,467	-	48,467
Contributions - general public	20,007	1,028	21,035
Special events	50,372	-	50,372
Investment and other income	19,466		19,466
Net assets released from restrictions:			
Satisfaction of program restrictions	392,702	(392,702)	-
Total revenues and other support	3,060,400	(2,767)	3,057,633
EXPENSES			
Program services:			
Adult Program	825,253	] -	825,253
Children's Program	548,609	_	548,609
Sports Program	22,276	-	22,276
Supported Living Services	1,176,808	-	1,176,808
Total program services	2,572,946	-	2,572,946
Supporting services:		]	
Management and general	268,156	-	268,156
Fund-raising	76,471		76,471
Total supporting services	344,627		344,627
Total expenses	2,917,573	-	2,917,573
CHANGE IN NET ASSETS	142,827	(2,767)	140,060
Net assets, beginning of period	652,520	8,830	661,350
Net assets, end of period	\$ 795,347	\$ 6,063	\$ 801,410

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

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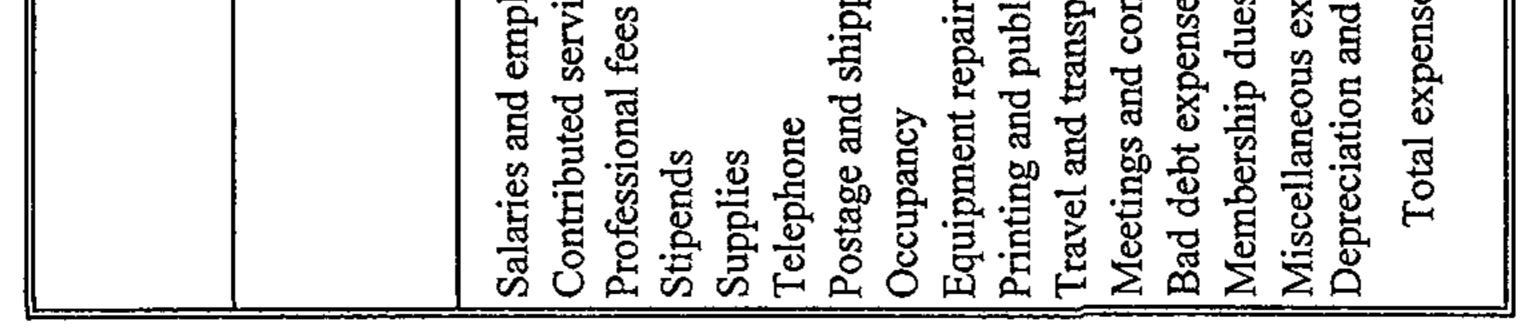
STATEMENT OF FUNCTIONAL EXPENSES

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		YEAR ENDED JU	D JUNE 30, 1999	1999			
		Program	n Services		Supporting	Services	
	Adult	Children's Program		Supported Living	Management and Ceneral	Fund Raising	Total
	T T UST ALL	1 1 Uğı allı	11051	Services		Sincravi	
nployee benefits	\$ 700,032	\$ 306,890	\$ 9,517	\$ 1,174,180	\$ 281,603	\$ 24,000	\$ 2,496,222
rvices and materials		51,935	•	1	•	35,189	87,124
es	743	171,186	J	1,795	16,329	•	190,053
	1	38,715	I	1	t	1	38,715
	67,859	7,061	298	6,133	10,260	8,446	100,057
	8,274	5,765	1	6,213	5,098	ł	25,350
ipping	688	2,126	323	661	3,641	1	7,439
	45,132	70,183	T	18,179	26,492	1	159,986
airs and maintenance	1,872	4,745	8	2,499	5,215	1	14,331
plications	897	1,026	1	1,018	3,610	1	6,551
sportation	66,437	10,535	1	12,369	3,097	1	92,438
conferences	9,002	4,946	193	2,029	17,114	1	33,284
nse	694	5,739	t	(2,756)		1	3,677
ues & national sharing	595	15	J	9	670	31,031	32,311
expense	4,656	5,720	I	6,553	13,802	1	30,731
nd amortization	41,707	8,429	1,084	7,988	7,177		66,385
nses	\$ 948,588	\$ 695.016	\$ 11,415	\$ 1.236,861	\$ 394,108	<u>\$ 98,666</u>	\$ 3.384.654

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UNITED CEREBRAL PALSY OF GREATER NEW ORLEANS, INC.



UNITED CEREBRAL PALSY OF GREATER NEW ORLEANS, INC. STATEMENT OF FINCTIONAL EXPENSES

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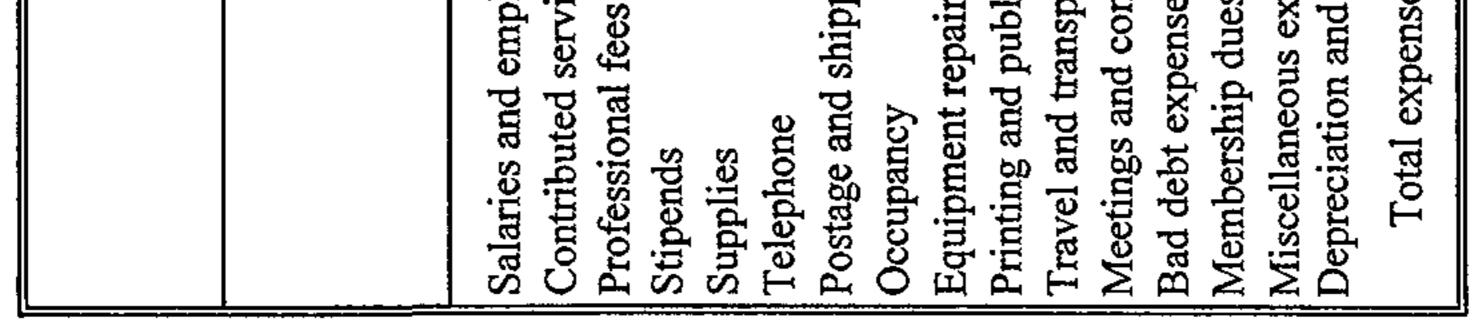
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	JAILEN	YEAR ENDED JUNE 30, 1998	D JUNE 30,	1998			
		Program	ı Services		Supporting	Services	
	Adult Program	Children's Program	Sports Program	Supported Living Services	Management and General	Fund Raising	Total
nployee benefits	\$ 584,661	\$ 251,017	\$ 10,992	\$ 1,117,072	\$ 179,246	\$ 23,995	\$ 2,166,983
rvices and materials	1.517	49,958	1 1	3.608	- 13.631	13,754	63,712 115,782
		28,327	I			,	28,327
	66,627	9,391	1,045	7,612	9,139	8,390	102,204
	6,440	2,015	47	5,503	2,836	•	16,841
ipping	609	1,964	235	763	3,152	1	6,723
	40,723	69,455	1	17,228	26,173	I	153,579
airs and maintenance	2,629	1,673	ŀ	1,756	2,095	I	8,153
ublications	749	(262)	(561)	(15)	(1,187)	ł	(1,276)
nsportation	68,754	5,414	25	7,683	1,233	•	83,109
conferences	3,661	3,223	8,712	2,655	18,632	I	36,883
nse	2,470	14,410		5,843	: 1	1	22,723
ues & national sharing	473	45	1	215	680	30,332	31,745
expense	4,686	6,786	1	2,988	7,202	ł	21,662
nd amortization	41,254	8,167	1,781	3,897	5,324	•	60,423
inses	<u>\$ 825.253</u>	<u>\$ 548,609</u>	<u>\$ 22.276</u>	\$ 1.176.808	<u>\$ 268,156</u>	<u>\$ 76.471</u>	\$ 2,917,573

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The accompanying notes are an integral part of these financial statements. 9



UNITED CEREBRAL PALSY OF GREATER NI STATEMENTS OF CASH FLOV YEARS ENDED JUNE 30, 1999 AN	WS	
	1999	1998
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ (51,830)	) \$ 140,060
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	66,385	60,423
Non-cash income	(18,265)	
Changes in assets and liabilities:		
Contract fees and grants receivable	(76,760)	(62,23
Prepaid pension costs	55,833	(55,74
Other assets	10,722	1,22
Accounts payable	41,751	(1,14)
Accrued payroll	(8,468)	• • •
Accrued employee benefits	(8,577)	10,60
Net cash provided by operating activities	10,791	87,96
CASH FLOWS FROM INVESTING ACTIVITIES:		
Maturity of certificate of deposit	14,007	64,57
Purchase of certificates of deposit	(128,516)	r ,
Purchase of equipment	(83,704)	
Net cash used in investing activities	(198,213)	(122,879
CASH FLOWS FROM FINANCING ACTIVITIES:		 
Payments on notes payable	(7,200)	(7,290
Net cash used in financing activities	(7,200)	(7,290
NET DECREASE IN CASH AND CASH EQUIVALENTS	(194,622)	(42,213
Cash and cash equivalents, beginning of year	256,827	299,040
Cash and cash equivalents, end of year	\$ 62,205	\$ 256,827
SUPPLEMENTAL DISCLOSURES:		
Interest paid	\$ 908	\$ 1.489

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#### The accompanying notes are an integral part of these financial statements. 7

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#### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### **Organization**

Founded in 1950, United Cerebral Palsy of Greater New Orleans, Inc. ("UCP") is a nonprofit organization providing programs and services to improve the quality of life for people with cerebral palsy and other disabilities, and also for their families, in several southern Louisiana parishes. UCP provides pediatric outpatient treatment; early intervention and special instruction; training in athletic development; job placement and support for adults with disabilities; and personal/respite care services and independent living in the home.

UCP's programs are as follows:

Children's Services (Soboloff)

UCP's Soboloff program offers community-based early intervention services for children from birth through age 3 with all types of developmental delays. A variety of clinical services such as dental and orthodontics are provided for individuals from birth through age 21. There are also orthopedic and wheelchair seating clinics.

#### Developmental Sports

This program was established in 1983 to serve individuals with physical disabilities age 8 and above. Developing each athlete to his or her full potential will increase the individual's physical strength, endurance, mobility, and self-esteem.

#### Adult Services

Our employment specialists help people with disabilities choose employment based on their capabilities, talents, and interests. For those individuals who choose not to work, our community access program provides a variety of activities which promote meaningful participation in the community.

#### Supported Living Services

This program is designed to assist people of all ages who have disabilities live independently in their own homes and communities. UCP assists with personal needs, daily living skills, and community activities.

#### **Basis of Presentation**

The accompanying financial statements have been prepared on the accrual basis of accounting. Contributions are generally recorded only upon receipt, unless a pledge of contribution has been received and confirmed. Contributions are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. All contributions are considered to be available for unrestricted use unless restricted specifically by the donor.

#### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

UCP reports information regarding its financial position and activities according to three classes of net assets, as applicable: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets. See Note 2 for a description of restrictions on UCP's net assets.

#### **Donated Services**

A number of physicians have made significant contributions of their time, primarily for the Children's program's clinical services. The value of this contributed time and the corresponding expenses for the years ended June 30, 1999 and 1998, were approximately \$52,000 and \$48,000, respectively, and are reflected in these financial statements as contributions in-kind and contributed services and materials. Clinic appointment schedules and average physician rates are used in valuing and recording these donated services.

#### **Donated Property and Equipment**

Donations of property and equipment are recorded as support at their estimated fair value at the date of donation. Such donations are reported as unrestricted support, unless the donor has restricted the donated asset to a specific purpose or for use for a specified period of time. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as temporarily restricted support.

Absent donor stipulations regarding how long those donated assets must be maintained, UCP reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. UCP reclassifies temporarily restricted net assets to unrestricted net assets at that time. If the donor has stipulated a time restriction, the expiration of this restriction is reported as the related asset is depreciated.

#### **Allocation of Functional Expenses**

Expenses are summarized on a functional basis. Salaries and related payroll expenses are distributed based upon the time spent for each function. Distribution of all other expenses is based upon management's estimates of the usage applicable to conducting various functional activities.

#### Equipment and Leasehold Improvements

Equipment and leasehold improvements are recorded at cost. UCP capitalizes all expenditures for equipment in excess of \$400; the fair value of donated assets is similarly capitalized.

## Depreciation is provided on a straight-line basis over the estimated useful lives of the assets (three to ten years). Leasehold improvements are amortized over the life of the lease.

#### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### Cash and Cash Equivalents

For the purposes of the statement of cash flows, UCP considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

#### Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. UCP's estimates include those regarding the fair value of donations in-kind, the allowance for uncollectible receivables, and pension costs.

#### <u>Concentrations</u>

UCP's financial instruments that are exposed to concentrations of credit risk consist primarily of cash on deposit at financial institutions, and money market mutual funds. UCP places its financial instruments with high credit quality banks in the Greater New Orleans area. Accounts at each financial institution are insured by the Federal Deposit Insurance Corporation up to \$100,000. Amounts on deposit in excess of insured limits were approximately \$314,000 and \$225,000 at June 30, 1999 and 1998, respectively. At June 30, 1999, UCP had approximately \$110,000, invested in a money market mutual fund.

A significant portion of UCP's revenue and receivables relate to government grants. Grants require the fulfillment of certain conditions as set forth in the grant instruments. UCP, by accepting the grants and their terms, has agreed to the conditions of the grantors. UCP intends to fulfill the condition of all grants, recognizing that failure to fulfill the conditions could result in the return of the funds to grantors.

#### **Income Taxes**

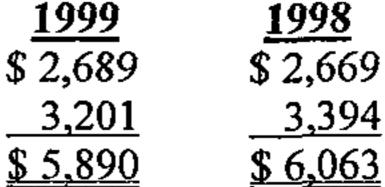
UCP is exempt from federal income taxes under Section 501 (c)(3) of the Internal Revenue Code and from state income taxes under Section 121 (5) of Title 47 of the Louisiana Revised Statutes of 1950; it is not a private foundation.

10

#### **NOTE 2 - RESTRICTIONS ON NET ASSETS**

Temporarily restricted net assets were available for the following purposes at June 30:

#### Athletic development Sports program equipment



#### **NOTE 3 - EQUIPMENT AND LEASEHOLD IMPROVEMENTS**

At June 30, 1999 and 1998, equipment and leasehold improvements were comprised of the following:

	<u>1999</u>	<u>1998</u>
Transportation equipment	\$226,025	\$188,725
Office furniture and equipment	239,050	220,039
Leasehold improvements	21,634	20,093
Less: Accumulated depreciation	486,709	428,857
and amortization	<u>(342,313)</u>	<u>(301,780)</u>
	<u>\$144,396</u>	<u>\$127,077</u>

#### **NOTE 4 - LEASES**

UCP has two operating leases for the rental of office and workshop space. Minimum annual lease commitments under the non-cancelable operating leases as of June 30, 1999 were:

	······································	
2000	<b>ФОС 044</b>	

2000\$83,8442001\$6,784

Rent expense was \$94,519 and \$90,685 for the years ended June 30, 1999 and 1998, respectively.

#### NOTE 5 - PENSION PLAN

UCP currently has one pension plan covering substantially all employees that have reached twenty-one years of age and one year of service. Effective April 1, 1998, UCP ceased funding its defined benefit pension plan and formed a new defined contribution plan covering employees of similar age and service requirements as the prior plan.

Assets of the former plan remain held in a trust fund managed by an insurance company. Investments are comprised of equity, fixed income and money market securities. The plan was noncontributory and provides pension benefits that are based on employees' credited service and compensation during the final years of employment. Additionally, the plan's benefit formula contains a provision for limited annual cost of living adjustments for retirees. Intentions are to dissolve the plan when optimal under current tax laws. As of June 30, 1999, the plan had yet to be terminated.

The newly formed qualified retirement plan entitles participants to contribute a portion of their compensation under a tax-deferred arrangement pursuant to section 401(k) of the Internal Revenue Code. The plan allows discretionary contributions to be made by the organization. UCP currently contributes to the plan an amount equal to 5% of all eligible employees' salaries in addition to a match equal to 100% of employee contributions up to 5% of their compensation. UCP's discretionary contributions to the plan were \$62,384 and \$16,799 for fiscal 1999 and 1998, respectively.

#### NOTE 5 - PENSION PLAN (cont'd)

The following tables set forth the financial status of the defined benefit plan at June 30, 1999 and 1998:

	<u>1999</u>	<u>1998</u>
Plan assets at fair value	\$1,019,102	\$999,100
Projected benefit obligation	<u>819,965</u>	<u>694,441</u>
Plan assets in excess of projected benefit obligation	199,137	304,659
Unamortized net asset from transition	(25,218)	(27,549)
Unrecognized gain	(148,450)	(200,617)
Unrecognized prior service costs	51,834	56,643
Prepaid pension cost	<u>\$ 77,303</u>	<u>\$133,136</u>
Net pension expense included the following components:		

Service costs

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\$ 89,643 \$ 67,666

	$\psi \circ \gamma, \phi \circ \sigma$	<i>\(\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\</i>
Interest costs	47,348	38,043
Actual return on plan assets	(49,166)	(128,667)
Net amortization and deferral	(31,992)	52,157
Net pension expense	<u>\$ 55,833</u>	<u>\$ 29,199</u>
Benefit payments	<u>\$ 33,043</u>	<u>\$ 44,633</u>
Assumptions used in the accounting for net pension expense were:		
Discount rate	6.0%	7.5%
Rate of increase in compensation levels	7.0%	6.0%
Long-term rate of return on assets	7.5%	8.0%

#### **NOTE 6 - NATIONAL SUPPORT**

UCP receives various types of support from its national organization. In turn, a portion of UCP's public support is paid to the national organization for purposes of fulfilling the organization's mission. Amounts paid to the national organization for the years ended June 30, 1999 and 1998 were \$31,031 and \$30,332, respectively.



#### NOTE 7 - NOTES PAYABLE

As of June 30, 1999 and 1998, UCP had a note payable to a local bank, due in monthly installments. The note bears interest at 8.65%, matures in April, 2000, and is collateralized by a vehicle with a net book value of \$6,667.

#### NOTE 8 - THIRD-PARTY REIMBURSEMENTS

UCP's Supported Living Services program is entirely funded through a third party reimbursement arrangement under the MR/DD (Mentally Retarded/Developmentally Disabled) Waiver Program. This program is a Medicaid Home and Community Based Services Waiver providing alternative services instead of institutional care to persons who are mentally retarded or have other developmental disabilities. In addition, UCP receives a portion of funding for the Children's and Adult programs from Medicaid reimbursement.

UCP is reimbursed at pre-approved rates for each unit of service provided to consumers. Funds received are included in program service fees. Medicaid accounts for approximately 45% and 48% of UCP's total support and revenue for fiscal 1999 and 1998, respectively. In addition, approximately 49% and 46% of UCP's net contract fees and grants receivable at June 30, 1999 and 1998, respectively, are comprised of Medicaid receivables.

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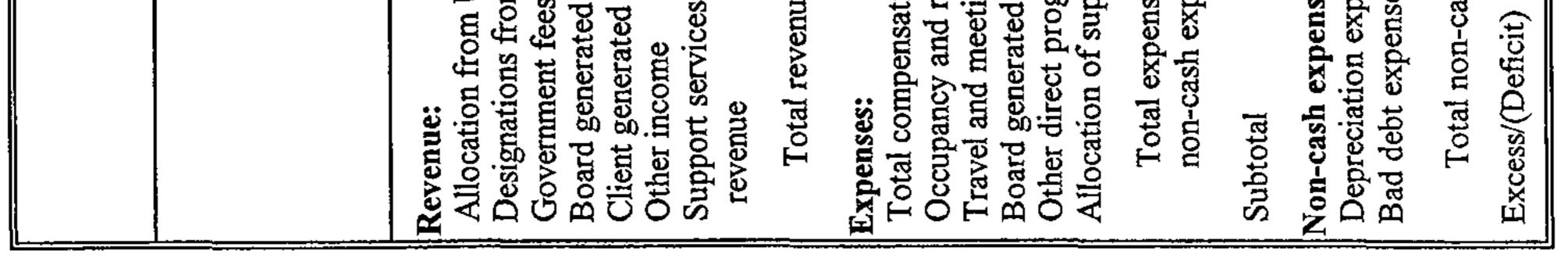
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Б	UNITTED CEREB SCHEDULE	RAL PA OF INCC YEAR	AN OF	<b>FER NEW</b> ENSES BY 30, 1999	ORLEANS, INC. PROGRAM		
		Program	n Services		Supportin	ng Services	
				Supported	Fund-Raising and	Administrative	
	Adult Program	Children's Program	Sports Program	Living Services	Management and General	Services Restricted	Total
m United Way	\$ 96,791	\$ 298,333	\$ 7,419	<b>ب</b> ج	\$ -	۱ <del>(</del>	\$ 402,543
com United way ees and grants ted self-support ed self-support	440,097 1,224 482,781	376,514 58,525 65,803	286	18,184 1,324,346	20,221 - 112,531 830 77758	<b>181</b>	20,221 834,795 172,461 1,874,046
ces allocated	119,251	19,234	53,859		(192,344)	E	
snue	1,140,144	818,409	61,564	1,342,530	(30,004)	181	3,332,824
sation d related expenses etings ted self-support rogram expenses support services	700,032 47,004 75,439 83,712 83,712 143,971	306,890 74,928 15,481 51,935 231,613 231,613 119,987	9,517 73 73 621 24,004	1,174,180 20,678 14,398 14,398 - - - 191,971	305,604 31,707 20,211 20,211 84,441 84,441 (479,933)		2,496,223 174,317 125,602 95,690 422,760
enses before expenses	1,050,158 89,986	800,834 17,575	34,215 27,349	1,423,600 (81,070)	5,665 (35,669)	120 61	3,314,592 18,232
enses: expense ense	41,707	8,429 5,739	1,084	7,988 (2,756)	7,177		66,385 3,677
-cash expenses it)	42,401 \$ 47,585	14,168 \$ 3.407	1,084	5,232 \$ (86,302)	7,177 \$ (42,846)	\$ 61	70,062 \$ (51,830)

statements ncial

The accompanying notes are an integral part of these final 4





#### REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <u>GOVERNMENT</u> <u>AUDITING STANDARDS</u>

To the Board of Directors of United Cerebral Palsy of Greater New Orleans, Inc. New Orleans, Louisiana

We have audited the financial statements of United Cerebral Palsy of Greater New Orleans, Inc. ("UCP") as of and for the year ended June 30, 1999, and have issued our report thereon dated August 24, 1999. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in <u>Government Auditing Standards</u>, issued by the Comptroller General of the United States.

#### <u>Compliance</u>

As part of obtaining reasonable assurance about whether UCP's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under <u>Government Auditing Standards</u>.

#### Internal Control Over Financial Reporting

In planning and performing our audit, we considered UCP's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the another period.

### the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

#### Energy Centre + 1400 Poydras St. + 34th Floor + New Orleans, LA 70163 + Telephone 504 561-0020 + Fax 504 561-0023 Member American Institute of Certified Public Accountants

Private Companies Practice Section — 

 Management Consulting Section — 
 Personal Financial Planning Section

This report is intended solely for the information and use of the finance committee, management, and applicable legislative or regulatory bodies and is not intended to be and should not be used by anyone other than these specified parties.

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Legie & Maten, apr

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August 24, 1999

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#### United Cerebral Palsy of Greater New Orleans, Inc. Schedule of Findings and Questioned Costs For the Year Ended June 30, 1999

We have audited the financial statements of United Cerebral Palsy of Greater New Orleans, Inc. as of and for the year ended June 30, 1999, and have issued our report thereon dated August 24, 1999. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our audit of the financial statements as of June 30, 1999 resulted in an unqualified opinion.

#### Section I - Summary of Auditors' Results

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#### Financial Statements

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<ul> <li>Internal control over financial reporting:</li> <li>Material weakness(es) identified?</li> <li>Reportable condition(s) identified that are not considered to be material weaknesses?</li> </ul>	yesno
Noncompliance material to financial	
statements noted?	yesx_no
<ul> <li>Federal Awards</li> <li>Internal control over major programs: <ul> <li>Material weakness(es) identified?</li> </ul> </li> <li>Reportable condition(s) identified that are not considered to be material</li> </ul>	yesno
weakness(es)?	yesx_none reported
Type of auditors' report issued on compliar	
Any audit findings disclosed that are required to be reported in accordance	
with section 510(a) of Circular A-133?	yesno

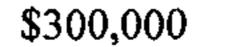
Identification of major programs:

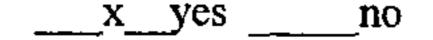
CFDA Number(s) 84.181A

Name of Federal Program or Cluster Special Education Grants for Infants and Families with Disabilities

Dollar threshold used to distinguish

#### Between type A and type B programs: Auditee qualified as low-risk auditee?





#### Section II – Financial Statement Findings

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No matters were reported.

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#### Section III - Federal Award Findings and Questioned Costs

No matters were reported.

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