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**UNITED CEREBRAL PALSY
OF GREATER NEW ORLEANS, INC.**

**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 audited, 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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**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 Government Auditing Standards, 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 Government Auditing Standards, 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.

Legier & Materné, cpac

August 24, 1999

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UNITED CEREBRAL PALSY OF GREATER NEW ORLEANS, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 1999 AND 1998

	1999	1998
ASSETS		
Cash and cash equivalents	\$ 62,205	\$ 256,827
Contract fees and grants receivable, less allowance for uncollectibles of \$8,814 and \$14,274 in 1999 and 1998, respectively	311,278	234,518
Certificates of deposit	305,318	172,544
Equipment and leasehold improvements, less accumulated depreciation and amortization	144,396	127,077
Prepaid pension costs	77,303	133,136
Other assets	15,538	26,260
Total assets	<u>\$ 916,038</u>	<u>\$ 950,362</u>
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable	\$ 94,306	\$ 52,555
Accrued payroll	33,508	41,976
Accrued employee benefits	32,848	41,425
Notes payable	5,796	12,996
Total liabilities	<u>166,458</u>	<u>148,952</u>
Net assets:		
Unrestricted	743,690	795,347
Temporarily restricted	5,890	6,063
Total net assets	<u>749,580</u>	<u>801,410</u>
Total liabilities and net assets	<u>\$ 916,038</u>	<u>\$ 950,362</u>

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, 1999

	Unrestricted	Temporarily 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)	-
Total revenues and other support	<u>3,332,997</u>	<u>(173)</u>	<u>3,332,824</u>
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	<u>2,891,880</u>	<u>-</u>	<u>2,891,880</u>
Supporting services:			
Management and general	394,108	-	394,108
Fund-raising	98,666	-	98,666
Total supporting services	<u>492,774</u>	<u>-</u>	<u>492,774</u>
Total expenses	<u>3,384,654</u>	<u>-</u>	<u>3,384,654</u>
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	<u>\$ 743,690</u>	<u>\$ 5,890</u>	<u>\$ 749,580</u>

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

	Unrestricted	Temporarily Restricted	Total
REVENUES AND OTHER SUPPORT			
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	<u>3,060,400</u>	<u>(2,767)</u>	<u>3,057,633</u>
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	<u>2,572,946</u>	<u>-</u>	<u>2,572,946</u>
Supporting services:			
Management and general	268,156	-	268,156
Fund-raising	76,471	-	76,471
Total supporting services	<u>344,627</u>	<u>-</u>	<u>344,627</u>
Total expenses	<u>2,917,573</u>	<u>-</u>	<u>2,917,573</u>
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	<u>\$ 795,347</u>	<u>\$ 6,063</u>	<u>\$ 801,410</u>

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

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

YEAR ENDED JUNE 30, 1999

	Program Services					Supporting Services			Total
	Adult Program	Children's Program	Sports Program	Supported Living Services	Management and General	Fund Raising			
Salaries and employee benefits	\$ 700,032	\$ 306,890	\$ 9,517	\$ 1,174,180	\$ 281,603	\$ 24,000	\$	\$ 2,496,222	
Contributed services and materials	-	51,935	-	-	-	35,189	-	87,124	
Professional fees	743	171,186	-	1,795	16,329	-	-	190,053	
Stipends	-	38,715	-	-	-	-	-	38,715	
Supplies	67,859	7,061	298	6,133	10,260	8,446	-	100,057	
Telephone	8,274	5,765	-	6,213	5,098	-	-	25,350	
Postage and shipping	688	2,126	323	661	3,641	-	-	7,439	
Occupancy	45,132	70,183	-	18,179	26,492	-	-	159,986	
Equipment repairs and maintenance	1,872	4,745	-	2,499	5,215	-	-	14,331	
Printing and publications	897	1,026	-	1,018	3,610	-	-	6,551	
Travel and transportation	66,437	10,535	-	12,369	3,097	-	-	92,438	
Meetings and conferences	9,002	4,946	193	2,029	17,114	-	-	33,284	
Bad debt expense	694	5,739	-	(2,756)	-	-	-	3,677	
Membership dues & national sharing	595	15	-	-	670	31,031	-	32,311	
Miscellaneous expense	4,656	5,720	-	6,553	13,802	-	-	30,731	
Depreciation and amortization	41,707	8,429	1,084	7,988	7,177	-	-	66,385	
Total expenses	\$ 948,588	\$ 695,016	\$ 11,415	\$ 1,236,861	\$ 394,108	\$ 98,666	\$	\$ 3,384,654	

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

UNITED CEREBRAL PALSY OF GREATER NEW ORLEANS, INC.

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 1998

	Program Services					Supporting Services		Total
	Adult Program	Children's Program	Sports Program	Supported Living Services	Management and General	Fund Raising		
Salaries and employee benefits	\$ 584,661	\$ 251,017	\$ 10,992	\$ 1,117,072	\$ 179,246	\$ 23,995	\$ 2,166,983	
Contributed services and materials	-	49,958	-	-	-	13,754	63,712	
Professional fees	1,517	97,026	-	3,608	13,631	-	115,782	
Stipends	-	28,327	-	-	-	-	28,327	
Supplies	66,627	9,391	1,045	7,612	9,139	8,390	102,204	
Telephone	6,440	2,015	47	5,503	2,836	-	16,841	
Postage and shipping	609	1,964	235	763	3,152	-	6,723	
Occupancy	40,723	69,455	-	17,228	26,173	-	153,579	
Equipment repairs and maintenance	2,629	1,673	-	1,756	2,095	-	8,153	
Printing and publications	749	(262)	(561)	(15)	(1,187)	-	(1,276)	
Travel and transportation	68,754	5,414	25	7,683	1,233	-	83,109	
Meetings and conferences	3,661	3,223	8,712	2,655	18,632	-	36,883	
Bad debt expense	2,470	14,410	-	5,843	-	-	22,723	
Membership dues & national sharing	473	45	-	215	680	30,332	31,745	
Miscellaneous expense	4,686	6,786	-	2,988	7,202	-	21,662	
Depreciation and amortization	41,254	8,167	1,781	3,897	5,324	-	60,423	
Total expenses	\$ 825,253	\$ 548,609	\$ 22,276	\$ 1,176,808	\$ 268,156	\$ 76,471	\$ 2,917,573	

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

UNITED CEREBRAL PALSY OF GREATER NEW ORLEANS, INC.

STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 1999 AND 1998

	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)	(14,777)
Changes in assets and liabilities:		
Contract fees and grants receivable	(76,760)	(62,235)
Prepaid pension costs	55,833	(55,747)
Other assets	10,722	1,224
Accounts payable	41,751	(1,142)
Accrued payroll	(8,468)	9,553
Accrued employee benefits	(8,577)	10,603
Net cash provided by operating activities	<u>10,791</u>	<u>87,962</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Maturity of certificate of deposit	14,007	64,573
Purchase of certificates of deposit	(128,516)	(150,000)
Purchase of equipment	(83,704)	(37,452)
Net cash used in investing activities	<u>(198,213)</u>	<u>(122,879)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payments on notes payable	(7,200)	(7,296)
Net cash used in financing activities	<u>(7,200)</u>	<u>(7,296)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	<u>(194,622)</u>	<u>(42,213)</u>
Cash and cash equivalents, beginning of year	256,827	299,040
Cash and cash equivalents, end of year	<u>\$ 62,205</u>	<u>\$ 256,827</u>
SUPPLEMENTAL DISCLOSURES:		
Interest paid	<u>\$ 908</u>	<u>\$ 1,489</u>

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

UNITED CEREBRAL PALSY OF GREATER NEW ORLEANS, INC.
NOTES TO FINANCIAL STATEMENTS

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.

UNITED CEREBRAL PALSY OF GREATER NEW ORLEANS, INC.
NOTES TO FINANCIAL STATEMENTS

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.

UNITED CEREBRAL PALSY OF GREATER NEW ORLEANS, INC.
NOTES TO FINANCIAL STATEMENTS

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.

Concentrations

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.

NOTE 2 -RESTRICTIONS ON NET ASSETS

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

	<u>1999</u>	<u>1998</u>
Athletic development	\$ 2,689	\$ 2,669
Sports program equipment	<u>3,201</u>	<u>3,394</u>
	<u>\$ 5,890</u>	<u>\$ 6,063</u>

**UNITED CEREBRAL PALSY OF GREATER NEW ORLEANS, INC.
NOTES TO FINANCIAL STATEMENTS**

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	<u>21,634</u>	<u>20,093</u>
	486,709	428,857
Less: Accumulated depreciation 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	\$83,844
2001	86,784

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.

UNITED CEREBRAL PALSY OF GREATER NEW ORLEANS, INC.
NOTES TO FINANCIAL STATEMENTS

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	<u>51,834</u>	<u>56,643</u>
Prepaid pension cost	<u>\$ 77,303</u>	<u>\$133,136</u>
Net pension expense included the following components:		
Service costs	\$ 89,643	\$ 67,666
Interest costs	47,348	38,043
Actual return on plan assets	(49,166)	(128,667)
Net amortization and deferral	<u>(31,992)</u>	<u>52,157</u>
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.

UNITED CEREBRAL PALSY OF GREATER NEW ORLEANS, INC.
NOTES TO FINANCIAL STATEMENTS

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.

UNITED CEREBRAL PALSY OF GREATER NEW ORLEANS, INC.
SCHEDULE OF INCOME AND EXPENSES BY PROGRAM
YEAR ENDED JUNE 30, 1999

	Program Services					Supporting Services			Total
	Adult Program	Children's Program	Sports Program	Supported Living Services	Fund-Raising and Management and General	Administrative Services Restricted			
Revenue:									
Allocation from United Way	\$ 96,791	\$ 298,333	\$ 7,419	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 402,543
Designations from United Way	440,097	-	-	-	26,221	-	-	-	26,221
Government fees and grants	1,224	376,514	-	18,184	-	-	-	-	834,795
Board generated self-support	482,781	58,525	-	-	112,531	181	-	-	172,461
Client generated self-support	-	65,803	286	1,324,346	830	-	-	-	1,874,046
Other income	-	-	-	-	22,758	-	-	-	22,758
Support services allocated revenue	119,251	19,234	53,859	-	(192,344)	-	-	-	-
Total revenue	1,140,144	818,409	61,564	1,342,530	(30,004)	181	-	-	3,332,824
Expenses:									
Total compensation	700,032	306,890	9,517	1,174,180	305,604	-	-	-	2,496,223
Occupancy and related expenses	47,004	74,928	-	20,678	31,707	-	-	-	174,317
Travel and meetings	75,439	15,481	73	14,398	20,211	-	-	-	125,602
Board generated self-support	-	51,935	-	-	43,635	120	-	-	95,690
Other direct program expenses	83,712	231,613	621	22,373	84,441	-	-	-	422,760
Allocation of support services	143,971	119,987	24,004	191,971	(479,933)	-	-	-	-
Total expenses before non-cash expenses	1,050,158	800,834	34,215	1,423,600	5,665	120	-	-	3,314,592
Subtotal	89,986	17,575	27,349	(81,070)	(35,669)	61	-	-	18,232
Non-cash expenses:									
Depreciation expense	41,707	8,429	1,084	7,988	7,177	-	-	-	66,385
Bad debt expense	694	5,739	-	(2,756)	-	-	-	-	3,677
Total non-cash expenses	42,401	14,168	1,084	5,232	7,177	-	-	-	70,062
Excess/(Deficit)	\$ 47,585	\$ 3,407	\$ 26,265	\$ (86,302)	\$ (42,846)	\$ 61	\$ -	\$ -	\$ (51,830)

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



**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER
FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT
AUDITING STANDARDS**

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 Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

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 Government Auditing Standards.

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 would not necessarily disclose all matters in 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 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.

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.

Legui & Matern, apsc

August 24, 1999

**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

Financial Statements

Internal control over financial reporting:

- Material weakness(es) identified? yes no
- Reportable condition(s) identified that are not considered to be material weaknesses? yes none reported

Noncompliance material to financial statements noted? yes no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? yes no
- Reportable condition(s) identified that are not considered to be material weakness(es)? yes none reported

Type of auditors' report issued on compliance for major programs: *Unqualified*

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? yes no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.181A	Special Education Grants for Infants and Families with Disabilities

Dollar threshold used to distinguish Between type A and type B programs: \$300,000
 Auditee qualified as low-risk auditee? yes no

Section II – Financial Statement Findings

No matters were reported.

Section III – Federal Award Findings and Questioned Costs

No matters were reported.