

United Cerebral Palsy Association
of San Luis Obispo County, Inc.
Auditor's Report
And
Financial Statements
Year Ended September 30, 2009

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United Cerebral Palsy Association
of San Luis Obispo County, Inc.
Auditor's Report
And
Financial Statements
Year Ended September 30, 2009

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Independent Auditor's Report

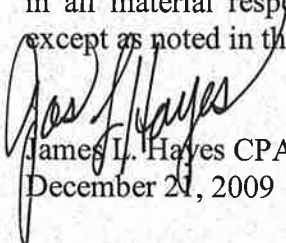
To the Board of Directors of
United Cerebral Palsy Association
of San Luis Obispo County, Inc.
San Luis Obispo, California

I have audited the accompanying statement of financial position of United Cerebral Palsy Association of San Luis Obispo County, Inc. (a nonprofit organization) as of September 30, 2009 and the related statements of activities, cash flows, and functional expenses for the year then ended. These financial statements are the responsibility of the Organization's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. 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 statements presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of United Cerebral Palsy Association of San Luis Obispo County, Inc., as of September 30, 2009, and the changes in its net assets and its cash flows for the year ended in conformity with accounting principles generally accepted in the United States of America.

My audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information on pages 19 through 29 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements, and, in my opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole except as noted in the footnotes.


James L. Hayes CPA
December 21, 2009

United Cerebral Palsy Association
of San Luis Obispo County, Inc.
Statement of Financial Position
September 30, 2009

Assets

Current Assets

Cash (overdraft)	\$ (12,390)
Accounts receivable	318,262
Reserve for bad debts	(9,453)
Transportation Development Act receivable	351,587
Prepaid expenses	48,185
Deposits	9,579
Total Current Assets	<u>705,770</u>

Fixed Assets:

Furniture and equipment	60,861
Vehicles	2,531,214
Computer system	64,387
Radios	70,798
Telephone system	26,326
Dispatch equipment	73,061
Less: Accumulated depreciation	<u>(2,058,490)</u>
Net Fixed Assets	<u>768,157</u>

Total Assets **\$ 1,473,927**

See Accompanying Notes and Auditor's Report

United Cerebral Palsy Association
of San Luis Obispo County, Inc.
Statement of Financial Position
September 30, 2009

Liabilities and Net Assets

Liabilities

Current Liabilities

Accounts payable	\$ 149,207
Customer deposits	9,714
Deferred income	351,587
CCTAC liability	2,820
Accrued payroll	94,452
Retirement plan payable	1,365
Accrued vacation	40,699
Current portion-long term debt	<u>149,053</u>
 Total Current Liabilities	 <u>798,897</u>

Long Term Debt

Line of credit payable	95,317
Loans payable	163,091
Less: current portion – long term debt	<u>(149,052)</u>
 Total Long Term Debt	 <u>109,356</u>

Total Liabilities

908,253

Net Assets

Restricted-board designated endowment fund	5,000
Unrestricted	<u>560,674</u>
 Total Net Assets	 <u>565,674</u>

Total Liabilities and Net Assets

\$ 1,473,927

See Accompanying Notes and Auditor's Report

United Cerebral Palsy Association
of San Luis Obispo County, Inc.
Statement of Activities
Year Ended September 30, 2009

Revenues and Support

Revenues

Medi-Cal	\$ 515,788
Private pay	55,696
Go Seniors	355
Maintenance income	2,707
Tri Counties Regional Center	1,996,113
Gas tax refund	45,390
Transportation revenue	252,855
People First revenue	20,167
Van pool revenue	484,588
Agrig. Workers Van Pool revenue	80,083
Five Cities Shuttle	23,342
Guaranteed Ride Home revenue	4,017
Veterans express	30,635
Incentives revenue	900
Respite care	237,953
Camp Hope revenue	4,475
CCATC revenue	122,973
Hope revenue	11,805
PHP library revenue	72,889
PHP revenue	35,963
CIP tours	58,152
Leisure club	13,080
Camp revenue	33,472
CIP fares	8,251
Interest income	(9)
Member dues	250
Miscellaneous/refunds	(2,707)
Total	<u>4,109,183</u>

Grants and special allocations

Transportation Development Act revenue	472,752
Other grants	333,319
Prop 10 revenue	37,254
Total	<u>843,325</u>

(Continued on page 5)

See Accompanying Notes and Auditor's Report

United Cerebral Palsy Association
of San Luis Obispo County, Inc.
Statement of Activities
Year Ended September 30, 2009

(Continued from page 4)

Public support:

Contributions – special events	\$	
		8,682
Contributions – general		1,386
Total		10,068

Total Revenues and Support 4,962,576

Expenses

Scholarships	9,147
Special events	8,533
TMA tour expense	88
Camp expenses	41,080
CIP tours expense	46,141
Teen camp expense	1,648
Leisure club expense	8,377
Shares UCPA National	28,533
Bad debts	3,391
Bus pass expense	8,254
Fuel	539,670
Registrations	179
Salary director	111,000
Salaries - exe-asst.	27,712
Salaries - operation manager	39,815
Salaries - coordinator	38,906
Drivers - wages	978,788
Drivers training wages	10,070
Salaries - staff	317,043
Drivers maintenance wages	125,627
Drivers travel	793
Drug testing	1,911
Salaries - Respite Care	126,648
Payroll taxes	134,046
Hope payroll taxes	761
PHP payroll taxes	8,409
Camp Hope payroll taxes	412

(Continued on page 6)

See Accompanying Notes and Auditor's Report

United Cerebral Palsy Association
of San Luis Obispo County, Inc.
Statement of Activities
Year Ended September 30, 2009

(Continued from page 5)

Mileage – employees	\$ 27,548
Americorp staff expense	10,200
Uniforms	1,643
Vehicle leases expense	224,812
Board expenses	5,348
Bookkeeping expense	34,565
Audit	9,400
Bank charges	1,260
Credit card fees	5,151
Computer expenses	17,507
Drivers training	4,090
Employee benefits – health insurance	102,400
Employee benefits - worker's compensation insurance	133,547
Employee benefits - unemployment insurance	34,134
Employee benefits – other	(105)
Employee relations expense	3,110
Expendable equipment	5,821
Insurance general	216,181
Interest expense	24,528
Legal fees	755
Vehicle washing	14,710
Vehicle maintenance	147,237
Marketing	30,260
Membership dues	655
Miscellaneous	17,682
Leasehold expense	27,139
Staff room expense	688
Office maintenance	2,856
Office supplies	4,533
Payroll service	5,971
Parking	16
Permits	1,147
PUC expense	853
Postage	2,686
Printing	12,288

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See Accompanying Notes and Auditor's Report

United Cerebral Palsy Association
of San Luis Obispo County, Inc.
Statement of Activities
Year Ended September 30, 2009

(Continued from page 6)

Respite expense	\$	(689)
Get Active expense		4,125
Hope expense		816
Hope payroll		9,944
PHP expense		18,465
PHP payroll		105,494
PHP scholarship expense		383
PHP library expense		2,907
Prop 10 expense		2,535
Camp Hope payroll		5,384
Family services expense		15
CCTAC expenses		31,481
CCTAC payroll		124,186
People first expense		11,268
AWVP expense		14,738
AWVP payroll		21,970
Radio expenses		19,128
GPS expense		13,913
Rent		79,859
Risk management		5,638
Staff travel		6,851
Telephone/fax		12,634
Depreciation		119,287
Finance charges		(34)
Total Expenses		<u>4,357,896</u>
Increase in Net Assets		604,680
Net Assets at Beginning of Year (deficit)		(17,007)
Prior Period Adjustment		(26,999)
Net Assets – Restricted – Endowment		<u>5,000</u>
Net Assets at End of Year	\$	<u><u>565,674</u></u>

See Accompanying Notes and Auditor's Report

United Cerebral Palsy Association
of San Luis Obispo County, Inc.
Statement of Functional Expenses
Year Ended September 30, 2009

Expenses	Program Services	Management and General	Fund Raising	Total
Scholarships	\$ 9,147	\$ -	\$ -	\$ 9,147
Special events	5,122	-	3,411	8,533
TMA tour expense	88	-	-	88
Camp expenses	41,080	-	-	41,080
CIP tours expense	46,141	-	-	46,141
Teen Camp expense	1,648	-	-	1,648
Leisure club expense	8,377	-	-	8,377
Shares UCPA National	-	28,533	-	28,533
Bad debts	3,391	-	-	3,391
Bus pass expense	8,254	-	-	8,254
Fuel	539,670	-	-	539,670
Registrations	179	-	-	179
Salaries – director	22,200	83,250	5,550	111,000
Salaries – exe. asst.	27,712	-	-	27,712
Salaries – operation manager	39,815	-	-	39,815
Salaries – coordinator	38,906	-	-	38,906
Drivers – wagers	978,788	-	-	978,788
Drivers training wages	10,070	-	-	10,070
Salaries – staff	253,636	53,897	9,510	317,043
Drivers maintenance wages	125,627	-	-	125,627
Drivers travel	793	-	-	793
Drug testing	1,911	-	-	1,911
Salaries- Respite Care	126,648	-	-	126,648
Payroll taxes	120,641	10,724	2,681	134,046
Hope payroll taxes	761	-	-	761
PHP payroll taxes	8,409	-	-	8,409
Camp Hope payroll taxes	412	-	-	412
Mileage – employees	27,548	-	-	27,548
AmeriCorps staff expense	10,200	-	-	10,200
Uniforms	1,643	-	-	1,643
Vehicle leases expense	224,812	-	-	224,812
Board expense	-	5,348	-	5,348
Bookkeeping expense	32,491	1,383	691	34,565
Audit	8,460	752	188	9,400
Bank charges	1,260	-	-	1,260
Credit card fees	5,151	-	-	5,151
Computer expenses	15,756	1,401	350	17,507

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See Accompanying Notes and Auditor's Report

United Cerebral Palsy Association
of San Luis Obispo County, Inc.
Statement of Functional Expenses
Year Ended September 30, 2009

(Continued from page 8)

Expenses	Program Services	Management and General	Fund Raising	Total
Drivers training	\$ 4,090	\$ -	\$ -	\$ 4,090
Health insurance	92,160	8,192	2,048	102,400
Worker's comp. insurance	126,936	5,342	1,269	133,547
Unemployment insurance	32,445	1,365	324	34,134
Benefits – other	(105)	-	-	(105)
Employee relations expense	2,488	622	-	3,110
Expendable equipment	5,821	-	-	5,821
Insurance – general	205,480	8,647	2,054	216,181
Interest expense	24,528	-	-	24,528
Legal fees	-	755	-	755
Vehicle washing	14,710	-	-	14,710
Vehicle maintenance	147,237	-	-	147,237
Marketing	29,655	-	605	30,260
Membership dues	655	-	-	655
Miscellaneous	15,913	1,415	353	17,682
Leasehold expense	24,425	2,171	543	27,139
Staff room expense	688	-	-	688
Office maintenance	2,856	-	-	2,856
Office supplies	4,080	362	92	4,533
Payroll service	5,672	239	60	5,971
Parking	16	-	-	16
Permits	1,147	-	-	1,147
PUC expense	853	-	-	853
Postage	2,149	403	134	2,686
Printing	9,831	1,844	614	12,288
Respite expense	(689)	-	-	(689)
Get Active expense	4,125	-	-	4,125
Hope expense	816	-	-	816
Hope payroll	9,944	-	-	9,944
PHP expense	18,465	-	-	18,465
PHP payroll	105,494	-	-	105,494

(Continued on page 10)

See Accompanying Notes and Auditor's Report

United Cerebral Palsy Association
of San Luis Obispo County, Inc.
Statement of Functional Expenses
Year Ended September 30, 2009

(Continued from page 9)

	<u>Program Services</u>	<u>Management and General</u>	<u>Fund Raising</u>	<u>Total</u>
Expenses				
PHP scholarship expense	\$ 383	\$ -	\$ -	\$ 383
PHP library expense	2,907	-	-	2,907
Prop 10 expense	2,535	-	-	2,535
Camp Hope payroll	5,384	-	-	5,384
Family services expense	15	-	-	15
CCTAC expenses	31,481	-	-	31,481
CCTAC payroll	124,186	-	-	124,186
People First expense	11,268	-	-	11,268
AWVP expense	14,738	-	-	14,738
AWVP payroll	21,970	-	-	21,970
Radio expenses	19,128	-	-	19,128
GPS expense	13,913	-	-	13,913
Rent	63,887	11,979	3,993	79,859
Risk management	5,638	-	-	5,638
Staff travel	5,481	1,370	-	6,851
Telephone/fax	10,107	1,895	632	12,634
Depreciation	119,287	-	-	119,287
Finance charges	(34)	-	-	(34)
Total	<u>\$ 4,090,905</u>	<u>\$ 231,889</u>	<u>\$ 35,102</u>	<u>\$ 4,357,896</u>

See Accompanying Notes and Auditor's Report

United Cerebral Palsy Association
of San Luis Obispo County, Inc.
Statement of Cash Flows
Year Ended September 30, 2009

Cash Flows from Operating Activities

Increase in Net Assets \$ 604,680

Adjustments to reconcile increase in net assets
to net cash provided from operating activities:

Depreciation 119,287

Prior period adjustment (26,999)

Changes in assets and liabilities:

Increase in reserve for bad debts 3,197

Decrease in accounts receivable 36,500

Increase in TDA receivable (3,636)

Increase in prepaid expense (44,910)

Increase in deposits 9,013

Decrease in accounts payable (1,801)

Decrease in deferred income (85,161)

Decrease in CCTAC liability (2,711)

Increase in accrued payroll 3,120

Decrease in retirement liability (2,002)

Total changes (88,391)

Cash Provided by Operating Activities 608,577

Cash Flows from Investing Activities

Purchase of vehicles/related equipment (522,630)

Cash (Used) by Investing Activities (522,630)

Cash Flows from Financing Activities

Decrease – loans payable (234,377)

Increase – line of credit 95,317

Cash (Used) by Financing Activities (139,060)

Net Decrease in Cash (53,112)

Cash - Beginning of year 40,722

Cash – End of Year – (Overdraft) \$ (12,390)

Supplemental Information:

Interest paid \$ 24,528

See Accompanying Notes and Auditor's Report

United Cerebral Palsy Association
of San Luis Obispo County, Inc.
Notes to Financial Statements
Year Ended September 30, 2009

General

Statement of purpose

United Cerebral Palsy Association of San Luis Obispo County, Inc. (UCP) is a community based nonprofit public benefit organization. It was originally formed as part of United Cerebral Palsy Association of California, Inc. On October 1, 1994, it became a stand-alone corporation, which was borne out of a transfer of assets and associated liabilities from United Cerebral Palsy Association of California, Inc.

United Cerebral Palsy Association of San Luis Obispo County, Inc., is dedicated to further, by public education, the knowledge of the causes and treatments of cerebral palsy and other developmental disabilities and to promote public awareness of the capabilities of people with such disabilities; to provide community access for developmentally disabled people and their families; to solicit, collect and otherwise raise money for the above purposes.

Description of programs

United Cerebral Palsy program (UCP): Offers services for individuals with cerebral palsy and other developmental disabilities, designed to provide and allow them to be a part of the community. Services offered for children and their families include respite care, social facilitation, sibling support groups, family advocacy network, parents helping parents, and programs allowing parents time away from home. Adults services include Community Interaction Program (CIP) transportation, leisure club events, tours, weeklong camp, and informational and referral services in San Luis Obispo County.

Ride-On program: Established to fulfill the need for social service transportation. Rides are available to the disabled as well as non-disabled persons. Fees are charged at the same rate for each passenger.

Transportation Management Association program (TMA); uses Ride-On vehicles to encourage group transportation with vanpools and shuttles to reduce traffic congestion and air pollution throughout San Luis Obispo County.

Summary of significant accounting policies

Basis of financial statements: The financial statements have been prepared on the basis of fund accounting as described by the American Institution of Certified Public Accountants in "Audits of Voluntary Health and Welfare Organizations."

Revenue recognition: All revenues are considered to be available for unrestricted use unless specifically restricted by the donor. At its discretion, the Board of Directors may designate funds for specific purposes.

United Cerebral Palsy Association
of San Luis Obispo County, Inc.
Notes to Financial Statements
Year Ended September 30, 2009

Statement of functional expenses

The Organization is supported primarily by community services. As such, the AICPA audit guide "*Audits of Voluntary Health and Welfare Organizations*" is applicable. This audit guide requires that a statement of functional expenses be included in order to be in conformity with generally accepted accounting principles.

The statement of functional expenses segregates those expenses that are reported in the statement of activities into the functions of program costs, fundraising, and administrative costs.

Accounting method

The Organization uses the accrual method of accounting.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Fair value

The carrying value of cash, accounts receivable, accounts payable, and accrued expenses is their fair value due to short term nature of these instruments. Due to a number of variables, management is unable to determine the fair value of notes payable. The terms of the notes payable are included in their respective footnotes.

Restricted equipment

Eighty eight percent of the cost of some transportation program equipment was obtained with federal grant funds. The use of this equipment is restricted to specific operations and the California Department of Transportation retains legal ownership until the equipment is fully depreciated, at which time title passes to the Organization.

Equipment and depreciation policy

Equipment is stated at fair market value when donated and at cost when purchased. Depreciation is computed in the straight-line basis over estimated lives of five years.

Tax status

The Organization is exempt from federal income tax under Internal Revenue Code Section 501 (c)(3) and from California Franchise Tax under Section 23701 (d) of the Revenue and Taxation Code. The Organization has been classified as an organization that is not a private foundation under Section 509(a)(2).

United Cerebral Palsy Association
of San Luis Obispo County, Inc.
Notes to Financial Statements
Year Ended September 30, 2009

Other Notes

Endowment fund – cash

The endowment fund is the result of the board allocating a "start-up" fund to begin the endowment program. There are no donor provided restricted funds.

Fixed assets and depreciation

<u>Fixed asset class</u>	<u>Beginning Balance 9/30/08</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance 9/30/09</u>
Communications equip.	\$ 70,798	\$ 73,061	\$ -	\$ 143,859
Furniture and office equip.	128,419	23,155	-	151,574
Vehicles	2,104,799	426,415	-	2,531,214
Total	2,304,017	552,631	-	2,826,647
Less accumulated depreciation	(1,939,203)	(119,287)	-	(2,058,490)
Net fixed assets	<u>\$ 364,813</u>	<u>\$ 433,344</u>	<u>\$ -</u>	<u>\$ 768,157</u>

Long term debt

Notes payable

	<u>Loan Balance</u>
Bank note, interest rate of 6.00% monthly installments of \$687, maturity date 7/20/10.	\$ 6,504

Nine bank notes with an interest rate of 7.00% Total monthly installments of \$3,614 with various maturity dates.	140,716
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Collateralized by buses.

Bank note, interest rate of 7.25% monthly installments of \$322 maturity date 8/21/14.	15,871
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Collateralized by buses.

Total notes payable	163,091
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At September 30, 2009, the cost and accumulated depreciation of fixed assets are as follows:

(Continued on page 15)

United Cerebral Palsy Association
of San Luis Obispo County, Inc.
Notes to Financial Statements
Year Ended September 30, 2009

(Continued from page 14)

Installments payable

Bank installment loan - interest rate of 7.25% monthly installments of \$3,900, maturity date 5/3/10 unsecured.	\$ 29,952
Bank installment loan - interest rate of 7.00% monthly installments of \$4,045, maturity date 6/01/10 unsecured.	35,365
Bank line-of-credit – interest rate 6.00% Monthly principal installments plus interest	<u>30,000</u>
Total installments	<u>95,317</u>
Total long term debt	258,408
Less current portion	(149,052)
Net long term debt	<u>\$ 109,356</u>

Lease obligations

The Organization rents office space and a maintenance garage, on month-to-month lease terms. Total rent expense for the year ended September 30, 2009 was \$79,859. Rent expense for the September 30, 2010 fiscal year is projected to be consistent with the current year.

The Organization leases buses from four different lessors. Regular lease miles are paid at twenty-five cents per mile. Other miles are negotiated at a different rate based upon the type of miles. Total bus lease expense for the year ended September 30, 2009 was \$224,812.

UCP/TMA/Ride-On –supplemental information

The internal cost centers for the year ended September 30, 2009 include allocated transportation income and expenses for vehicles, drivers and other transportation expenses, which are not eliminated on the supplemental information pages 19 through 29. Ride-On records transferred expenses as revenue. The net combined effect on the consolidated financial statements between the cost centers is zero since transferred transportation expenses offset the transferred revenue. Offsetting allocations are eliminated in the consolidated financial statements.

The internal supplemental cost centers financial statements for the year ended September 30, 2009 include the allocated revenues and expenses.

United Cerebral Palsy Association
of San Luis Obispo County, Inc.
Notes to Financial Statements
Year Ended September 30, 2009

Leasing of organization vehicles

The organization leases vans to outside unrelated individuals who use the vehicles to provide transportation for a fee to various business employees who need rides to work.

The basic lease amount is generally \$1,200 monthly per vehicle per lease agreement. The operator of the van allocates this amount to each rider based upon the number of riders. Each individual rider also signs an operator agreement to pay a share of the transportation cost. Employers and their employees are encouraged to use this ride arrangement as part of their "cafeteria" plans.

Concentration of risk

The Organization's major source of revenue is from the Tri-County Regional Center (TCRC) for the operation of social service bus transportation. The (TCRC) contract generates approximately 40% of the Organization's total revenues. TCRC revenues and total revenues are \$1,996,113 and \$4,962,576 respectively.

Joint venture facilities agreement

The organization's joint venture with RTA (Rapid Transit Authority) to jointly share a common facility for their operations was terminated during 2009 without liability to either party.

United Cerebral Palsy Association
of San Luis Obispo County, Inc
Internal Control Report
Year Ended September 30, 2009

Independent Auditor's Report on the Internal
Control Structure Based on an Audit of
Financial Statements
Year Ended September 30, 2009

Board of Directors
United Cerebral Palsy Association
of San Luis Obispo County, Inc.
San Luis Obispo, California

I have audited the financial statements of United Cerebral Palsy Association of San Luis Obispo County, Inc., as of and for the year ended September 30, 2009, and have issued my report thereon dated December 21, 2009.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

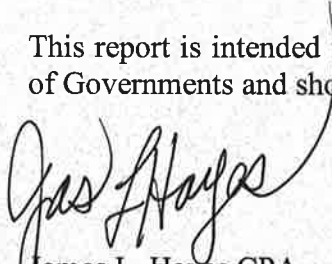
The management of United Cerebral Palsy Association of San Luis Obispo County, Inc., is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or dispositions, and that transactions are executed in accordance with management's authorizations and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. Because of inherent limitation in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also projection of any evaluation of the structure to future periods is subject to risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

Independent Auditor's Report on the Internal
Control Structure Based on an Audit of
Financial Statements
Year Ended September 30, 2009

In planning and performing my audit of the financial statements of United Cerebral Palsy Association of San Luis Obispo County, Inc., for the year ended September 30, 2009, I obtained an understanding of the internal control structure. With respect to the internal structure, I obtained an understanding of the design of the relevant policies and procedures and whether they have been placed in operation, and I assessed control risk in order to determine my auditing procedure for the purpose of expressing my opinion on the financial statements of United Cerebral Palsy Association of San Luis Obispo County, Inc., and not to provide an opinion on the internal control structure. Accordingly, I do not express such an opinion.

My consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weakness under standards established by the American institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors and irregularities in amounts that would be material in relation to the United Cerebral Palsy Association of San Luis Obispo County, Inc., 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. I noted no matters involving the internal control structures and its operation that I consider to be material weakness as defined above.

This report is intended for the information of management and for the San Luis Council of Governments and should not be used for other purpose.


James L. Hayes CPA
December 21, 2009

United Cerebral Palsy Association
of San Luis Obispo County, Inc.
Comparative
Supplemental Cost Center Information*
UCP/TMA/Ride-On

Years Ended September 30, 2009 and 2008

*See report footnote regarding supplemental information

United Cerebral Palsy Association
of San Luis Obispo County, Inc.
UCP Cost Center
Comparative Statement of Financial Position
September 30, 2009 and 2008

<u>Assets</u>	<u>2009</u>	<u>2008</u>
<u>Current Assets</u>		
Petty cash	\$ 500	\$ 500
General checking	6,314	(4,622)
Payroll checking account	46	1,067
Checking - transportation	1,403	720
People Helping People checking account	5,123	6,035
CCATC checking account	3,570	2,093
Money market account	213	100
Wolfe memorial fund	3,313	
Endowment account	6,192	6,267
People First account	13,456	3,049
Inspire account	200	
Accounts receivable	29,934	37,243
Reserve for bad debts	(2,408)	(2,408)
Transportation Development Act receivable	-	31,821
Prepaid tour expense	6,350	-
Employee advances	-	3,275
Total Current Assets	<u>74,206</u>	<u>85,140</u>
 <u>Fixed Assets</u>		
Furniture and equipment	2,322	2,322
Computer system	7,884	6,322
Accumulated depreciation	(7,238)	(6,727)
Net Fixed Assets	<u>2,968</u>	<u>1,917</u>
Total Assets	<u>\$ 77,174</u>	<u>\$ 87,057</u>
 <u>Liabilities and Net Assets</u>		
<u>Liabilities</u>		
Accounts payable	\$ 5,079	\$ 9,691
Deferred income	-	23,866
CCATC liability	2,820	32,531
Accrued payroll/taxes	22,657	20,180
401 K payable	59	59
Accrued vacation	12,602	12,602
Net funds due (to) from	77,279	52,431
Total Liabilities	<u>120,496</u>	<u>151,360</u>
Net Assets (deficit)	<u>(43,322)</u>	<u>(64,303)</u>
Total Liabilities and Net Assets	<u>\$ 77,174</u>	<u>\$ 87,057</u>

United Cerebral Palsy Association
of San Luis Obispo County, Inc.
UCP Cost Center
Comparative Statement of Activities
Years Ended September 30, 2009 and 2008

<u>Revenues and Support</u>	2009	2008
Camp	\$ 33,472	\$ 23,892
Camp Hope revenue	4,475	29,378
CIP tours	58,152	101,337
HOPE revenue	11,805	17,530
Interest income	(9)	319
CCATC revenue	122,973	146,550
Leisure club	13,080	9,315
People First revenue	20,167	5,465
Parents Helping Parents revenue	35,963	35,462
PHP Library revenue	72,889	69,984
Prop. 10 revenue	37,254	35,516
Respite Care	237,953	226,861
Get Active	-	10,000
Transportation -TDA allocation	7,955	31,821
Transportation - TCRC	5,500	6,000
Transportation fares	8,251	11,148
Special - CTSA-allocation	176,688	83,613
Other grants	16,388	-
Contributions - special events	8,682	6,949
Contributions - general	1,386	16,070
Driver tips	(40)	-
Total Revenues and Support	872,984	867,210
<u>Expenses</u>		
Scholarships	\$ -	\$ 7,163
Gift expense	9,147	-
Special events	6,869	5,721
Camp expenses	41,080	29,859
CIP Tour expense	46,141	102,406
Teen-camp expense	1,648	-
Leisure Club expense	8,377	7,476
Shares – UCPA National	28,533	17,030
Salaries – director	19,425	19,425
Salaries – ex. director	5,767	-
Salaries – support staff	45,736	31,048
Salaries – respite care	126,648	134,777
Payroll tax expense	14,548	14,089
HOPE payroll tax expense	761	816
PHP payroll tax expense	8,409	7,674

(Continued on page 21)

United Cerebral Palsy Association
of San Luis Obispo County, Inc.
UCP Cost Center
Comparative Statement of Activities
Years Ended September 30, 2009 and 2008

(Continued from page 20)

<u>Expenses (Continued)</u>	<u>2009</u>	<u>2008</u>
Camp HOPE payroll tax expense	\$ 412	\$ 1,681
Staff mileage	27,494	24,050
Drivers/Lease-Ride-On	43,298	41,918
AmeriCorps staff expense	10,200	15,000
Board expenses	5,348	3,808
Bookkeeping expense	4,839	4,181
Audit	899	1,169
Bank charges	469	504
Computer expense	109	279
Consultants	-	12
Employee benefits – health insurance	1,425	946
Employee benefits – worker’s comp. insurance	14,676	16,529
Employee benefits – JAT unemployment insurance	7,378	1,848
Employee benefits – other	-	9,024
Employee relations expense	42	55
Equipment	1,192	111
Insurance – general	23,871	16,792
Finance charges	945	3,194
Marketing	1,255	2,887
Membership dues	20	150
Building expense	5,183	3,847
Office maintenance	209	219
Office supplies	854	1,449
Payroll service	1,395	1,414
Permit	210	160
Postage	1,238	851
Printing	3,245	4,236
Respite expense	(689)	
Program service	-	60
Get Active expense	4,125	11,498
HOPE expense	816	1,764
HOPE payroll	9,944	10,665
PHP expense	18,465	23,688
PHP payroll	105,494	95,676
PHP scholarship	383	-
PHP library expense	2,907	2,821

(Continued on page 22)

United Cerebral Palsy Association
of San Luis Obispo County, Inc.
UCP Cost Center
Comparative Statement of Activities
Years Ended September 30, 2009 and 2008

(Continued from page 21)

<u>Expenses (Continued)</u>	<u>2009</u>	<u>2008</u>
Camp Hope expense	\$ -	\$ 6,259
Prop 10 expense	2,535	2,579
Camp Hope payroll	5,384	21,991
Family Service expense	15	-
CCATC expense	31,480	42,357
CCATC payroll	124,186	96,547
People First expense	11,268	3,164
Rent	13,616	13,160
Risk management	126	-
Staff travel / conference	-	3,088
Telephone	2,140	2,133
Depreciation expense	512	475
Administration allocation	-	(3,600)
Total Expenses	<u>852,002</u>	<u>871,623</u>
Increase in Net Assets	20,982	(4,413)
Net Assets - Beginning of Year (deficit)	<u>(64,304)</u>	<u>(59,891)</u>
Net Assets - End of Year (deficit)	<u>\$ (43,322)</u>	<u>\$ (64,304)</u>

United Cerebral Palsy Association
of San Luis Obispo County, Inc.
TMA Cost Center
Comparative Statement of Financial Position
September 30, 2009 and 2008

<u>Assets</u>	<u>2009</u>	<u>2008</u>
<u>Current Assets</u>		
Petty cash	\$ 200	\$ 200
General checking - cash	2,155	973
Accounts receivable	29,706	38,967
Reserve for bad debts	(7,045)	(3,848)
Total Current Assets	<u>25,016</u>	<u>36,292</u>
<u>Fixed Assets</u>		
Furniture and equipment	3,860	3,860
Accumulated depreciation	(3,860)	(3,860)
Net Fixed Assets	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 25,016</u>	<u>\$ 36,292</u>
 <u>Liabilities and Net Assets</u>		
<u>Current Liabilities</u>		
Accounts payable	1,625	\$ 1,950
Customer deposits	9,714	701
Accrued payroll	3,989	4,652
401K payable	863	3
Accrued vacation	780	780
Net funds due (to) from	(37,729)	9,985
Total Liabilities	<u>(20,758)</u>	<u>18,071</u>
Net Assets	<u>45,774</u>	<u>18,221</u>
Total Liabilities and Net Assets	<u>\$ 25,016</u>	<u>\$ 36,292</u>

United Cerebral Palsy Association
of San Luis Obispo County, Inc.
TMA Cost Center
Comparative Statement of Activities
Years Ended September 30, 2008 and 2007

<u>Revenues and Support</u>	<u>2009</u>	<u>2008</u>
Specified grants	\$ 8,900	\$ 13,800
Guaranteed Ride Home revenue	4,017	3,200
Incentives	900	3,266
CTSA special allocation	(28,898)	(19,345)
Membership dues	250	460
Miscellaneous adjustments	(2,355)	(339)
Transportation revenue	247,842	252,975
Van pool revenue	484,588	415,671
Total Revenues and Support	<u>715,244</u>	<u>669,688</u>
<u>Expenses</u>		
Salaries	104,468	87,475
Payroll taxes	7,560	6,496
Employee benefits – health insurance	4,204	4,180
Audit	863	919
Bad debts	3,197	12,810
Bank charges	4,701	3,986
Bookkeeping	3,802	3,285
Building expense	5,184	3,994
Computer expense	-	468
Employee benefits - other	2,163	-
Employment ads	-	785
Expendable equipment	89	-
Employee relations expense	264	142
Insurance	19,531	13,739
Marketing	23,903	22,548
Membership dues	-	100
Mileage	54	25
Miscellaneous expense	-	118
Office expenses	834	603
Payroll service expense	249	283
Parking	4	8
Permits	450	370
Postage	177	318
Printing	2,268	924
PUC	853	2,711
Rent	13,616	14,371
Staff travel/conference	1,520	-
Telephone/fax	780	719
Interest	20	24
Special events	1,665	(166)
Risk management	162	-