

**UNITED CEREBRAL PALSY  
ASSOCIATION  
and  
CEREBRAL PALSY FOUNDATION  
of OREGON AND  
SOUTHWEST WASHINGTON, INC.**

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**Consolidated  
Financial Statements**

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**For the Year Ended  
June 30, 2006**



MCDONALD JACOBS

*Jake Jacobs, CPA*

*Susan J. Marks, CPA*

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*Mark A. Clift, CPA*

*James R. McDonald, CPA*  
*of counsel*

## INDEPENDENT AUDITOR'S REPORT

The Board of Directors  
United Cerebral Palsy Association  
of Oregon and Southwest Washington, Inc.  
Portland, Oregon

We have audited the accompanying consolidated statement of financial position of United Cerebral Palsy Association of Oregon and Southwest Washington, Inc., (a nonprofit corporation), and Cerebral Palsy Foundation of Oregon and Southwest Washington, Inc. as of June 30, 2006, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of the Organizations' management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from the Organizations' 2005 financial statements and, in our report dated August 4, 2005, we expressed an unqualified opinion on those financial statements.

We conducted our audit in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of United Cerebral Palsy Association of Oregon and Southwest Washington, Inc., and Cerebral Palsy Foundation of Oregon and Southwest Washington, Inc. as of June 30, 2006, and changes in its net assets and its cash flows for the year then ended in conformity with U.S. generally accepted accounting principles.

*McDonald Jacobs, P.C.*

August 17, 2006

*Strength in Numbers*

ACCOUNTANTS & CONSULTANTS

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**UNITED CEREBRAL PALSY ASSOCIATION  
OF OREGON AND SOUTHWEST WASHINGTON, INC.  
and CEREBRAL PALSY FOUNDATION  
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**CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
June 30, 2006  
(With comparative totals for 2005)**

	2006	2005
<b>ASSETS</b>		
Cash and cash equivalents	\$ 45,861	\$ 137,232
Investments	1,976,732	848,926
Contributions and accounts receivable	134,516	69,381
Prepaid expenses	66,158	64,810
Property and equipment, net	64,257	487,264
 TOTAL ASSETS	 \$ 2,287,524	 \$ 1,607,613
<b>LIABILITIES AND NET ASSETS</b>		
Liabilities:		
Accounts payable and accrued expenses	\$ 151,033	\$ 183,022
Advance on government contract	143,943	-
Deferred revenue	550	400
Obligation under capital lease	13,495	-
Note payable	-	328,638
 Total liabilities	 309,021	 512,060
Net assets:		
Unrestricted:		
Available for programs and operations	1,846,438	819,074
Board designated	68,738	68,738
Net property and equipment	50,762	158,626
Total unrestricted	1,965,938	1,046,438
Temporarily restricted	12,565	49,115
Total net assets	1,978,503	1,095,553
 TOTAL LIABILITIES AND NET ASSETS	 \$ 2,287,524	 \$ 1,607,613

See notes to financial statements.

**UNITED CEREBRAL PALSY ASSOCIATION  
OF OREGON AND SOUTHWEST WASHINGTON, INC.  
and CEREBRAL PALSY FOUNDATION  
OF OREGON AND SOUTHWEST WASHINGTON, INC.**

**CONSOLIDATED STATEMENT OF ACTIVITIES**

**For the year ended June 30, 2006**

**(With comparative totals for 2005)**

	2006			2005 Total
	Unrestricted	Temporarily Restricted	Total	
<b>Support and revenues:</b>				
Contributions	\$ 62,854	\$ 25,975	\$ 88,829	\$ 255,073
Government fees and contracts	2,319,039	-	2,319,039	2,105,178
Donated materials and services	35,794	-	35,794	6,195
Special event revenue, net of direct costs of \$22,757 for 2006 and \$15,151 for 2005	55,503	-	55,503	27,093
Investment income	66,963	-	66,963	54,569
Program service revenue	21,329	-	21,329	49,015
Conference revenue	16,921	-	16,921	14,737
Other income	4,330	-	4,330	11,532
Net assets released from restrictions:				
Satisfaction of restrictions	62,525	(62,525)	-	-
Total support and revenues	2,645,258	(36,550)	2,608,708	2,523,392
<b>Expenses:</b>				
Program services	2,661,821	-	2,661,821	2,225,194
General and administration	194,153	-	194,153	178,600
Development	120,287	-	120,287	117,981
Foundation	87	-	87	314
Total expenses	2,976,348	-	2,976,348	2,522,089
Change in net assets before unusual item	(331,090)	(36,550)	(367,640)	1,303
Unusual item - sale of land and building	1,250,590	-	1,250,590	-
Change in net assets	919,500	(36,550)	882,950	1,303
<b>Net assets:</b>				
Beginning of year	1,046,438	49,115	1,095,553	1,094,250
End of year	\$ 1,965,938	\$ 12,565	\$ 1,978,503	\$ 1,095,553

See notes to financial statements.

**UNITED CEREBRAL PALSY ASSOCIATION  
OF OREGON AND SOUTHWEST WASHINGTON, INC.  
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**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES  
For the year ended June 30, 2006  
(With comparative totals for 2005)**

	2006				Total	2005 Total
	Total Program Services	General and Admin- istration	Develop- ment	Founda- tion		
Salaries and payroll taxes	\$ 1,991,980	\$ 157,129	\$ 84,268	\$ -	\$ 2,233,377	\$ 1,903,009
Other personnel costs	175,182	28,766	7,663	-	211,611	199,685
Professional fees	104,401	38,179	-	-	142,580	105,634
Rent and storage	49,391	35,347	1,685	-	86,423	-
Office, printing, postage, etc.	20,740	27,806	4,743	-	53,289	43,390
Family support	10,197	-	-	-	10,197	9,435
Individual support	42,343	-	-	-	42,343	39,778
Facility expenses	32,298	23,698	1,102	-	57,098	55,291
Vehicle expenses	4,080	2,169	-	-	6,249	4,311
Meetings and conferences	16,955	7,410	-	87	24,452	28,473
Dues	75	25,995	-	-	26,070	24,595
Fundraising expenses and public relations	-	-	11,548	-	11,548	19,580
Insurance	19,862	1,677	720	-	22,259	23,322
Interest expense	-	13,543	-	-	13,543	20,276
Depreciation and amortization	20,179	14,441	689	-	35,309	45,310
Total expense before administration allocation	2,487,683	376,160	112,418	87	2,976,348	2,522,089
Administration allocation	174,138	(182,007)	7,869	-	-	-
Total expenses	<u>\$ 2,661,821</u>	<u>\$ 194,153</u>	<u>\$ 120,287</u>	<u>\$ 87</u>	<u>\$ 2,976,348</u>	<u>\$ 2,522,089</u>

See notes to financial statements.

**UNITED CEREBRAL PALSY ASSOCIATION  
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**CONSOLIDATED STATEMENT OF CASH FLOWS  
For the year ended June 30, 2006  
(With comparative totals for 2005)**

	<u>2006</u>	<u>2005</u>
<b>Cash flows from operating activities:</b>		
Change in net assets	\$ 882,950	\$ 1,303
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation and amortization	35,309	45,310
Donated equipment	(30,546)	-
Net realized/unrealized gain on investments	(42,168)	(50,274)
Gain on sale of land and building	(1,270,351)	-
Increase in:		
Contributions and accounts receivable	(65,135)	(15,391)
Other assets	(1,348)	(42,222)
Increase (decrease) in:		
Accounts payable and accrued expenses	(31,989)	1,664
Advance on government contract	143,943	-
Deferred revenue	150	(5,121)
Net cash used in operating activities	<u>(379,185)</u>	<u>(64,731)</u>
<b>Cash flows from investing activities:</b>		
Purchase of property and equipment	(14,472)	(5,892)
Additions to investments	(1,310,639)	(53,390)
Proceeds from the sale of investments	225,000	132,976
Proceeds from the sale of land and building	1,721,316	-
Net cash provided by investing activities	<u>621,205</u>	<u>73,694</u>
<b>Cash flows from financing activities:</b>		
Principal payments on capital lease obligation	(4,753)	-
Principal payments on long-term debt	(328,638)	(34,913)
Net cash used in financing activities	<u>(333,391)</u>	<u>(34,913)</u>
Net decrease in cash and cash equivalents	(91,371)	(25,950)
Cash and cash equivalents - beginning of year	<u>137,232</u>	<u>163,182</u>
Cash and cash equivalents - end of year	<u>\$ 45,861</u>	<u>\$ 137,232</u>

See notes to financial statements.

**UNITED CEREBRAL PALSY ASSOCIATION  
OF OREGON AND SOUTHWEST WASHINGTON, INC.  
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**Notes to Consolidated Financial Statements  
June 30, 2006**

**1. THE ORGANIZATIONS AND NATURE OF ACTIVITIES**

United Cerebral Palsy Association of Oregon and Southwest Washington, Inc. (the Association) is a nonprofit corporation whose mission is to improve the quality of life for individuals with cerebral palsy and their families. The Association is affiliated with United Cerebral Palsy Association, Inc., the national association, which provides federal lobbying, national fund raising, public relations and marketing. The Association pays annual dues of approximately \$22,000 to the national association.

Cerebral Palsy Foundation of Oregon and Southwest Washington, Inc. (the Foundation) is a nonprofit corporation whose mission is to provide long-term financial support to the Association through fund raising and investing efforts. The Foundation Board determines funding to the Association. The Association has representation on the Board of Directors of the Foundation and has the authority to replace the Foundation Board.

The programs of the Association are summarized as follows:

Community Development

This program provides information and referral sources for families affected by cerebral palsy. The program hosts a variety of parent information groups and acts as a supportive presence at meetings with professionals that help parents make decisions about a child's life.

Supported Employment

This program offers vocational profiles, job development, job training, and ongoing support as necessary to assist individuals to work in the community, as well as alternatives to employment for people with physical and developmental disabilities, including academic and recreational activities.

SILP (Semi-Independent Living Program)

This program provides semi-independent living support services in the home and community to individuals with cerebral palsy.

Supported Living

This program provides support services in the home and community which are defined by individual choice and provides the opportunity for individuals to live where and with whom they want for as long as they desire, with the recognition that needs and desires may change over time.

**UNITED CEREBRAL PALSY ASSOCIATION  
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**Notes to Consolidated Financial Statements, Continued  
June 30, 2006**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Principles of Consolidation

The consolidated financial statements include the accounts of United Cerebral Palsy Association of Oregon and Southwest Washington, Inc. and its affiliate, Cerebral Palsy Foundation of Oregon and Southwest Washington, Inc. All significant inter-organization amounts have been eliminated in consolidation.

Basis of Presentation

The Organizations report information regarding their financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

- Unrestricted net assets represent net assets not subject to donor-imposed stipulations.
- Temporarily restricted net assets represent net assets subject to donor-imposed stipulations that may or will be met by actions of the Organizations and/or the passage of time.
- Permanently restricted net assets represent net assets subject to donor-imposed stipulations that neither expire with the passage of time nor can be fulfilled or otherwise removed by actions of the Organizations.

The Organizations had only unrestricted and temporarily restricted net assets for the years ended June 30, 2006 and 2005.

Cash and Cash Equivalents

The Organizations consider all highly liquid investments with an original maturity of three months or less at the date of purchase to be cash equivalents. Cash and cash equivalents included with investments are considered investments.

Investments

Investments are carried at fair value.

UNITED CEREBRAL PALSY ASSOCIATION  
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Notes to Consolidated Financial Statements, Continued  
June 30, 2006

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

Property and Equipment

Acquisitions of property and equipment in excess of \$400 are capitalized. Property and equipment purchased are recorded at cost. Donated assets are reflected as contributions at their estimated values on the date received.

Depreciation

Depreciation of buildings, equipment and furniture is calculated using the straight-line method over the estimated useful lives of the assets which range from 15 to 30 years for building and improvements and 3 to 5 years for equipment.

Income Tax Status

The Association and the Foundation are nonprofit corporations exempt from income tax under section 501(c)(3) of the Internal Revenue Code. No provision for income taxes is made in the accompanying financial statements, as the organization has no activities subject to unrelated business income tax. The Organizations are not private foundations.

Advance on Government Contract

Government contracts are recognized as revenues in the period services are performed and expenses are incurred. Funds received in advance of being earned are recorded as advance on government contract.

Restricted and Unrestricted Revenue and Support

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and are reported in the consolidated statement of activities as net assets released from restrictions.

**UNITED CEREBRAL PALSY ASSOCIATION  
OF OREGON AND SOUTHWEST WASHINGTON, INC.  
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**Notes to Consolidated Financial Statements, Continued  
June 30, 2006**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

Donated Assets and Services

Donations of property, equipment, materials and other assets 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. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as temporarily restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, expirations of donor restrictions are reported when the donated or acquired long-lived assets are placed in service.

The Organizations recognize donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Total contributed services for accounting and information technology services approximated \$5,200 for the year ended June 30, 2006 and \$5,600 for the year ended June 30, 2005.

A substantial number of volunteers have donated significant amounts of their time to program services and fund raising campaigns. These donated services have not been reflected in the accompanying consolidated financial statements since the appropriate criteria for recording these services have not been met.

Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the Statement of Activities and in the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Advertising

The Organizations charge advertising costs to expense as incurred. Advertising expense approximated \$7,600 for 2006 and \$2,600 for 2005.

UNITED CEREBRAL PALSY ASSOCIATION  
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Notes to Consolidated Financial Statements, Continued  
June 30, 2006

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

Summarized financial information for 2005

The consolidated financial statements include certain prior-year summarized comparative information. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's combined financial statements for the year ended June 30, 2005 from which the summarized information was derived.

Reclassifications

Certain accounts in the prior-year financial statements have been reclassified for comparative purposes to conform with the presentation in the current-year financial statements. The comparative totals for expenses for the year ended June 30, 2005 have been restated to conform with the allocation methodology of expenses for the current year.

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 amounts of assets and liabilities and the disclosure of contingent 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.

3. **INVESTMENTS**

Investments at June 30, 2006 and 2005 are recorded at fair value and consist of the following:

	<u>2006</u>	<u>2005</u>
Cash and cash equivalents	\$ 24,526	\$ 9,254
Fixed income mutual funds	684,301	204,246
Equity mutual funds	<u>1,267,905</u>	<u>635,426</u>
Total investments	\$ <u>1,976,732</u>	\$ <u>848,926</u>

**UNITED CEREBRAL PALSY ASSOCIATION  
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**Notes to Consolidated Financial Statements, Continued  
June 30, 2006**

**3. INVESTMENTS, Continued**

Investment income consists of the following components:

	2006	2005
Interest and dividends,	\$ 35,187	\$ 13,898
Realized gain on investments	17,738	11,959
Unrealized gain on investments	24,430	38,315
	77,355	64,172
Less investment fees	10,392	9,603
	\$ 66,963	\$ 54,569

**4. CONTRIBUTIONS AND ACCOUNTS RECEIVABLE**

Contributions and accounts receivable consist of the following at June 30, 2006 and 2005:

	2006	2005
Contributions receivable	\$ -	\$ 45,491
Government contracts receivable	115,105	9,448
Other accounts receivable	19,411	14,442
	\$ 134,516	\$ 69,381

**5. PROPERTY AND EQUIPMENT**

Property and equipment consist of the following at June 30, 2006 and 2005:

	2006	2005
Land	\$ -	\$ 282,877
Building and improvements	-	676,902
Leasehold improvements	13,965	-
Equipment	165,311	218,260
	179,276	1,178,039
Less accumulated depreciation and amortization	115,019	690,775
	\$ 64,257	\$ 487,264

**UNITED CEREBRAL PALSY ASSOCIATION  
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**Notes to Consolidated Financial Statements, Continued  
June 30, 2006**

**6. NOTE PAYABLE**

The Association had a note payable to Umpqua Bank in monthly installment of \$4,666 including interest at 7 percent annum. The note was secured by property. The note was paid in full during 2006 in connection with the sale of the land and building (see notes 12 and 15).

**7. CAPITAL LEASE OBLIGATION**

The Association leases computer equipment under an agreement that qualifies as a capital lease. Cost, amortization and accumulated amortization of this property included in property and equipment are as follows:

Cost	\$ 18,248
Less accumulated amortization	<u>5,576</u>
Net property	<u>\$ 12,672</u>

Future minimum annual payments under capital leases in aggregate are as follows:

Year ending June 30, 2007	\$ 7,560
2008	7,560
2009	<u>631</u>
	15,751
Less amount representing interest	<u>2,256</u>
	<u>\$ 13,495</u>
Current portion	\$ 5,966
Long-term portion	<u>7,529</u>
	<u>\$ 13,495</u>

**UNITED CEREBRAL PALSY ASSOCIATION  
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**Notes to Consolidated Financial Statements, Continued  
June 30, 2006**

**8. CONTINGENCIES**

Amounts received or receivable from various contracting agencies are subject to audit and potential adjustment by contracting agencies. Any disallowed claims, including amounts already collected, would become a liability of the Association if so determined in the future. It is management's belief that no significant amounts received or receivable will be required to be returned in the future.

**9. BOARD DESIGNATED NET ASSETS**

Board designated net assets totaling \$68,738 are included in the Foundation's unrestricted net assets and consist of the Gary Sweitzer Endowment Fund. The Foundation's Board of Directors established the Gary Sweitzer Endowment Fund for the specific purpose of funding technology purchases for families.

**10. TEMPORARILY RESTRICTED NET ASSETS**

Temporarily restricted net assets consist of the following at June 30, 2006 and 2005:

	<u>2006</u>	<u>2005</u>
Specific assistance to children (Zetosch Fund)	\$ 4,299	\$ 3,624
Restricted for purposes	<u>8,266</u>	<u>45,491</u>
Total temporarily restricted net assets	<u>\$ 12,565</u>	<u>\$ 49,115</u>

**11. NET ASSETS RELEASED FROM RESTRICTIONS**

Net assets were released from donor restrictions by incurring expenses satisfying the following restricted purposes:

	<u>2006</u>	<u>2005</u>
Specific assistance to children	\$ 13,402	\$ 13,400
Satisfaction of time restrictions	<u>49,123</u>	<u>49,091</u>
	<u>\$ 62,525</u>	<u>\$ 62,491</u>

**UNITED CEREBRAL PALSY ASSOCIATION  
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**Notes to Consolidated Financial Statements, Continued  
June 30, 2006**

**12. LEASE COMMITMENTS**

In January 2006, the Association entered into a sales-leaseback agreement for the sale of the building. Under the agreement, the Association sold the Foster facility and leased it back temporarily until the Association relocated to the current office space in June 2006.

The Association entered into a lease agreement for their current office space under an operating lease. The lease term is effective April 24, 2006 through August 31, 2011. Monthly rent is \$8,522 and will increase approximately 3% annually.

Total rent approximated \$86,000 in 2006.

Subsequent to year ended, the Association entered into a lease agreement for office equipment. The lease is effective July 27, 2006 and expires in July 2011. The monthly lease payment is \$678.

Future minimum lease payments under all lease agreements are as follows:

Year ending June 30, 2007	\$ 101,200
2008	113,106
2009	116,047
2010	118,998
2011	121,950
Thereafter	19,688

**13. TAX-DEFERRED ANNUITY PLAN**

The Association has a tax-deferred annuity plan qualified under Section 403(b) of the Internal Revenue Code. The Plan is available to all full-time employees of the Association, employed for one year, who may make contributions to the Plan up to the maximum amount allowed by the Internal Revenue Code. The Association may make a discretionary matching contribution. The Association's contributions to the Plan totaled \$14,579 for 2006 and \$11,431 for 2005.

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**Notes to Consolidated Financial Statements, Continued  
June 30, 2006**

**14. CONCENTRATIONS OF CREDIT RISK**

The Organizations' investments consist primarily of financial instruments including cash equivalents, equity securities and fixed income investments. These financial instruments may subject the Organizations to concentrations of credit risk as, from time to time, cash balances may exceed amounts insured by the Federal Deposit Insurance Corporation; the market value of debt securities are dependent on the ability of the issuer to honor its contractual commitments, and the investments are subject to change in market values. Management believes that risk with respect to these balances is minimal, due to the placement of Organizations investments with financial institutions with high credit ratings, and the establishment of a diversified investment policy which limits the Organizations' exposure to both credit risk and to concentrations of credit risk.

**15. UNUSUAL ITEM - SALE OF LAND AND BUILDING**

The Association sold its facility located in SE Portland in January 2006. The sale of the property generated net cash flow of approximately \$1,400,000 after repayment of all secured debts and closing costs. The amount reported as unusual item of \$1,250,590 includes the gain on the sale of the land and building of \$1,270,351 net of relocation expenses of \$19,761.

**16. SUPPLEMENTAL CASH FLOW INFORMATION**

During 2006, the Association had noncash investing and financing activities relating to acquisition of computer equipment totaling \$18,248, financed through a capital lease agreement.

Cash paid for interest totaled \$13,543 for 2006 and \$20,276 for 2005.

**SUPPLEMENTAL INFORMATION**



**UNITED CEREBRAL PALSY ASSOCIATION  
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**SCHEDULE I  
CONSOLIDATING STATEMENT OF FINANCIAL POSITION  
June 30, 2006**

	<u>Association</u>	<u>Foundation</u>	<u>Eliminating Entries</u>	<u>Consolidated Totals</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 10,276	\$ 35,585	\$ -	\$ 45,861
Investments	1,272,079	704,653	-	1,976,732
Contributions and accounts receivable	134,516	-	-	134,516
Prepaid expenses	66,158	-	-	66,158
Due from affiliated organization	-	49,816	(49,816)	-
Property and equipment, net	<u>64,257</u>	<u>-</u>	<u>-</u>	<u>64,257</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 1,547,286</u></b>	<b><u>\$ 790,054</u></b>	<b><u>\$ (49,816)</u></b>	<b><u>\$ 2,287,524</u></b>
<b>LIABILITIES AND NET ASSETS</b>				
Liabilities:				
Accounts payable and accrued expenses	\$ 151,033	\$ -	\$ -	\$ 151,033
Advance on government contract	143,943	-	-	143,943
Due to affiliated organization	49,816	-	(49,816)	-
Deferred revenue	550	-	-	550
Obligation under capital lease	<u>13,495</u>	<u>-</u>	<u>-</u>	<u>13,495</u>
<b>Total liabilities</b>	<b><u>358,837</u></b>	<b><u>-</u></b>	<b><u>(49,816)</u></b>	<b><u>309,021</u></b>
Net assets:				
Unrestricted:				
Available for programs and operations	1,125,122	721,316	-	1,846,438
Board designated	-	68,738	-	68,738
Net property and equipment	<u>50,762</u>	<u>-</u>	<u>-</u>	<u>50,762</u>
<b>Total unrestricted</b>	<b><u>1,175,884</u></b>	<b><u>790,054</u></b>	<b><u>-</u></b>	<b><u>1,965,938</u></b>
Temporarily restricted	<u>12,565</u>	<u>-</u>	<u>-</u>	<u>12,565</u>
<b>Total net assets</b>	<b><u>1,188,449</u></b>	<b><u>790,054</u></b>	<b><u>-</u></b>	<b><u>1,978,503</u></b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$ 1,547,286</u></b>	<b><u>\$ 790,054</u></b>	<b><u>\$ (49,816)</u></b>	<b><u>\$ 2,287,524</u></b>

See auditor's report on supplemental information.

**UNITED CEREBRAL PALSY ASSOCIATION  
OF OREGON AND SOUTHWEST WASHINGTON, INC.  
and CEREBRAL PALSY FOUNDATION  
OF OREGON AND SOUTHWEST WASHINGTON, INC.**

**SCHEDULE II  
CONSOLIDATING STATEMENT OF ACTIVITIES  
For the year ended June 30, 2006**

	Unrestricted			Association		Consolidated
	Association	Foundation	Total	Temporarily Restricted	Eliminating Entries	
<b>Support and revenues:</b>						
Contributions	\$ 55,861	\$ 6,993	\$ 62,854	\$ 25,975	\$ -	\$ 88,829
Foundation support	247,916	-	247,916	-	(247,916)	-
Government fees and contracts	2,319,039	-	2,319,039	-	-	2,319,039
Donated materials and services	35,794	-	35,794	-	-	35,794
Special event revenue	55,503	-	55,503	-	-	55,503
Investment income (loss)	(14,949)	81,912	66,963	-	-	66,963
Program and conference revenue	38,250	-	38,250	-	-	38,250
Other income	30,571	-	30,571	-	(26,241)	4,330
Net assets released from restrictions:						
Satisfaction of restrictions	62,525	-	62,525	(62,525)	-	-
Total support and revenues	<u>2,830,510</u>	<u>88,905</u>	<u>2,919,415</u>	<u>(36,550)</u>	<u>(274,157)</u>	<u>2,608,708</u>
<b>Expenses:</b>						
Program services	2,661,821	-	2,661,821	-	-	2,661,821
General and administration	194,153	-	194,153	-	-	194,153
Development	120,287	-	120,287	-	-	120,287
Foundation	-	274,244	274,244	-	(274,157)	87
Total expenses	<u>2,976,261</u>	<u>274,244</u>	<u>3,250,505</u>	<u>-</u>	<u>(274,157)</u>	<u>2,976,348</u>
Change in net assets before unusual item	(145,751)	(185,339)	(331,090)	(36,550)	-	(367,640)
Unusual item - sale of land and building	<u>1,250,590</u>	<u>-</u>	<u>1,250,590</u>	<u>-</u>	<u>-</u>	<u>1,250,590</u>
Change in net assets	1,104,839	(185,339)	919,500	(36,550)	-	882,950
<b>Net assets:</b>						
Beginning of year	<u>71,045</u>	<u>975,393</u>	<u>1,046,438</u>	<u>49,115</u>	<u>-</u>	<u>1,095,553</u>
End of year	<u>\$ 1,175,884</u>	<u>\$ 790,054</u>	<u>\$ 1,965,938</u>	<u>\$ 12,565</u>	<u>\$ -</u>	<u>\$ 1,978,503</u>

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UNITED CEREBRAL PALSY ASSOCIATION  
OF OREGON AND SOUTHWEST WASHINGTON, INC.,  
CEREBRAL PALSY FOUNDATION  
OF OREGON AND SOUTHWEST WASHINGTON

SCHEDULE III  
CONSOLIDATING STATEMENT OF FUNCTIONAL EXPENSES  
For the year ended June 30, 2006

	Program Services					General and Admin- istration	Develop- ment	Foundation	Total		Consolidated Totals
	Community Development	Supported Employment	SILP	Supported Living	Total Program Services				before Eliminations	Eliminations	
Salaries and payroll taxes	\$ 44,742	\$ 409,951	\$ 26,226	\$ 1,511,061	\$ 1,991,980	\$ 157,129	\$ 84,268	\$ -	\$ 2,233,377	\$ -	\$ 2,233,377
Other personnel costs	5,331	44,545	2,783	122,523	175,182	28,766	7,663	23	211,634	(23)	211,611
Professional fees	-	240	-	104,161	104,401	38,179	-	3,070	145,650	(3,070)	142,580
Occupancy	3,370	20,206	562	25,253	49,391	35,347	1,685	-	86,423	-	86,423
Office, printing, postage, etc.	3,285	2,833	630	13,992	20,740	27,806	4,743	5,728	59,017	(5,728)	53,289
Family support	10,197	-	-	-	10,197	-	-	-	10,197	-	10,197
Individual support	13,402	11,377	-	17,564	42,343	-	-	-	42,343	-	42,343
Facility expenses	2,204	13,213	367	16,514	32,298	23,698	1,102	-	57,098	-	57,098
Vehicle expenses	-	1,873	-	2,207	4,080	2,169	-	-	6,249	-	6,249
Meetings and conferences	16,735	72	-	148	16,955	7,410	-	87	24,452	-	24,452
Dues	75	-	-	-	75	25,995	-	50	26,120	(50)	26,070
Fundraising expenses and public relations	-	-	-	-	-	-	11,548	13,976	25,524	(13,976)	11,548
Insurance	736	2,459	480	16,187	19,862	1,677	720	-	22,259	-	22,259
Interest expense	-	-	-	-	-	13,543	-	-	13,543	-	13,543
Depreciation and amortization	1,377	8,255	230	10,317	20,179	14,441	689	-	35,309	-	35,309
Support to Association	-	-	-	-	-	-	-	247,916	247,916	(247,916)	-
Total expense before administration allocation	101,454	515,024	31,278	1,839,927	2,487,683	376,160	112,418	270,850	3,247,111	(270,763)	2,976,348
Administration allocation	7,102	36,052	2,189	128,795	174,138	(182,007)	7,869	3,394	3,394	(3,394)	-
Total expenses	<u>\$ 108,556</u>	<u>\$ 551,076</u>	<u>\$ 33,467</u>	<u>\$ 1,968,722</u>	<u>\$ 2,661,821</u>	<u>\$ 194,153</u>	<u>\$ 120,287</u>	<u>\$ 274,244</u>	<u>\$ 3,250,505</u>	<u>\$ (274,157)</u>	<u>\$ 2,976,348</u>

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