

United Cerebral Palsy, Inc.

Financial Report
September 30, 2008

Contents

Independent Auditor's Report	1
<hr/>	
Financial Statements	
Consolidated Statement Of Financial Position	2
Consolidated Statement Of Activities	3
Consolidated Statement Of Functional Expenses	4
Consolidated Statement Of Cash Flows	5
Notes To Consolidated Financial Statements	6 – 11

McGladrey & Pullen

Certified Public Accountants

Independent Auditor's Report

To the Board of Trustees
United Cerebral Palsy, Inc.
Washington, D.C.

We have audited the accompanying consolidated statement of financial position of United Cerebral Palsy, Inc. and United Cerebral Palsy Associations, Inc. (combined "UCP") as of September 30, 2008, and the related consolidated statements of activities, functional expenses, and cash flows for the year 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 audit.

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

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of United Cerebral Palsy, Inc. and United Cerebral Palsy Associations, Inc., as of September 30, 2008, and the changes in their net assets and their cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 1 to the financial statements, during the year ended September 30, 2008, United Cerebral Palsy Associations, Inc., contributed all of its assets to United Cerebral Palsy, Inc.

McGladrey & Pullen, LLP

Vienna, Virginia
February 20, 2009

United Cerebral Palsy, Inc.

Consolidated Statement Of Financial Position
September 30, 2008

Assets

<hr/>	
Cash and cash equivalents	
Cash available for operations	\$ 182,597
Temporary cash investments	348,626
Total cash and cash equivalents	<hr/> 531,223 <hr/>
Investments	
Undesignated investments	1,364,450
Board-designated investments	3,741,506
Permanently restricted investments	4,480,859
Total investments	<hr/> 9,586,815 <hr/>
Promises to give	500,000
Receivables and other assets	699,477
Beneficial interests in trusts held by third parties	181,150
Property and equipment, net	159,500
	<hr/> \$ 11,658,165 <hr/>

Liabilities And Net Assets

<hr/>	
Liabilities	
Accounts payable and accrued expenses	\$ 804,035
Deferred revenue	74,072
Due to affiliates	110,105
Line of credit	1,158,688
Total liabilities	<hr/> 2,146,900 <hr/>
Commitments (Notes 5, 6, and 8)	
Net Assets	
Unrestricted	
Undesignated (deficit)	(2,197,952)
Board-designated	3,837,058
Total unrestricted	<hr/> 1,639,106 <hr/>
Temporarily restricted	3,237,477
Permanently restricted	4,634,682
	<hr/> 9,511,265 <hr/>
	<hr/> \$ 11,658,165 <hr/>

See Notes To Consolidated Financial Statements.

United Cerebral Palsy, Inc.

Consolidated Statement Of Activities
Year Ended September 30, 2008

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Operating revenues				
Affiliates' membership fees	\$ 2,322,736	\$ -	\$ -	\$ 2,322,736
Contributions	2,055,310	191,236	-	2,246,546
Life Without Limits revenue	-	1,150,000	-	1,150,000
Gala	416,816	-	-	416,816
Other revenue	625,206	13,819	-	639,025
Net assets released from restrictions	824,715	(824,715)	-	-
Total operating revenues	6,244,783	530,340	-	6,775,123
Operating expenses				
Program services:				
Support to affiliates	2,231,969	-	-	2,231,969
Public education	1,582,995	-	-	1,582,995
Public policy analysis/advocacy	988,684	-	-	988,684
Life without limits	768,263	-	-	768,263
Non-federal grants	255,613	-	-	255,613
Total program services	5,827,524	-	-	5,827,524
Supporting services:				
Fundraising	1,794,923	-	-	1,794,923
Management and general	552,344	-	-	552,344
Total supporting services	2,347,267	-	-	2,347,267
Total operating expenses	8,174,791	-	-	8,174,791
Change in net assets from operations	(1,930,008)	530,340	-	(1,399,668)
Non-operating revenues, gains and support				
Investment return	(881,170)	(1,328,621)	-	(2,209,791)
Change in beneficial interests in trusts held by third parties	-	-	(36,962)	(36,962)
Total non-operating revenues, gains and support	(881,170)	(1,328,621)	(36,962)	(2,246,753)
Change in net assets	(2,811,178)	(798,281)	(36,962)	(3,646,421)
Net Assets				
Beginning	4,450,284	4,035,758	4,671,644	13,157,686
Ending	\$ 1,639,106	\$ 3,237,477	\$ 4,634,682	\$ 9,511,265

See Notes To Consolidated Financial Statements.

United Cerebral Palsy, Inc.

Consolidated Statement Of Functional Expenses
Year Ended September 30, 2008

	Program Services					Support Services					Total
	Support to Affiliates	Public Education	Public Policy Analysis/ Advocacy	Life Without Limits	Non-Federal Grants	Total Program Services	Fundraising	Management And General	Total Support Services		
Salaries	\$ 399,882	\$ 528,698	\$ 352,286	\$ 219,869	\$ 56,990	\$ 1,557,725	\$ 334,329	\$ 233,748	\$ 568,077	\$ 2,125,802	
Employee benefits and taxes	79,473	100,043	60,597	41,033	9,865	291,011	61,253	33,173	94,426	385,437	
Total salaries, employee benefits and taxes	479,355	628,741	412,883	260,902	66,855	1,848,736	395,582	266,921	662,503	2,511,239	
Rides	75,017	375,087	75,017	75,017	75,017	675,155	825,192	-	825,192	1,500,347	
Awards and grants	1,215,383	1,086	1,717	217	434	1,218,837	2,388	-	2,388	1,221,225	
Program, professional, and contract services	89,558	151,092	299,547	274,904	26,748	841,849	75,034	122,150	197,184	1,039,033	
Occupancy	153,294	172,969	109,215	53,740	37,296	526,514	116,214	62,918	179,132	705,646	
Gala	15,632	78,161	15,632	15,632	15,632	140,689	171,955	-	171,955	312,644	
Direct mail	12,427	62,134	12,427	12,427	12,427	111,842	136,695	-	136,695	248,537	
Travel and related costs	24,276	10,083	6,766	18,828	1,751	61,704	14,127	25,176	39,303	101,007	
Membership dues, support and subscriptions	8,902	31,869	25,654	2,123	2,123	70,671	10,168	12,247	22,415	93,086	
Conferences, conventions, and meetings	78,561	979	104	104	104	79,852	973	6,952	7,925	87,777	
Interest expense	15,754	15,754	3,939	3,939	7,877	47,263	15,754	15,754	31,508	78,771	
Outside printing and artwork	16,206	12,924	449	221	153	29,953	478	6,276	6,754	36,707	
Telephone and teleconference	7,635	8,456	5,799	2,416	1,773	26,079	7,639	2,826	10,465	36,544	
Employee recruitment	4,582	3,811	1,670	1,244	1,375	12,682	4,729	4,715	9,444	22,126	
Postage and shipping	2,936	3,232	825	649	634	8,276	3,001	5,057	8,058	16,334	
Supplies	3,006	4,016	1,902	1,364	734	11,022	2,404	1,698	4,102	15,124	
Other	7,831	6,003	4,658	39,379	1,101	58,972	1,438	13,616	15,054	74,026	
Total expense before depreciation and uncollectible dues	2,210,355	1,566,397	978,204	763,106	252,034	5,770,096	1,783,771	546,306	2,330,077	8,100,173	
Depreciation	14,710	16,598	10,480	5,157	3,579	50,524	11,152	6,038	17,190	67,714	
Uncollectible dues	6,904	-	-	-	-	6,904	-	-	-	6,904	
Total expenses	\$ 2,231,969	\$ 1,582,995	\$ 988,684	\$ 768,263	\$ 255,613	\$ 5,827,524	\$ 1,794,923	\$ 552,344	\$ 2,347,267	\$ 8,174,791	

See Notes To Consolidated Financial Statements.

United Cerebral Palsy, Inc.

Consolidated Statement Of Cash Flows
Year Ended September 30, 2008

<hr/>	
Cash Flows From Operating Activities	
Change in net assets	\$ (3,646,421)
Adjustments to reconcile change in net assets to net cash (used in) operating activities:	
Depreciation expense	67,714
Realized and unrealized losses on investments	2,741,524
Change in beneficial interests in trusts held by third parties	9,635
Change in deferred rent	26,513
Changes in assets and liabilities:	
(Increase) decrease in:	
Promises to give	(500,000)
Receivables and other assets	1,484,120
Increase (decrease) in:	
Accounts payable and accrued expenses	(452,394)
Deferred revenue	(264,798)
Due to affiliates	(34,346)
Net cash used in operating activities	<u><u>(568,453)</u></u>
Cash Flows From Investing Activities	
Purchases of property and equipment	(63,846)
Purchases of investments	(1,970,831)
Proceeds from sales of investments	1,916,296
Net cash used in investing activities	<u><u>(118,381)</u></u>
Cash Flows From Financing Activities	
Proceeds from line of credit, net	469,948
Net cash provided by financing activities	<u><u>469,948</u></u>
Net decrease in cash and cash equivalents	(216,886)
Cash And Cash Equivalents	
Beginning	748,109
Ending	<u><u>\$ 531,223</u></u>
Supplemental Disclosure of Cash Flow Information	
Cash payments for interest	<u><u>\$ 64,959</u></u>

See Notes To Consolidated Financial Statements.

United Cerebral Palsy, Inc.

Notes To Consolidated Financial Statements

Note 1. Nature Of Activities And Significant Accounting Policies

Nature of activities: United Cerebral Palsy, Inc. (UCP) consists of two entities, United Cerebral Palsy, Inc., and United Cerebral Palsy Associations, Inc. On April 4, 2008, United Cerebral Palsy Associations, Inc. (UCPA), a New York not-for-profit corporation formed in 1948, merged into United Cerebral Palsy, Inc. (UCP), a District of Columbia not-for-profit corporation formed in 2005. Prior to the merger, UCP was a wholly controlled corporate entity of UCPA, and possessed no assets or liabilities. The legal merger was undertaken to move the legal domicile of United Cerebral Palsy to the District of Columbia, wherein UCP had been principally located since at least 1990.

United Cerebral Palsy, Inc. (UCP) conducts three major program services for the benefit of persons with cerebral palsy and other disabilities, as follows:

- Support to affiliates through the above programs as well as through public and private grants;
- Public education designed to increase the public's awareness of cerebral palsy, its causes and prevention, as well as the needs and rights of persons with disabilities;
- Public policy analysis and advocacy.

UCP has approximately 100 state and local affiliates that provide advocacy and direct services to people with cerebral palsy and other disabilities and their families. UCP was founded in 1948 to fulfill the important role of advancing the independence of people with disabilities. UCP supports affiliates in many facets of operations such as public education, public policy, advocacy, program services, and fundraising. UCP enhances the public's awareness of the services provided to people with cerebral palsy and other disabilities and their families by UCP, its affiliates, and other agencies. UCP's support comes primarily from affiliate member fees, contributions and government grants.

A summary of UCP's significant accounting policies follows:

Basis of accounting: The accompanying financial statements are presented in accordance with the accrual basis of accounting whereby revenue is recognized when earned and expenses are recognized when incurred.

Basis of presentation: The financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, UCP is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets.

Principles of consolidation: There were no intercompany transactions between United Cerebral Palsy, Inc., and United Cerebral Palsy Associations, Inc., during the year ended September 30, 2008.

Cash and cash equivalents: UCP considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Financial risk: UCP maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. UCP has not experienced any losses in such accounts. UCP believes it is not exposed to any significant financial risk on cash and cash equivalents.

United Cerebral Palsy, Inc.

Notes To Consolidated Financial Statements

Note 1. Nature Of Activities And Significant Accounting Policies (Continued)

Financial risk (continued): UCP invests in professional managed portfolios that contain corporate stocks and bonds. Such investments are exposed to various risks such as interest rate, market and credit. Due to the level of risk associated with such investments and level of uncertainty related to changes in the value of such investments, it is at least reasonably possible that the changes in risks in the near term could materially affect investment balances and the amounts reported in the financial statements.

Throughout 2008, and subsequent to year-end, the credit and liquidity crisis in the United States and throughout the global financial system has resulted in substantial volatility in the financial markets and the banking system. These and other economic events have had a significant adverse impact on investment portfolios. As a result, UCP's investments have likely incurred a significant decline in fair value since September 30, 2008.

Investments: Investments are recorded at fair market value. To adjust the carrying value of these investments, the change in fair market value is included as a component of investment return on the statement of activities.

Promises to give: Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-free interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. Conditional promises to give are not included as support until the conditions are substantially met. There is no allowance for uncollectible promises to give at September 30, 2008, as the balance is to be collected within one year.

Receivables: Receivables are carried at original invoice amount less an estimate made for doubtful receivables based on a review of all outstanding amounts. Management determines the allowance for doubtful accounts by identifying troubled accounts and by using the historical experience applied to an aging of accounts. Receivables are written off when deemed uncollectible. Recoveries of receivables previously written off are recorded when received. There was no allowance deemed necessary as management believes all receivables to be fully collectible.

Beneficial interest in trusts held by third parties: UCP is the beneficiary of the income of two charitable annuity trusts that it does not administer. The investments of each trust are administered by a trustee who is independent of UCP, and distributions are made to UCP in accordance with the trust agreement for each trust. These trusts are invested in cash and cash equivalents, fixed income funds, mutual funds, and equities. UCP records its interest in these trusts at fair market value within permanently restricted net assets. Income lost on these trusts, representing depreciation, for the year ended September 30, 2008, was (\$36,962) and is classified as permanently restricted support in the accompanying statement of activities. Income earned on these trusts and paid quarterly is classified as unrestricted support in the accompanying statement of activities. For the year ended September 30, 2008, this amount was \$5,761.

During the year ended September 30, 2008, UCP received two charitable remainder trust interests, valued at \$27,236, net of discount. These amounts were classified as temporarily restricted support in the accompanying statement of activities. These trusts currently pay income to the beneficiaries. At the time of the beneficiaries' deaths, the trusts will terminate and be distributed to ten charities, including UCP, in equal shares.

Property and equipment: UCP capitalizes all property and equipment with a cost of \$500 or more. Property and equipment is stated at cost. Depreciation is computed on the straight-line method over the estimated useful lives of the assets, ranging from three to five years.

United Cerebral Palsy, Inc.

Notes To Consolidated Financial Statements

Note 1. Nature Of Activities And Significant Accounting Policies (Continued)

Net asset classification: Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of UCP and changes therein are classified and reported as follows:

Unrestricted net assets – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of UCP.

Board Designated net assets – Net assets not subject to donor-imposed restrictions (unrestricted), but designated as to use by the Board of Trustees.

Temporarily restricted net assets – Net assets subject to donor-imposed restrictions that will be met either by actions of UCP and/or the passage of time. As such restrictions are satisfied, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the accompanying statement of activities as net assets released from restrictions.

Permanently restricted net assets – Net assets subject to donor-imposed restrictions, which stipulate that the corpus be maintained in perpetuity by UCP, but permit UCP to expend part or all of the income and gains derived therefrom.

Support and revenue: Affiliates' membership fees are recognized monthly when earned. Revenue received for these fees, which relate to subsequent years, has been reflected as deferred revenue.

Contributions, as well as Life Without Limits revenues, are recognized when received or earned. Contributions, as well as Life Without Limits revenues, received are recorded as unrestricted, temporarily restricted, or permanently restricted revenue, depending on the existence and/or nature of any donor restrictions. All donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a 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 reported in the statement of activities as net assets released from restrictions.

Gala revenue is recognized when earned. Revenue received for this event, which relates to subsequent periods, is reflected as deferred revenue.

Grants are recognized as revenue to the extent that expenses are incurred for purposes specified by the grants. Grant funds expended but not reimbursed by the grantor at year-end are accrued as grants revenue and as receivables. Grants received from the grantor but not expended at year-end are recorded as deferred revenue.

Functional allocation of expenses: The costs of providing UCP's various programs and supporting services have been summarized on a functional basis in the consolidated statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Income taxes: UCP is a nonprofit voluntary health and welfare agency exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (the IRC). It has been classified as a publicly supported charitable organization under Section 509(a)(1) of the IRC and qualifies for the maximum charitable contribution deduction allowable to donors.

United Cerebral Palsy, Inc.

Notes To Consolidated Financial Statements

Note 1. Nature Of Activities And Significant Accounting Policies (Continued)

Recent and upcoming accounting pronouncements: In June 2006, the Financial Accounting Standards Board (FASB) issued FASB Interpretation No. 48 (FIN 48), *Accounting for Uncertainty in Income Taxes – an interpretation of FASB Statement 109*. FIN 48 clarifies the accounting for uncertainty in income taxes recognized in an enterprise's financial statements in accordance with FASB Statement No. 109, Accounting for Income Taxes. FIN 48 prescribes a comprehensive model for recognizing, measuring, presenting and disclosing in the financial statements tax positions taken or expected to be taken on a tax return including positions that the organization is exempt from income taxes or not subject to income taxes on unrelated business income. If there are changes in net assets as a result of application of FIN 48 these will be accounted for as an adjustment to the opening balance of net assets. Additional disclosures about the amounts of such liabilities will be required also. UCP presently discloses or recognizes income tax positions based on management's estimate of whether it is reasonably possible or probable, respectively, that a liability has been incurred for unrecognized income tax benefits by applying FASB Statement No. 5, *Accounting for Contingencies*. UCP has elected to defer the application of Interpretation 48 in accordance with FASB Staff Position (FSP) FIN 48-3. This FSP defers the effective date of Interpretation 48 for nonpublic enterprises included within its scope to the annual financial statements for fiscal years beginning after December 15, 2008. UCP will be required to adopt FIN 48 in its 2010 annual financial statements. Management has not assessed the impact of FIN 48 on its financial position and results of operations and has not determined if the adoption of FIN 48 will have a material effect on its financial statements.

In September 2006, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards No. 157, *Fair Value Measurements* ("FAS 157"). This standard defines fair value, establishes a framework for measuring fair value and expands disclosures about fair value measurement. FAS 157 also emphasizes that fair value is a market based measurement, not an entity-specific measurement, and sets out a fair value hierarchy with the highest priority being quoted prices in active markets. Under FAS 157, fair value measurements are disclosed by level within that hierarchy. FAS 157 is effective for fiscal years beginning after November 15, 2007, except for non-financial assets and non-financial liabilities that are recognized or disclosed at fair value in the financial statements on a nonrecurring basis for which delayed application is permitted until fiscal years beginning after November 15, 2008. UCP has not yet completed its analysis of the effects of these interpretations and has not determined if the adoption of FAS 157 will have a material impact on its financial statements.

Estimates: The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Note 2. Investments

UCP's investments at September 30, 2008, consist of the following:

Equity securities	\$ 5,640,877
Fixed income securities	3,945,938
	<u>\$ 9,586,815</u>

Investment return for the year ended September 30, 2008, consists of the following:

Interest and dividend income	\$ 531,733
Realized and unrealized losses, net	(2,741,524)
	<u>\$ (2,209,791)</u>

United Cerebral Palsy, Inc.

Notes To Consolidated Financial Statements

Note 3. Notes Receivable

In May 2007, UCP entered into three notes receivables with affiliates totaling \$280,000. Under the terms of these notes, the interest rate is 1 percent per year, and the balance of the notes are due at the earlier of November 2010, or the date in which the affiliates receive permanent and long term financing for their residential property. The balances of these notes are included in receivables and other assets on the accompanying statement of financial position.

Note 4. Property And Equipment And Accumulated Depreciation

Property and equipment and accumulated depreciation at September 30, 2008 are as follows:

Office equipment	\$ 828,294
Leasehold improvements	210,507
	<hr/> 1,038,801
Less: accumulated depreciation	879,301
	<hr/> <u>\$ 159,500</u>

Note 5. Commitments

Leases: UCP has entered into various operating leases for office equipment. In addition, UCP maintains a lease for office space located in Washington, DC under a non-cancelable operating lease.

Future minimum lease payments required under the lease agreement are as follows:

Years Ending September 30,	
2009	\$ 504,674
2010	508,878
2011	515,649
2012	3,951
	<hr/> <u>\$ 1,533,152</u>

Rent expense related to these leases was \$634,008 for the year ended September 30, 2008.

During the year ended September 30, 2008, UCP earned approximately \$126,000 of revenues from subleases. Future minimum sublease payments required under the lease agreements will approximate \$101,000 and \$11,000, during the years ending September 30, 2009 and 2010, respectively.

Note 6. Line Of Credit

UCP has a \$1,500,000 line of credit with Branch Banking and Trust Company (BB&T). The line of credit is secured by a collateral agreement pledging \$1,500,000 of unrestricted funds with the Board Restricted Endowment Fund Account held at Wachovia. The line expires on April 15, 2009. Interest on the line of credit is payable monthly at a variable rate based on BB&T's prime rate, which was 5% as of September 30, 2008. As of September 30, 2008, UCP had \$1,158,688 outstanding on the line of credit.

United Cerebral Palsy, Inc.

Notes To Consolidated Financial Statements

Note 7. Retirement Contributions

UCP sponsors a 401(k) plan for its employees, whereby UCP deposits to each eligible employee's 401(k) account an amount equal to the employee's 401(k) contributions up to a maximum of 2 percent of the employee's annual salary, and an additional "Safe Harbor Contribution" of 3 percent of the employee's annual salary. Full time employees who have at least six months of service with UCP are eligible for the 2 percent employer match and 3 percent Safe Harbor Contribution. Pension expense for the year ended September 30, 2008 was \$71,312, and is included in Employee benefits and taxes in the accompanying statement of functional expenses.

Note 8. Employment Agreement

In 2008, UCP extended the employment contract with the Executive Director of UCP through May 31, 2011, which includes a severance package for early termination.

Note 9. Related Parties

The local affiliates are related to, but not controlled by UCP. Therefore, they are not consolidated in the accompanying financial statements.

UCP recorded membership fee revenues from affiliates in the amount of \$2,322,736, during the year ended September 30, 2008.

UCP recorded contribution revenues from affiliates in the amount of \$64,000, during the year ended September 30, 2008.

A portion of the national corporate sponsors' contributions received directly by UCP is allocated to the local affiliates pursuant to sharing agreements with national corporate sponsors. These contributions amounted to \$1,271,898 for the year ended September 30, 2008. During the year ended September 30, 2008, \$862,732 was allocated to the local affiliates. Support from the public reflected in the accompanying financial statements excludes collections retained by the local affiliates and contributions allocated by UCP to the local affiliates. Expenses incurred by the local affiliates are borne by them and are not included in the accompanying financial statements. Public policy analysis/advocacy and public education are program services provided to and for the benefit of the general public and local affiliates. Affiliate services are program services provided to and for the benefit of local affiliates.

Note 10. Unrestricted Net Assets Available For Operations Deficit

Unrestricted net assets available for operations as of September 30, 2008, had a deficit of \$2,197,952. The deficit was principally caused by costs incurred by UCP in funding a major ride program across the country. The ride was in conjunction with local UCP affiliates and was intended to raise awareness and educate the public about individuals with cerebral palsy and other disabilities.

Note 11. Joint Cost Allocation

UCP conducted fundraising, as well as management and general activities, which incurred joint costs. During the year ended September 30, 2008, joint costs from fundraising activities of approximately \$1,270,000 were allocated to program services. During the year ended September 30, 2008, joint costs from management and general activities of approximately \$1,660,000 were allocated to program services and fundraising.