

**UNITED CEREBRAL PALSY OF
GREATER DANE COUNTY, INC.**
Madison, Wisconsin

**FINANCIAL STATEMENTS
and
REPORT OF INDEPENDENT
CERTIFIED PUBLIC ACCOUNTANTS**

For the Years Ended December 31, 2016 and 2015

UNITED CEREBRAL PALSY OF GREATER DANE COUNTY, INC.
Madison, Wisconsin

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To the Board of Directors
United Cerebral Palsy of Greater Dane County, Inc.
Madison, Wisconsin

Report on the Financial Statements

We have audited the accompanying financial statements of United Cerebral Palsy of Greater Dane County, Inc. (UCP), which comprise the statements of financial position as of December 31, 2016 and 2015, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

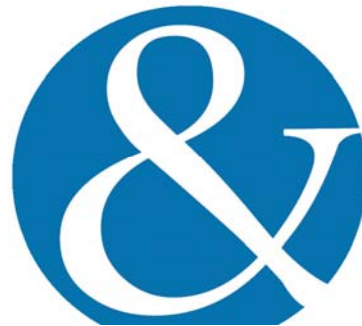
Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Opinion

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of United Cerebral Palsy of Greater Dane County, Inc. as of December 31, 2016 and 2015, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Our audits were conducted for the purpose of forming an opinion on the financial statements of United Cerebral Palsy of Greater Dane County, Inc. as a whole. The accompanying schedule of revenue and expenses by funding source and by program and by contract, schedule of final agency expense report by program, and the schedule of expenditures of federal and state awards as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the *State Single Audit Guidelines*, issued by the State of Wisconsin Department of Administration and State Single Audit Committee, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 14, 2017, on our consideration of United Cerebral Palsy of Greater Dane County, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering United Cerebral Palsy of Greater Dane County, Inc.'s internal control over financial reporting and compliance.

Madison, Wisconsin
June 14, 2017

Smith & Gesteland, LLP
SMITH & GESTELAND, LLP

UNITED CEREBRAL PALSY OF GREATER DANE COUNTY, INC.

Madison, Wisconsin

STATEMENTS OF FINANCIAL POSITION

December 31

| | <u>2016</u> | <u>2015</u> |
|---|---------------------|---------------------|
| ASSETS | | |
| Current assets | | |
| Cash and cash equivalents | \$ 494,669 | \$ 489,401 |
| Accounts receivable | 88,379 | 89,749 |
| Pledges receivable | 13,234 | 27,865 |
| Prepaid expenses | <u>43,348</u> | <u>56,544</u> |
| Total current assets | <u>639,630</u> | <u>663,559</u> |
| Equipment | | |
| Furniture and equipment | 72,016 | 72,016 |
| Software | <u>8,700</u> | <u>8,700</u> |
| | 80,716 | 80,716 |
| Less accumulated depreciation | <u>78,100</u> | <u>69,967</u> |
| Net equipment | <u>2,616</u> | <u>10,749</u> |
| Other assets | | |
| Investments | 679,729 | 666,541 |
| Beneficial interest in assets held by the Madison Community Foundation | <u>16,686</u> | <u>15,816</u> |
| Total other assets | <u>696,415</u> | <u>682,357</u> |
| Total assets | <u>\$ 1,338,661</u> | <u>\$ 1,356,665</u> |

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

| | <u>2016</u> | <u>2015</u> |
|--|-----------------------------|---------------------|
| LIABILITIES AND NET ASSETS | | |
| Current liabilities | | |
| Accounts payable | \$ 42,105 | \$ 67,335 |
| Accounts payable - Dane County | 136,443 | 156,136 |
| Accrued expenses | 106,121 | 113,920 |
| Deferred compensation | <u> </u> | <u>20,000</u> |
| Total liabilities | <u>284,669</u> | <u>357,391</u> |
| Net assets | | |
| Unrestricted | | |
| Board designated - information referral and advocacy | 49,033 | |
| Board designated - Madison Community Foundation | 16,686 | 15,816 |
| Undesignated | <u>952,563</u> | <u>953,433</u> |
| Total unrestricted | 1,018,282 | 969,249 |
| Temporarily restricted | <u>35,710</u> | <u>30,025</u> |
| Total net assets | <u>1,053,992</u> | <u>999,274</u> |
| Total liabilities and net assets | <u>\$ 1,338,661</u> | <u>\$ 1,356,665</u> |

UNITED CEREBRAL PALSY OF GREATER DANE COUNTY, INC.

Madison, Wisconsin

STATEMENTS OF ACTIVITIES

For the Years Ended December 31

| | <u>2016</u> | <u>2015</u> |
|--|-------------------------|-------------------------|
| CHANGES IN UNRESTRICTED NET ASSETS | | |
| Public support and revenue: | | |
| Dane County Department of Human Services | \$ 3,528,504 | \$ 3,387,427 |
| Program service fees and therapy reimbursements | 292,989 | 269,387 |
| Contributions | 189,712 | 144,103 |
| Special events | 89,461 | 80,763 |
| Interest income | 554 | 1,043 |
| Net investment income (loss) | 13,188 | (7,496) |
| Increase (decrease) in beneficial interest in assets held by the Madison Community Foundation | 870 | (284) |
| Net assets released from restrictions: | | |
| Special events | | 4,500 |
| Programs | <u>20,025</u> | <u>12,000</u> |
| Total public support and revenue | <u>4,135,303</u> | <u>3,891,443</u> |
| Expenses: | | |
| Program services: | | |
| Birth to Three Connections | 1,262,424 | 1,266,710 |
| Youth Resources/Respite | 1,869,225 | 1,845,743 |
| Adult Brokering | 519,767 | 464,009 |
| Assessment and Planning | 174,509 | 171,978 |
| Community Connecting | 55,139 | |
| Community Outreach | 9,503 | 13,485 |
| Information, referral, and advocacy | 65,112 | 56,354 |
| Public education | <u>59,245</u> | <u>23,073</u> |
| Total program services expenses | <u>\$ 4,014,924</u> | <u>\$ 3,841,352</u> |

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

| | <u>2016</u> | <u>2015</u> |
|---|---------------------|-------------------|
| CHANGES IN UNRESTRICTED NET ASSETS (continued) | | |
| Administrative and supporting services: | | |
| Management and general | \$ 10,797 | \$ 9,216 |
| Fund-raising | <u>60,549</u> | <u>56,506</u> |
| Total administrative and supporting services expenses | <u>71,346</u> | <u>65,722</u> |
| Total expenses | <u>4,086,270</u> | <u>3,907,074</u> |
| Change in unrestricted net assets | <u>49,033</u> | <u>(15,631)</u> |
| CHANGES IN TEMPORARILY RESTRICTED NET ASSETS | | |
| Contributions | 25,710 | 18,505 |
| Net assets released from restrictions | <u>(20,025)</u> | <u>(16,500)</u> |
| Change in temporarily restricted net assets | <u>5,685</u> | <u>2,005</u> |
| Change in net assets | 54,718 | (13,626) |
| Net assets - beginning | <u>999,274</u> | <u>1,012,900</u> |
| Net assets - ending | <u>\$ 1,053,992</u> | <u>\$ 999,274</u> |

UNITED CEREBRAL PALSY OF GREATER DANE COUNTY, INC.

Madison, Wisconsin

STATEMENTS OF CASH FLOWS

For the Years Ended December 31

| | <u>2016</u> | <u>2015</u> |
|--|------------------------------|------------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Change in net assets | \$ 54,718 | \$ (13,626) |
| Adjustments to reconcile change in net assets to net cash provided by operating activities: | | |
| Depreciation | 8,133 | 8,132 |
| Loss on investments | 7,087 | 29,547 |
| Reinvested income on investments | (20,275) | (22,051) |
| Change in beneficial interest in assets held by the Madison Community Foundation | (870) | 284 |
| Changes in assets and liabilities: | | |
| Accounts receivable | 1,370 | (10,259) |
| Pledges receivable | 14,631 | (24,798) |
| Prepaid expenses | 13,196 | (13,527) |
| Accounts payable | (25,230) | (2,302) |
| Accounts payable - Dane County | (19,693) | 27,322 |
| Accrued expenses | (7,799) | 42,957 |
| Deferred compensation | <u>(20,000)</u> | <u>10,000</u> |
| Net cash provided by operating activities | <u>5,268</u> | <u>31,679</u> |
| Net increase in cash and cash equivalents | 5,268 | 31,679 |
| Cash and cash equivalents - beginning | <u>489,401</u> | <u>457,722</u> |
| Cash and cash equivalents - ending | <u><u>\$ 494,669</u></u> | <u><u>\$ 489,401</u></u> |

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

UNITED CEREBRAL PALSY OF GREATER DANE COUNTY, INC.

Madison, Wisconsin

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

NATURE OF ACTIVITIES

United Cerebral Palsy of Greater Dane County, Inc. (UCP) provides services to persons with developmental disabilities and delays and their families in designated portions of southern Wisconsin.

UCP operates under an affiliation agreement with United Cerebral Palsy Association Incorporated (UCPA, Inc.). This agreement provides that a small part of the public support (less than 0.6%) be paid to the national organization.

UCP is exempt from federal and state income tax pursuant to the provisions of Section 501(c)(3) of the Internal Revenue Code.

A summary of UCP's significant accounting policies follows:

A. USE OF ESTIMATES

The preparation of financial statements requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

B. STATEMENTS OF CASH FLOWS

For purposes of the statements of cash flows, UCP considers all highly liquid investments purchased with a maturity of three months or less to be cash equivalents, excluding funds invested with Johnson Bank Wealth Management.

C. INVESTMENTS

Investments are carried at fair value, with realized and unrealized gains and losses reflected in the statement of activities.

Investment securities are exposed to various risks including, but not limited to, interest rate and market and credit risks. Due to the level of risks associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term.

UNITED CEREBRAL PALSY OF GREATER DANE COUNTY, INC.

Madison, Wisconsin

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

(continued)

D. RECEIVABLES AND ALLOWANCE FOR BAD DEBTS

Accounts receivable are stated at face value, net of allowance for bad debts.

The allowance for bad debts is maintained at a level that is management's best estimate of probable bad debts incurred as of the statement of financial position date. Management's determination of the adequacy of the allowance is based on an evaluation of the receivables, past collection experience, current economic conditions, volume, growth and composition of the receivables, and other relevant factors. Provisions for bad debts charged against income increase the allowance. There was no allowance for the years ended December 31, 2016 and 2015, as management feels that all accounts receivable are fully collectible.

E. EQUIPMENT

Equipment is stated at cost. See Note 6 regarding purchases made with government funds. Acquisitions of equipment in excess of \$5,000 are capitalized at cost. Depreciation is provided using the straight-line method over the estimated useful lives of the assets, which range from three to five years.

F. CONTRIBUTIONS

Contributions are recognized as revenue when received or unconditionally pledged. All contributions are considered available for unrestricted use unless specifically restricted by the donor. Contributions received with donor stipulations that limit the use of the donated assets are reported as restricted support. When a donor restriction expires (that is, when a stipulated time restriction ends or a purpose restriction is accomplished), temporarily restricted net assets are reclassified as unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Donor-restricted contributions whose restrictions are met within the same year as received are reported as unrestricted contributions.

G. DONATED SERVICES AND MATERIALS

During 2016 and 2015, the organization received advertising and printing for the Celebrity Banquet, the estimated value of contributed services and materials was \$4,453 and \$10,452, respectively. The contributions were recorded as a contribution and expense in the year received. In addition to any recorded donated services and materials, many individuals volunteer their time and perform a variety of tasks that assist UCP.

UNITED CEREBRAL PALSY OF GREATER DANE COUNTY, INC.

Madison, Wisconsin

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

(continued)

H. FAIR VALUE MEASUREMENTS

ASC 820, "Fair Value Measurements and Disclosures" defines fair value, establishes a framework for measuring fair value under generally accepted accounting principles and enhances disclosures about fair value measurements. Fair value is defined under ASC 820 as the price that would be received to sell an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Valuation techniques used to measure fair value under ASC 820 must maximize the use of observable inputs and minimize the use of unobservable inputs.

The standard describes a fair value hierarchy based on three levels of inputs, of which the first two are considered observable and the last unobservable, that may be used to measure fair value which are the following:

- Level One - Quoted prices in active markets for identical assets or liabilities.
- Level Two - Inputs other than Level One that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are not observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- Level Three - Unobservable inputs that are supported by little or no market activity and are significant to the fair value of the assets or liabilities.

UNITED CEREBRAL PALSY OF GREATER DANE COUNTY, INC.

Madison, Wisconsin

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

(continued)

UCP holds all its investments with Johnson Bank. The following tables summarize those assets measured at fair value in accordance with ASC 820 as of December 31:

| | 2016 | | | |
|---|-------------------|-------------------|-----------------|------------------|
| | Fair Value | Level One | Level Two | Level Three |
| Money market funds | \$ 5,147 | \$ | \$ 5,147 | \$ |
| Fixed income funds | 402,866 | 402,866 | | |
| Equity mutual funds | 271,716 | 271,716 | | |
| Beneficial interest in assets held by MCF | 16,686 | | | 16,686 |
| | <u>\$ 696,415</u> | <u>\$ 674,582</u> | <u>\$ 5,147</u> | <u>\$ 16,686</u> |
| | 2015 | | | |
| | Fair Value | Level One | Level Two | Level Three |
| Money market funds | \$ 3,282 | \$ | \$ 3,282 | \$ |
| Fixed income funds | 343,666 | 343,666 | | |
| Equity mutual funds | 319,593 | 319,593 | | |
| Beneficial interest in assets held by MCF | 15,816 | | | 15,816 |
| | <u>\$ 682,357</u> | <u>\$ 663,259</u> | <u>\$ 3,282</u> | <u>\$ 15,816</u> |

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2016 and 2015.

Fixed income funds and equity mutual funds are carried at fair value based on quoted market prices (Level One measurements). Money market funds are valued at the net asset value of shares held by the organization at year end (Level Two measurements). The organization's investment in beneficial interest in assets held by MCF is based on inputs used by the trustees of that organization to value the beneficial interest's underlying assets.

UNITED CEREBRAL PALSY OF GREATER DANE COUNTY, INC.

Madison, Wisconsin

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

(continued)

The preceding methods may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine fair value of certain instruments could result in a different fair value measurement at the reporting date.

The following table presents the organization's activity for assets measured at fair value on a recurring basis using significant unobservable inputs (Level Three) as defined in ASC 820 as of December 31:

| | <u>2016</u> | <u>2015</u> |
|---------------------------------|------------------|------------------|
| Beginning balance | \$ 15,816 | \$ 16,100 |
| Investment results, net of fees | 1,029 | (122) |
| Administrative fees | <u>(159)</u> | <u>(162)</u> |
| Ending balance | <u>\$ 16,686</u> | <u>\$ 15,816</u> |

NOTE 2 - PLEDGES RECEIVABLE

At December 31, 2016 and 2015, the organization had unconditional pledges receivable of \$13,234 and \$27,865, respectively.

NOTE 3 - INVESTMENTS

Investment fees for the years ended December 31, 2016 and 2015, were \$6,748 and \$6,727, respectively.

Net investment income (loss) on the above investments consisted of the following:

| | <u>2016</u> | <u>2015</u> |
|---|------------------|-------------------|
| Earnings on investments | \$ 20,275 | \$ 22,051 |
| Realized and unrealized losses, net of investment fees | <u>(7,087)</u> | <u>(29,547)</u> |
| | <u>\$ 13,188</u> | <u>\$ (7,496)</u> |

UNITED CEREBRAL PALSY OF GREATER DANE COUNTY, INC.

Madison, Wisconsin

NOTES TO FINANCIAL STATEMENTS

NOTE 4 - ASSETS HELD BY THE MADISON COMMUNITY FOUNDATION

The Madison Community Foundation held investments of \$16,686 and \$15,816 at December 31, 2016 and 2015, respectively, for the benefit of UCP and can distribute a percentage of the fair value of these assets annually to UCP. As of December 31, 2016 and 2015, this percentage was 4.75%. Additional distributions may be requested by UCP. However, such distributions will be made only if they are deemed by the Madison Community Foundation to benefit UCP, advance their charitable and exempt purposes, and benefit the community. Upon a change in the exempt status or termination of UCP, UCP has a right to advise the Madison Community Foundation on suggestions for distributions; however, the final decision on all such distributions rests with the Madison Community Foundation. The investment is recorded in the statement of financial position as a beneficial interest in assets held by the Madison Community Foundation.

NOTE 5 - LINE OF CREDIT

The organization's \$400,000 line of credit expired on February 25, 2017, and was subsequently renewed. The interest rate is variable at prime, with a 4.50% floor. The line is secured by the organization's securities account. As of December 31, 2016 and 2015, the line did not have any outstanding balance. The line of credit has a maturity date of February 25, 2018.

NOTE 6 - SUPPORT FROM GOVERNMENTAL UNIT

UCP receives a substantial amount of its support from the Dane County Department of Human Services under an annual funding contract. UCP has a signed funding contract for the year ending December 31, 2017. A significant reduction in the level of this support, if this were to occur, may have a significant effect on UCP's programs and activities.

The County allows certain assets costing more than \$5,000 to be expensed to the funding contract when purchased. These assets would become the property of the County upon termination or non-renewal of this contract.

UNITED CEREBRAL PALSY OF GREATER DANE COUNTY, INC.

Madison, Wisconsin

NOTES TO FINANCIAL STATEMENTS

NOTE 7 - LEASES

The organization leases space for its administrative offices under an operating lease that expires in June 2018, and provided that written notice has not been given to vacate, the lease shall automatically renew through June 30, 2019, with a basic rent increase of 2.5%. Total rent expense, including charges for common area maintenance; under this operating lease was \$130,437 in 2016 and \$127,503 in 2015.

Future minimum lease payments under this operating lease as of December 31, 2016, are as follows:

| | | |
|-------|----|----------------|
| 2017 | \$ | 123,660 |
| 2018 | | <u>62,892</u> |
| Total | \$ | <u>186,552</u> |

NOTE 8 - TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are comprised of the following as of December 31:

| | <u>2016</u> | <u>2015</u> |
|---------------------|------------------|------------------|
| Program restricted: | | |
| Youth resources | \$ 10,000 | \$ 15,145 |
| Connections | 10,000 | 10,000 |
| Special events | <u>15,710</u> | <u>4,880</u> |
| | <u>\$ 35,710</u> | <u>\$ 30,025</u> |

Temporarily restricted net assets were released from donor restrictions or time restrictions and expended for the following programs during 2016 and 2015:

| | <u>2016</u> | <u>2015</u> |
|-----------------|------------------|------------------|
| Youth resources | \$ 15,145 | \$ 12,000 |
| Special events | <u>4,880</u> | <u>4,500</u> |
| | <u>\$ 20,025</u> | <u>\$ 16,500</u> |

UNITED CEREBRAL PALSY OF GREATER DANE COUNTY, INC.

Madison, Wisconsin

NOTES TO FINANCIAL STATEMENTS

NOTE 9 - TAX DEFERRED ANNUITY PLAN

UCP has a tax deferred annuity plan for its employees that allows for both employee and employer contributions. Employees are eligible for an employer contribution after two years of service, attainment of age 21, and working 1,000 hours annually. The employer contribution was \$29,301 in 2016 and \$55,671 in 2015.

NOTE 10 - DEFERRED COMPENSATION

The organization has a deferred compensation agreement with a management employee. The agreement is subject to the conditions imposed by Internal Revenue Code Section 457(f). With respect to this agreement, the employee became fully vested in the deferred compensation benefit on December 31, 2016, at which time the benefits were paid to the employee.

Deferred compensation expense totaled \$20,000 and \$10,000 for the years ended December 31, 2016 and 2015, respectively. These amounts include consideration for prior year services.

NOTE 11 - PAYMENTS TO NATIONAL PROGRAMS

Payments to national programs were allocated among the various functions of UCP. Total payments to national programs were \$18,636 in both 2016 and 2015.

NOTE 12 - CONCENTRATION OF CREDIT RISK

UCP maintains deposits in financial institutions which, at times, exceed federally insured limits. UCP believes it is not exposed to any significant credit risk on uninsured amounts.

NOTE 13 - SUBSEQUENT EVENTS

Management has evaluated subsequent events through June 14, 2017, the date which the financial statements were available for issue. No events have occurred that would influence the reader's opinion of the financial statements for the year ended December 31, 2016.

SUPPLEMENTAL INFORMATION

UNITED CEREBRAL PALSY OF GREATER DANE COUNTY, INC.

Madison, Wisconsin

SCHEDULE OF REVENUE AND EXPENSES BY FUNDING SOURCE AND BY PROGRAM AND BY CONTRACT

Year Ended December 31, 2016

| | Youth Resources | | | | | | | | |
|-------------------------------|----------------------------|-----------|--------------|-----------------------------|--------------|--------------|-----------------|----------|------------|
| | Birth to Three Connections | | | Youth Resources and Respite | | | Adult Brokering | | |
| | Dane County | Other | Total | Dane County | Other | Total | Dane County | Other | Total |
| Program: | | | | | | | | | |
| Funding Source: | | | | | | | | | |
| Total revenue | \$ 1,220,761 | \$ 41,663 | \$ 1,262,424 | \$ 539,854 | \$ 1,349,928 | \$ 1,889,782 | \$ 515,891 | \$ 3,876 | \$ 519,767 |
| Expenses | | | | | | | | | |
| Program expenses | | | | | | | | | |
| Personnel | 907,024 | | 907,024 | 292,213 | 1,263,862 | 1,556,075 | 401,002 | | 401,002 |
| Operating | 94,434 | 41,663 | 136,097 | 118,022 | 11,720 | 129,742 | 39,249 | | 39,249 |
| Space | 49,374 | | 49,374 | 23,772 | | 23,772 | 15,099 | | 15,099 |
| Special costs | | | | 22,399 | 23,922 | 46,321 | 3,710 | | 3,710 |
| Other expenses | 81,180 | | 81,180 | 27,990 | | 27,990 | 14,477 | | 14,477 |
| Total program expenses | 1,132,012 | 41,663 | 1,173,675 | 484,396 | 1,299,504 | 1,783,900 | 473,537 | | 473,537 |
| Administrative expenses | | | | | | | | | |
| Personnel | 68,012 | | 68,012 | 30,185 | 29,867 | 60,052 | 36,853 | | 36,853 |
| Operating | 16,866 | | 16,866 | 17,349 | | 17,349 | 1,726 | 3,876 | 5,602 |
| Space | 3,871 | | 3,871 | 7,924 | | 7,924 | 3,775 | | 3,775 |
| Special costs | | | | | | | | | |
| Other expenses | | | | | | | | | |
| Total administrative expenses | 88,749 | | 88,749 | 55,458 | 29,867 | 85,325 | 42,354 | 3,876 | 46,230 |
| Total expenses | 1,220,761 | 41,663 | 1,262,424 | 539,854 | 1,329,371 | 1,869,225 | 515,891 | 3,876 | 519,767 |
| Subtotal | | | | | 20,557 | 20,557 | | | |
| Net income from investments | | | | | | | | | |
| Net benefit (deficiency) | \$ | \$ | \$ | \$ | \$ 20,557 | \$ 20,557 | \$ | \$ | \$ |

UNITED CEREBRAL PALSY OF GREATER DANE COUNTY, INC.

Madison, Wisconsin

SCHEDULE OF REVENUE AND EXPENSES BY FUNDING SOURCE AND BY PROGRAM AND BY CONTRACT

(Continued)

Year Ended December 31, 2016

| | Assessment and Planning | | | Community | Community | Information, Referral | Management, | Total |
|-------------------------------|-------------------------|--------|------------|------------|------------|--------------------------------------|----------------------------|--------------|
| | Dane County | Other | Total | Connecting | Outreach | and Advocacy and Public Education | Development and General | |
| Program: | | | | | | | | |
| Funding Source: | Dane County | Other | Total | Other | Other | Other | Other | Total |
| Total revenue | \$ 173,874 | \$ 635 | \$ 174,509 | \$ 58,476 | \$ | \$ 554 | \$ 215,733 | \$ 4,121,245 |
| Expenses | | | | | | | | |
| Program expenses | | | | | | | | |
| Personnel | 133,295 | | 133,295 | 48,643 | 7,676 | 89,381 | | 3,143,096 |
| Operating | 7,087 | 635 | 7,722 | 5,269 | 1,827 | 16,802 | | 336,708 |
| Space | 4,051 | | 4,051 | 978 | | 17,831 | | 111,105 |
| Special costs | (188) | | (188) | | | 343 | | 50,186 |
| Other expenses | 5,791 | | 5,791 | 249 | | | | 129,687 |
| Total program expenses | 150,036 | 635 | 150,671 | 55,139 | 9,503 | 124,357 | | 3,770,782 |
| Administrative expenses | | | | | | | | |
| Personnel | 16,139 | | 16,139 | | | | 47,162 | 228,218 |
| Operating | 3,937 | | 3,937 | | | | 24,184 | 67,938 |
| Space | 3,762 | | 3,762 | | | | | 19,332 |
| Special costs | | | | | | | | |
| Other expenses | | | | | | | | |
| Total administrative expenses | 23,838 | | 23,838 | | | | 71,346 | 315,488 |
| Total expenses | 173,874 | 635 | 174,509 | 55,139 | 9,503 | 124,357 | 71,346 | 4,086,270 |
| Subtotal | | | | 3,337 | (9,503) | (123,803) | 144,387 | 34,975 |
| Net income from investments | | | | | | 870 | 13,188 | 14,058 |
| Net benefit (deficiency) | \$ | \$ | \$ | \$ 3,337 | \$ (9,503) | \$ (122,933) | \$ 157,575 | \$ 49,033 |

DANE COUNTY DEPARTMENT OF HUMAN SERVICES

PROVIDER AGENCY EXPENSE REPORT THROUGH:

Fourth Quarter 2016

| Provider Name: United Cerebral Palsy of Greater Dane County, Inc. | | Contract #: 83354 | | *Provider Certified By: | | |
|---|--|--|--|--|-------------------------------------|---------------------------------------|
| Program Name: Birth to Three Connections | | Program Group #: 6018 | | Date | | |
| | 1 Approved County-Funded Budget | 2 YTD County-Funded Admin Expense | 3 YTD County-Funded Program Expense | 4 YTD County-Funded Expense Total (= Col. 2 + 3) | 5 YTD County-Funded Budget | 6 YTD % Variance from Budget |
| A. PERSONNEL | | | | | | |
| Salaries | 866,329 | 58,335 | 777,967 | 836,302 | 866,329 | |
| Taxes | 78,880 | 4,448 | 59,316 | 63,764 | 78,880 | |
| Benefits | 99,058 | 5,229 | 69,741 | 74,970 | 99,058 | |
| Subtotal A | 1,044,267 | 68,012 | 907,024 | 975,036 | 1,044,267 | 6.63% |
| B. OPERATING | | | | | | |
| Insurance | 7,944 | 716 | 7,235 | 7,951 | 7,944 | |
| Professional Fees | 14,681 | 121 | 26,368 | 26,489 | 14,681 | |
| Audit | 10,078 | 7,806 | | 7,806 | 10,078 | |
| Data Processing Fees | | | | | | |
| Postage, Office, and Program Supplies | 16,200 | 8,223 | 11,393 | 19,616 | 16,200 | |
| Equipment/Furnishings | | | | | | |
| Depreciation | | | | | | |
| Telephone | 10,885 | | 12,226 | 12,226 | 10,885 | |
| Training/Conference | 2,500 | | 1,033 | 1,033 | 2,500 | |
| Food/Household Supplies | | | | | | |
| Auto Allowance | 68,000 | | 65,939 | 65,939 | 68,000 | |
| Vehicle Costs | | | | | | |
| Other1:Mbrshp/Recruit | 9,943 | | 11,903 | 11,903 | 9,943 | |
| Other2: | | | | | | |
| Subtotal B | 140,231 | 16,866 | 136,097 | 152,963 | 140,231 | -9.08% |
| C. SPACE | | | | | | |
| Rent | 53,448 | 3,871 | 49,374 | 53,245 | 53,448 | |
| Utilities | | | | | | |
| Maintenance | | | | | | |
| Mortgage Interest, Depreciation, | | | | | | |
| Property Taxes | | | | | | |
| Subtotal C | 53,448 | 3,871 | 49,374 | 53,245 | 53,448 | 0.38% |
| D. SPECIAL COSTS | | | | | | |
| Assistance to Individuals | | | | | | |
| Subtotal D | 0 | 0 | 0 | 0 | 0 | 0.00% |
| E. OTHER | | | | | | |
| Other3: Community Staff | 110,122 | | 81,180 | 81,180 | 110,122 | |
| Other4: | | | | | | |
| Subtotal E | 110,122 | 0 | 81,180 | 81,180 | 110,122 | 26.28% |
| This section for Adult - DD only. | | | | | | |
| F. OFF-SETTING REVENUE | | | | | | |
| Show as negative numbers: | | | | | | |
| MA/Insurance | (40,000) | | (41,218) | (41,218) | (40,000) | |
| Private Pay (Trust Funds, etc.) | | | | | | |
| Cost Share | | | | | | |
| Other: Fundraising | | | (445) | (445) | | |
| Subtotal F | (40,000) | | (41,663) | (41,663) | (40,000) | -4.16% |
| TOTAL A THROUGH F | 1,308,068 | 88,749 | 1,132,012 | 1,220,761 | 1,308,068 | 6.67% |

DANE COUNTY DEPARTMENT OF HUMAN SERVICES

PROVIDER AGENCY EXPENSE REPORT THROUGH:

Fourth Quarter 2016

| Provider Name: | | Contract #: | | *Provider Certified By: | | Date |
|--|--|--|--|--|-------------------------------------|---------------------------------------|
| United Cerebral Palsy of Greater Dane County, Inc. | | 83354 | | | | |
| Program Name: | | Program Group #: | | | | |
| Youth Resources & DD Child | | 10100 | | | | |
| | 1 Approved County-Funded Budget | 2 YTD County-Funded Admin Expense | 3 YTD County-Funded Program Expense | 4 YTD County-Funded Expense Total (= Col. 2 + 3) | 5 YTD County-Funded Budget | 6 YTD % Variance from Budget |
| A. PERSONNEL | | | | | | |
| Salaries | 1,214,775 | 53,019 | 1,161,756 | 1,214,775 | 1,214,775 | |
| Taxes | 96,680 | 4,220 | 92,460 | 96,680 | 96,680 | |
| Benefits | 64,449 | 2,813 | 61,636 | 64,449 | 64,449 | |
| Subtotal A | 1,375,904 | 60,052 | 1,315,852 | 1,375,904 | 1,375,904 | 0.00% |
| B. OPERATING | | | | | | |
| Insurance | 31,892 | 11,800 | 20,092 | 31,892 | 31,892 | |
| Professional Fees | 47,239 | | 47,239 | 47,239 | 47,239 | |
| Audit | 3,609 | 3,609 | | 3,609 | 3,609 | |
| Data Processing Fees | | | | | | |
| Postage, Office, and Program Supplies | 18,922 | 1,940 | 16,982 | 18,922 | 18,922 | |
| Equipment/Furnishings | | | | | | |
| Depreciation | | | | | | |
| Telephone | 6,202 | | 6,202 | 6,202 | 6,202 | |
| Training/Conference | 8,837 | | 8,837 | 8,837 | 8,837 | |
| Food/Household Supplies | | | | | | |
| Auto Allowance | 6,084 | | 6,084 | 6,084 | 6,084 | |
| Vehicle Costs | | | | | | |
| Other1:Mbrshp/Recruit | 12,586 | | 12,586 | 12,586 | 12,586 | |
| Other2: | | | | | | |
| Subtotal B | 135,371 | 17,349 | 118,022 | 135,371 | 135,371 | 0.00% |
| C. SPACE | | | | | | |
| Rent | 31,696 | 7,924 | 23,772 | 31,696 | 31,696 | |
| Utilities | | | | | | |
| Maintenance | | | | | | |
| Mortgage Interest, Depreciation, | | | | | | |
| Property Taxes | | | | | | |
| Subtotal C | 31,696 | 7,924 | 23,772 | 31,696 | 31,696 | 0.00% |
| D. SPECIAL COSTS | | | | | | |
| Assistance to Individuals | 22,399 | | 22,399 | 22,399 | 22,399 | |
| Subtotal D | 22,399 | 0 | 22,399 | 22,399 | 22,399 | 0.00% |
| E. OTHER | | | | | | |
| Other3:Certification | 27,990 | | 27,990 | 27,990 | 27,990 | |
| Other4: | | | | | | |
| Subtotal E | 27,990 | 0 | 27,990 | 27,990 | 27,990 | 0.00% |
| This section for Adult - DD only. | | | | | | |
| F. OFF-SETTING REVENUE | | | | | | |
| Show as negative numbers: | | | | | | |
| TPA | (1,053,506) | (29,867) | (1,023,639) | (1,053,506) | (1,053,506) | |
| Parent Fees | | | | | | |
| Service Revenue Billings | | | | | | |
| Other: Fundraising | | | | | | |
| Subtotal F | (1,053,506) | (29,867) | (1,023,639) | (1,053,506) | (1,053,506) | 0.00% |
| TOTAL A THROUGH F | 539,854 | 55,458 | 484,396 | 539,854 | 539,854 | 0.00% |

DANE COUNTY DEPARTMENT OF HUMAN SERVICES

PROVIDER AGENCY EXPENSE REPORT THROUGH: Fourth Quarter 2016

| Provider Name: United Cerebral Palsy of Greater Dane County, Inc. | | Contract #: 83354 | | *Provider Certified By: | | Date |
|---|--|--|--|--|-------------------------------------|---------------------------------------|
| Program Name: Case Management/Brokering | | Program Group #: 1154 | | | | |
| | 1 Approved County-Funded Budget | 2 YTD County-Funded Admin Expense | 3 YTD County-Funded Program Expense | 4 YTD County-Funded Expense Total (= Col. 2 + 3) | 5 YTD County-Funded Budget | 6 YTD % Variance from Budget |
| A. PERSONNEL | | | | | | |
| Salaries | 359,358 | 30,447 | 331,294 | 361,741 | 359,358 | |
| Taxes | 29,310 | 2,157 | 23,474 | 25,631 | 29,310 | |
| Benefits | 48,451 | 4,249 | 46,234 | 50,483 | 48,451 | |
| Subtotal A | 437,119 | 36,853 | 401,002 | 437,855 | 437,119 | -0.17% |
| B. OPERATING | | | | | | |
| Insurance | 2,941 | 1,375 | 1,375 | 2,750 | 2,941 | |
| Professional Fees | 13,286 | 1,464 | 7,354 | 8,818 | 13,286 | |
| Audit | 3,570 | 2,763 | | 2,763 | 3,570 | |
| Data Processing Fees | | | | | | |
| Postage, Office, and Program Supplies | 3,843 | | 7,187 | 7,187 | 3,843 | |
| Equipment/Furnishings | | | | | | |
| Depreciation | 2,900 | | 2,900 | 2,900 | 2,900 | |
| Telephone | 1,888 | | 2,598 | 2,598 | 1,888 | |
| Training/Conference | 2,500 | | 1,483 | 1,483 | 2,500 | |
| Food/Household Supplies | | | | | | |
| Auto Allowance | 11,080 | | 12,051 | 12,051 | 11,080 | |
| Vehicle Costs | | | | | | |
| Other1:Mbrshp/Recruit | 5,024 | | 4,300 | 4,300 | 5,024 | |
| Other2: | | | | | | |
| Subtotal B | 47,032 | 5,602 | 39,248 | 44,850 | 47,032 | 4.64% |
| C. SPACE | | | | | | |
| Rent | 18,944 | 3,775 | 15,099 | 18,874 | 18,944 | |
| Utilities | | | | | | |
| Maintenance | | | | | | |
| Mortgage Interest, Depreciation, | | | | | | |
| Property Taxes | | | | | | |
| Subtotal C | 18,944 | 3,775 | 15,099 | 18,874 | 18,944 | 0.37% |
| D. SPECIAL COSTS | | | | | | |
| Assistance to Individuals | 3,275 | | 3,710 | 3,710 | 3,275 | |
| Subtotal D | 3,275 | 0 | 3,710 | 3,710 | 3,275 | -13.28% |
| E. OTHER | | | | | | |
| Other3: Certification Fee | 16,153 | | 14,478 | 14,478 | 16,153 | |
| Other4: | | | | | | |
| Subtotal E | 16,153 | 0 | 14,478 | 14,478 | 16,153 | 10.37% |
| This section for Adult - DD only. | | | | | | |
| F. OFF-SETTING REVENUE | | | | | | |
| Show as negative numbers: | | | | | | |
| Government Benefits (SSI, SSDI, etc.) | | | | | | |
| Private Pay (Trust Funds, etc.) | | | | | | |
| Cost Share | | | | | | |
| Other: Fundraising | (3,275) | (3,876) | | (3,876) | (3,275) | |
| Subtotal F | (3,275) | (3,876) | | (3,876) | (3,275) | -18.35% |
| TOTAL A THROUGH F | 519,248 | 42,354 | 473,537 | 515,891 | 519,248 | 0.65% |

DANE COUNTY DEPARTMENT OF HUMAN SERVICES

PROVIDER AGENCY EXPENSE REPORT THROUGH: Fourth Quarter 2016

| Provider Name: United Cerebral Palsy of Greater Dane County, Inc. | | Contract #: 83354 | | *Provider Certified By: | | |
|---|--|--|--|--|-------------------------------------|---------------------------------------|
| Program Name: Assessment and Planning | | Program Group #: 1155 | | Date | | |
| | 1 Approved County-Funded Budget | 2 YTD County-Funded Admin Expense | 3 YTD County-Funded Program Expense | 4 YTD County-Funded Expense Total (= Col. 2 + 3) | 5 YTD County-Funded Budget | 6 YTD % Variance from Budget |
| A. PERSONNEL | | | | | | |
| Salaries | 128,864 | 13,948 | 115,197 | 129,145 | 128,864 | |
| Taxes | 10,549 | 1,057 | 8,732 | 9,789 | 10,549 | |
| Benefits | 9,593 | 1,134 | 9,366 | 10,500 | 9,593 | |
| Subtotal A | 149,006 | 16,139 | 133,295 | 149,434 | 149,006 | -0.29% |
| B. OPERATING | | | | | | |
| Insurance | 1,152 | 115 | 1,039 | 1,154 | 1,152 | |
| Professional Fees | 1,148 | 1,469 | | 1,469 | 1,148 | |
| Audit | 1,195 | 921 | | 921 | 1,195 | |
| Data Processing Fees | | | | | | |
| Postage, Office, and Program Supplies | 660 | 950 | 317 | 1,267 | 660 | |
| Equipment/Furnishings | | | | | | |
| Depreciation | | | | | | |
| Telephone | 766 | 482 | 365 | 847 | 766 | |
| Training/Conference | 100 | | 104 | 104 | 100 | |
| Food/Household Supplies | | | | | | |
| Auto Allowance | 2,700 | | 3,710 | 3,710 | 2,700 | |
| Vehicle Costs | | | | | | |
| Other1:Mbrshp/Recruit | 802 | | 2,187 | 2,187 | 802 | |
| Other2: | | | | | | |
| Subtotal B | 8,523 | 3,937 | 7,722 | 11,659 | 8,523 | -36.79% |
| C. SPACE | | | | | | |
| Rent | 7,848 | | | | 7,848 | |
| Utilities | | 3,762 | 4,051 | 7,813 | | |
| Maintenance | | | | | | |
| Mortgage Interest, Depreciation, | | | | | | |
| Property Taxes | | | | | | |
| Subtotal C | 7,848 | 3,762 | 4,051 | 7,813 | 7,848 | 0.45% |
| D. SPECIAL COSTS | | | | | | |
| Assistance to Individuals | | | (188) | (188) | | |
| Subtotal D | 0 | 0 | (188) | (188) | 0 | 100.00% |
| E. OTHER | | | | | | |
| Other3: Certification | 5,791 | | 5,791 | 5,791 | 5,791 | |
| Other4: | | | | | | |
| Subtotal E | 5,791 | 0 | 5,791 | 5,791 | 5,791 | 0.00% |
| This section for Adult - DD only. | | | | | | |
| F. OFF-SETTING REVENUE | | | | | | |
| Show as negative numbers: | | | | | | |
| Government Benefits (SSI, SSDI, etc.) | | | | | | |
| Private Pay (Trust Funds, etc.) | | | | | | |
| Cost Share | | | | | | |
| Other: Fundraising | (16,012) | | (635) | (635) | (16,012) | |
| Subtotal F | (16,012) | | (635) | (635) | (16,012) | 96.03% |
| TOTAL A THROUGH F | 155,156 | 23,838 | 150,036 | 173,874 | 155,156 | -12.06% |

UNITED CEREBRAL PALSY OF GREATER DANE COUNTY, INC.

Madison, Wisconsin

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

For the Year Ended December 31, 2016

| Grantor/Pass-Through Grantor/Program or Cluster Title | Federal CFDA Number | Pass-through Entity Identifying Number | Federal Expenditures |
|--|---------------------------|---|-------------------------|
| FEDERAL AWARDS | | | |
| U.S. Department of Health and Human Services | | | |
| Pass-through Dane County Department of Human Services | | | |
| Medical Assistance Program | 93.778 | 83354/83405 | \$ 940,651 |
| U.S. Department of Education | | | |
| Pass-through Dane County Department of Human Services | | | |
| Special Education - Grants for Infants and Families with Disabilities | 84.181 | 83354 | <u>159,470</u> |
| Total expenditures of federal awards | | | <u>\$ 1,100,121</u> |
| STATE AWARDS | | | |
| Wisconsin Department of Health Services | | | |
| Pass-through Dane County Department of Human Services | | | |
| Community Integration Program 1A (CIP 1A) | | 83354 | \$ 7,322 |
| Community Integration Program 1B (CIP 1B) | | 83354 | 224,828 |
| Community Integration Program II (CIP II) | | 83354 | 3,417 |
| Birth to Three Initiative (BIRTH - 3) | | 83354 | 153,461 |
| Children's Long Term Support (CLTS) | | 83405 | 440,576 |
| Community Options Program (COP) | | 83354 | <u>93,337</u> |
| Total expenditures of state awards | | | <u>\$ 922,941</u> |

See Notes to Schedule of Expenditures of Federal and State Awards

UNITED CEREBRAL PALSY OF GREATER DANE COUNTY, INC.

Madison, Wisconsin

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

For the Year Ended December 31, 2016

NOTE 1 - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal and state awards includes the federal and state grant activity of United Cerebral Palsy of Greater Dane County, Inc. and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the *State Single Audit Guidelines*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 2 - MAJOR PROGRAM DETERMINATION

The Uniform Guidance and the *State Single Audit Guidelines* establish certain criteria for the identification of major programs. Under the Uniform Guidance and the *State Single Audit Guidelines*, tests of compliance with certain types of compliance requirements are required for each major program of United Cerebral Palsy of Greater Dane County, Inc. The major programs identified in the accompanying schedule of findings and questioned costs have been determined in accordance with the requirements of the Uniform Guidance and the *State Single Audit Guidelines*.

NOTE 3 - FEDERAL AND STATE EXPENDITURES

Expenditures consist of direct and indirect costs. Direct costs are those that can be directly identified with an individual federal or state award. Unlike direct costs, indirect costs cannot directly be identified with an individual federal or state award program. Indirect costs are the costs of services and resources that benefit many award programs as well as other activities.

NOTE 4 - INDIRECT COST RATE

United Cerebral Palsy of Greater Dane County, Inc. has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE 5 - CONTINGENCY

All federal and state awards are subject to review and audit by grantor agencies. Such audits could lead to requests for reimbursement by the grantor agency for costs disallowed under the terms of the award. It is the opinion of management that all costs charged against federal and state awards are allowable under the regulations of those programs.

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Board of Directors
United Cerebral Palsy of
Greater Dane County, Inc.
Madison, Wisconsin

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of United Cerebral Palsy of Greater Dane County, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2016, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated June 14, 2017.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered United Cerebral Palsy of Greater Dane County, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of United Cerebral Palsy of Greater Dane County, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of United Cerebral Palsy of Greater Dane County, Inc.'s internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.



Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether United Cerebral Palsy of Greater Dane County, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Madison, Wisconsin
June 14, 2017

Smith & Gesteland, LLP
SMITH & GESTELAND, LLP

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND THE *STATE SINGLE AUDIT GUIDELINES*

To the Board of Directors
United Cerebral Palsy of
Greater Dane County, Inc.
Madison, Wisconsin

Report on Compliance for Each Major Program

We have audited United Cerebral Palsy of Greater Dane County, Inc.'s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2016. We have also audited United Cerebral Palsy of Greater Dane County, Inc.'s compliance with types of compliance requirements described in the *State Single Audit Guidelines*, issued by the State of Wisconsin Department of Administration and State Single Audit Committee, that could have a direct and material effect on each of United Cerebral Palsy of Greater Dane County, Inc.'s major state programs for the year ended December 31, 2016. United Cerebral Palsy of Greater Dane County, Inc.'s major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal and state statutes, regulations, and the terms and conditions of its federal and state awards applicable to its federal and state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of United Cerebral Palsy of Greater Dane County, Inc.'s major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and the *State Single Audit Guidelines*, issued by the State of Wisconsin Department of Administration and Single Audit Committee. Those standards, the Uniform Guidance, and the *State Single Audit Guidelines* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about United Cerebral Palsy of Greater Dane County, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.



We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination of United Cerebral Palsy of Greater Dane County, Inc.'s compliance.

Opinion on Each Major Program

In our opinion, United Cerebral Palsy of Greater Dane County, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended December 31, 2016.

Report on Internal Control Over Compliance

Management of United Cerebral Palsy of Greater Dane County, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered United Cerebral Palsy of Greater Dane County, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with the Uniform Guidance and the *State Single Audit Guidelines*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of United Cerebral Palsy of Greater Dane County, Inc.'s internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Madison, Wisconsin
June 14, 2017

Smith & Gesteland, LLP
SMITH & GESTELAND, LLP

UNITED CEREBRAL PALSY OF GREATER DANE COUNTY, INC.

Madison, Wisconsin

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended December 31, 2016

SECTION I - SUMMARY OF INDEPENDENT AUDITOR'S RESULTS

Financial Statements

| | |
|--|---------------|
| Type of auditor's report issued | Unmodified |
| Internal control over financial reporting: | |
| Material weakness(es) identified? | No |
| Significant deficiency(ies) identified not considered to be material weakness(es)? | None reported |
| Noncompliance material to financial statements noted? | No |

Federal Awards

| | |
|---|---------------|
| Internal control over major programs: | |
| Material weakness(es) identified? | No |
| Significant deficiency(ies) identified not considered to be material weakness(es)? | None reported |
| Type of auditor's report issued on compliance with major program | Unmodified |
| Any audit findings disclosed that are required to be reported in accordance with Section 200.516 of the Uniform Guidance? | No |

Identification of major federal programs:

| <u>CFDA Number</u> | <u>Name of Federal Program or Cluster</u> | <u>Amount Expended</u> |
|---|---|------------------------|
| 93.778 | Medical Assistance Program | \$940,651 |
| Dollar threshold used to distinguish between Type A and Type B programs | | \$750,000 |
| Auditee qualified as low-risk auditee? | | Yes |

UNITED CEREBRAL PALSY OF GREATER DANE COUNTY, INC.

Madison, Wisconsin

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

(Continued)

Year Ended December 31, 2016

State Awards

Internal control over major programs:

| | |
|---|---------------|
| Material weakness(es) identified? | No |
| Significant deficiency(ies) identified not considered to be material weakness(es)? | None reported |
| Any audit findings disclosed that are required to be reported in accordance with the <i>State Single Audit Guidelines</i> ? | No |

Identification of major state programs:

| <u>State Identifying Number(s)</u> | <u>Name of State Program</u> | <u>Amount Expended</u> |
|------------------------------------|---|------------------------|
| 564 | Community Integration Program 1B (CIP 1B) | \$224,828 |
| 450 | Children's Long Term Support (CLTS) | 440,576 |
| | Dollar threshold used to distinguish between Type A and Type B programs | \$100,000 |
| | Auditee qualified as low-risk auditee? | Yes |

SECTION II - FINANCIAL STATEMENT FINDINGS

None

SECTION III - FEDERAL AND STATE AWARD FINDINGS AND QUESTIONED COSTS

None

SECTION IV - OTHER ISSUES

Does the auditor's report or the notes to the financial statements include disclosure with regard to substantial doubt as to the auditee's ability to continue as a going concern? No

Does the audit report show audit issues (i.e., material noncompliance, non-material noncompliance, questioned costs, material weakness, reportable condition, management letter comment) related to grants/contracts with funding agencies that require audits to be in accordance with the *State Single Audit Guidelines*? No

Was a management letter or other document conveying audit comments issued as a result of this audit? Yes

Signature of Partner in Charge:

Kevin Baygates

Date of report: June 14, 2017