

**United Way of Miami-Dade, Inc.
and Subsidiaries**

**Consolidated Financial Statements
June 30, 2009 and 2008 and Reports on
Compliance - June 30, 2009**

United Way of Miami-Dade, Inc. and Subsidiaries

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Independent Auditors' Report

To the Board of Directors
United Way of Miami-Dade, Inc. and Subsidiaries
Miami, Florida

We have audited the accompanying consolidated statements of financial position of **United Way of Miami-Dade, Inc. and Subsidiaries** ("United Way") as of June 30, 2009 and the related consolidated statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended. These consolidated financial statements are the responsibility of United Way's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. The consolidated financial statements of United Way as of June 30, 2008, were audited by other auditors whose report dated November 20, 2008 expressed an unqualified opinion on those statements. United Way's prior year summarized and comparative information has been derived from those 2008 financial statements.

We conducted our audit 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 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 Way as of June 30, 2009, 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.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 11, 2009, on our consideration of United Way'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* and should be considered for assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The schedules on pages 31-37 are presented for purposes of additional analysis and are not a required part of the basic consolidated financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic consolidated financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic consolidated financial statements taken as a whole.

Miami, Florida
December 11, 2009



Certified Public Accountants

United Way of Miami-Dade, Inc. and Subsidiaries

Consolidated Statements of Financial Position

<i>June 30,</i>	2009	2008
Assets		
Cash and equivalents	\$ 4,927,643	\$ 3,072,417
Restricted cash	8,570,193	6,896,577
Investments (Note 2)	23,668,612	36,928,667
Pledges, receivable, less allowance of \$1,766,000 in 2009 and \$1,915,000 in 2008	10,820,138	12,197,866
Pledges receivable, temporarily restricted for Center for Excellence and Children's Advocacy Complex (Note 3)	1,477,592	2,848,063
Donor-designated pledges receivables, less allowance of \$0 in 2009 and \$1,250,000 in 2008	6,493,807	7,996,175
Special contributions receivable (Note 12)	3,966,868	3,724,759
Other receivables (Note 3)	590,468	607,976
Grants receivable (Note 3)	648,621	997,248
Prepaid expenses and other assets	809,142	986,600
Property and equipment, net (Note 4)	29,880,013	30,822,431
	\$ 91,853,097	\$ 107,078,779
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses (Note 7)	\$ 2,831,364	\$ 2,757,364
Approved allocations payable	12,125,395	16,044,534
Donor-designated allocations payable	17,615,201	17,184,570
Special contributions payable (Note 12)	3,966,868	3,724,759
Grants payable	79,423	1,480
Pension plan unfunded liability (Note 6)	1,332,366	4,457,834
Notes payable (Note 7)	15,435,000	16,000,000
Total liabilities	53,385,617	60,170,541
Commitments and Contingencies (Note 8)		
Net Assets (Notes 9 and 10)		
Unrestricted	31,105,491	36,538,923
Temporarily restricted	2,031,520	5,583,026
Permanently restricted	5,330,469	4,786,289
Total net assets	38,467,480	46,908,238
	\$ 91,853,097	\$ 107,078,779

See accompanying notes to the consolidated financial statements

United Way of Miami-Dade, Inc. and Subsidiaries

Consolidated Statements of Activities and Changes in Net Assets

	Year ended June 30, 2009				Year ended June 30, 2008			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Public support, investment gains (losses) and other income:								
Public Support								
Annual campaign, net of estimated uncollectable pledges of \$1,932,000 in 2009 and \$3,165,000 in 2008	\$ 45,126,441	\$ 4,010,900	\$ -	\$ 49,137,341	\$ 44,333,652	\$ 12,981,583	\$ -	\$ 57,315,235
Special contributions (Notes 5 and 12)	-	242,109	-	242,109	-	6,353,176	-	6,353,176
Less donor designations (Note 5)	(26,769,399)	(4,049,331)	-	(30,818,730)	(22,827,147)	(14,133,080)	-	(36,960,227)
Annual campaign, net	18,357,042	203,678	-	18,560,720	21,506,505	5,201,679	-	26,708,184
Recovery of uncollectible pledges	51,969	(245,125)	-	(193,156)	1,040,643	50,031	-	1,090,674
Special events	999,775	-	-	999,775	1,550,433	-	-	1,550,433
Other contributions	373,951	-	-	373,951	1,067,138	-	-	1,067,138
Grants	2,770,638	213,040	-	2,983,678	703,834	1,595,951	-	2,299,785
Legacies and bequests	89,641	-	544,180	633,821	289,556	-	2,557,736	2,847,292
Total public support	22,643,016	171,593	544,180	23,358,789	26,158,109	6,847,661	2,557,736	35,563,506
Investment gains (losses) and other income:								
Interest and dividend income, net of investment fees of \$267 in 2009 and \$204 in 2008	886,499	-	-	886,499	1,069,205	1,802	-	1,071,007
Realized gains (losses) on sales of investment fees of \$75,721 in 2009 and \$65,461 in 2008	(4,115,620)	-	-	(4,115,620)	497,786	-	-	497,786
Unrealized gains (losses) on investments, net	(3,235,504)	-	-	(3,235,504)	(3,712,949)	-	-	(3,712,949)
Tuition income	590,544	-	-	590,544	548,668	-	-	548,668
Rental income (Note 13)	358,559	-	-	358,559	353,292	-	-	353,292
Other income, net	154,804	-	-	154,804	179,784	-	-	179,784
Total investment gains (losses) and other income	(5,360,718)	-	-	(5,360,718)	(1,064,214)	1,802	-	(1,062,412)
Net assets released from restrictions:								
Expiration of time restrictions	3,661,344	(3,661,344)	-	-	1,818,300	(1,818,300)	-	-
Total public support, revenue and other	\$ 20,943,642	\$ (3,489,751)	\$ 544,180	\$ 17,998,071	\$ 26,912,195	\$ 5,031,163	\$ 2,557,736	\$ 34,501,094

See accompanying notes to the consolidated financial statements

United Way of Miami-Dade, Inc. and Subsidiaries

Consolidated Statements of Activities and Changes in Net Assets

	<i>Year ended June 30, 2009</i>				<i>Year ended June 30, 2008</i>			
	<i>Unrestricted</i>	<i>Temporarily Restricted</i>	<i>Permanently Restricted</i>	<i>Total</i>	<i>Unrestricted</i>	<i>Temporarily Restricted</i>	<i>Permanently Restricted</i>	<i>Total</i>
Distributions to agencies	\$ 11,846,197	\$ -	\$ -	\$ 11,846,197	\$16,106,198	\$ -	\$ -	\$ 16,106,198
Grant expenses	1,818,008	-	-	1,818,008	1,070,503	-	-	1,070,503
Total distribution to agencies and grant expenses	13,664,205	-	-	13,664,205	17,176,701	-	-	17,176,701
Payments to affiliated organizations								
Payments to United Way Worldwide	425,591	-	-	425,591	435,087	-	-	435,087
Payments to United Way of Florida	36,000	-	-	36,000	34,000	-	-	34,000
Payments to United Way International	2,500	-	-	2,500	-	-	-	-
Total payments to affiliated organizations	464,091	-	-	464,091	469,087	-	-	469,087
Functional expenses								
Program services	5,063,102	-	-	5,063,102	4,988,891	-	-	4,988,891
Supporting services	7,583,260	-	-	7,583,260	8,502,554	-	-	8,502,554
Total functional expenses	12,646,362	-	-	12,646,362	13,491,445	-	-	13,491,445
Other expenses	(42,785)	61,755	-	18,970	50,282	53,664	-	103,946
Pension Plan expense (income) (Note 6)	(873,422)	-	-	(873,422)	5,408,317	-	-	5,408,317
Fair market derivative loss (Note 7)	518,623	-	-	518,623	138,892	-	-	138,892
Total distributions and expenses	26,377,074	61,755	-	26,438,829	36,734,724	53,664	-	36,788,388
Change in net assets	(5,433,432)	(3,551,506)	544,180	(8,440,758)	(9,822,529)	4,977,499	2,557,736	(2,287,294)
Net assets, beginning of year	36,538,923	5,583,026	4,786,289	46,908,238	46,361,452	605,527	2,228,553	49,195,532
Net assets end of year	\$ 31,105,491	\$ 2,031,520	\$ 5,330,469	\$ 38,467,480	\$36,538,923	\$ 5,583,026	\$ 4,786,289	\$ 46,908,238

See accompanying notes to the consolidated financial statements

United Way of Miami-Dade, Inc. and Subsidiaries

Consolidated Statements of Functional Expenses

<i>Year ended June 30,</i>	<i>Program Services</i>	<i>Supporting Services</i>		<i>Total Supporting Services</i>	2009
		<i>Fundraising</i>	<i>Management and General</i>		
Salaries	\$ 2,269,353	\$ 1,339,510	\$ 2,873,811	\$ 4,213,321	\$ 6,482,674
Employee benefits	432,263	222,411	499,405	721,816	1,154,079
Payroll taxes	174,521	93,735	196,529	290,264	464,785
Total salaries and related expenses	2,876,137	1,655,656	3,569,745	5,225,401	8,101,538
Professional fees and contractual services	47,643	55,204	234,528	289,732	337,375
Data processing	111	1,716	25,851	27,567	27,678
Occupancy	1,002,900	300,247	686,048	986,295	1,989,195
Interest expense	269,543	-	26,658	26,658	296,201
Public relations and information	56,143	96,916	165,118	262,034	318,177
Conferences and non-local meetings	9,989	11,991	24,650	36,641	46,630
Rental and maintenance of equipment	364	5,649	85,098	90,747	91,111
Supplies	7,122	5,048	8,942	13,990	21,112
Local transportation	17,136	17,504	24,238	41,742	58,878
Local meetings	33,348	69,826	74,932	144,758	178,106
Postage	5,899	6,935	14,605	21,540	27,439
Telephone	22,533	31,111	49,140	80,251	102,784
Other expenses	183,370	43,678	163,153	206,831	390,201
Total expenses before depreciation and amortization	4,532,238	2,301,481	5,152,706	7,454,187	11,986,425
Depreciation and amortization of property and equipment	530,864	25,890	103,183	129,073	659,937
Total functional expenses	\$ 5,063,102	\$ 2,327,371	\$ 5,255,889	\$ 7,583,260	\$ 12,646,362

See accompanying notes to the consolidated financial statements

United Way of Miami-Dade, Inc. and Subsidiaries

Consolidated Statements of Functional Expenses

<i>Year ended June 30,</i>	<i>Supporting Services</i>			<i>Total Supporting Services</i>	2008
	<i>Program Services</i>	<i>Fundraising</i>	<i>Management and General</i>		
Salaries	\$ 2,136,646	\$ 1,398,608	\$ 3,332,031	\$ 4,730,639	\$ 6,867,285
Employee benefits	344,614	256,296	555,447	811,743	1,156,357
Payroll taxes	173,761	103,048	233,142	336,190	509,951
Total salaries and related expenses	2,655,021	1,757,952	4,120,620	5,878,572	8,533,593
Professional fees and contractual services	35,682	18,536	152,944	171,480	207,162
Data processing	106	1,646	24,803	26,449	26,555
Occupancy	1,065,756	318,459	669,827	988,286	2,054,042
Interest expense	277,254	2,311	84,027	86,338	363,592
Public relations and information	64,413	141,159	205,892	347,051	411,464
Conferences and non-local meetings	22,079	21,605	37,464	59,069	81,148
Rental and maintenance of equipment	319	4,952	74,593	79,545	79,864
Supplies	21,214	8,711	20,764	29,475	50,689
Local transportation	19,090	23,030	32,942	55,972	75,062
Local meetings	34,125	98,633	101,587	200,220	234,345
Postage	17,109	23,166	49,548	72,714	89,823
Telephone	25,441	37,369	55,493	92,862	118,303
Other expenses	237,337	85,332	184,519	269,851	507,188
Total expenses before depreciation and amortization	4,474,946	2,542,861	5,815,023	8,357,884	12,832,830
Depreciation and amortization of property and equipment	513,945	24,913	119,757	144,670	658,615
Total functional expenses	\$ 4,988,891	\$ 2,567,774	\$ 5,934,780	\$ 8,502,554	\$ 13,491,445

See accompanying notes to the consolidated financial statements

United Way of Miami-Dade, Inc. and Subsidiaries

Consolidated Statements of Cash Flows

<i>June 30,</i>	2009	2008
Cash Flows from Operating Activities:		
Change in net assets	\$ (8,440,758)	\$ (2,287,294)
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Depreciation and amortization	1,066,191	1,047,499
Change in allowance for uncollectible pledges	(1,399,000)	(372,000)
Unrealized loss on investments, net	3,235,504	3,712,949
Realized losses (gains) on sale of investments, net	4,115,620	(497,786)
Fair value derivative loss	518,623	138,892
Change in operating assets and liabilities:		
Restricted cash	(1,673,616)	813,116
Pledges receivable	1,494,228	(1,835,663)
Pledges receivable, temporarily restricted for Center for Excellence	1,370,471	313,224
Donor-designated pledges receivables	2,784,868	(2,448,242)
Special contributions receivable	(242,109)	15,377,839
Other receivables	17,508	111,168
Grants receivable	348,627	(707,765)
Prepaid expenses and other assets	177,458	252,936
Prepaid pension costs	-	923,284
Accounts payable and accrued expenses	(467,454)	8,129
Pension plan unfunded liability	(3,125,468)	4,457,834
Approved allocations payable	(3,919,141)	398,297
Donor-designated allocations payable	430,631	1,358,123
Special contributions payable	242,109	(15,377,839)
Grants payable	77,943	(11,136)
Net cash (used in) provided by operating activities:	(3,387,765)	5,375,565
Cash Flows from Investing Activities:		
Proceeds from sale investments	28,260,371	12,166,546
Purchase of investments	(22,328,610)	(16,263,586)
Purchase of property and equipment	(123,770)	(865,681)
Net cash provided by (used in) investing activities	5,807,991	(4,962,721)
Cash Flows from Financing Activities:		
Payment to terminate derivative contract	-	(223,932)
Borrowings from financial institutions	-	16,000,000
Repayment of notes payable	(565,000)	(15,601,298)
Net cash (used in) provided by financing activities	(565,000)	174,770
Net Increase in Cash and Cash Equivalents	1,855,226	587,614
Cash and Cash Equivalents-Beginning of the Year	3,072,417	2,484,803
Cash and Cash Equivalents-End of Year	\$ 4,927,643	\$ 3,072,417
Supplemental Disclosure:		
Interest paid, net of amounts capitalized	\$ 688,454	\$ 816,967

See accompanying notes to the consolidated financial statements

United Way of Miami-Dade, Inc. and Subsidiaries

Notes to Financial Statements

1. Organization and Summary of Significant Accounting Policies

United Way of Miami-Dade, Inc. and Subsidiaries, collectively referred to as the "United Way", is an independent, Florida not-for-profit philanthropic corporation exempt from income tax under Section 501(c)(3) of the United States Internal Revenue Code. United Way works to advance the common good in Miami-Dade County by creating opportunities for a better life for all. United Way is focused on improving education, income and health-the building blocks for a good life. United Way invests in quality programs, advocates for better policies, engages people in the community and generates resources.

The consolidated financial statements include United Way of Miami-Dade, Inc. ("UWMD") and its wholly-owned subsidiaries, Center for Excellence LLC ("CFE"), Children's Advocacy Complex LLC ("CAC"), 3250 Real Estate Holdings LLC ("3250 REH"), United Way of Miami-Dade Real Property Holdings LLC, and Wine Auction LLC. The subsidiaries are organized under the laws of the State of Florida or California as single member limited liability companies, which for Federal tax purposes are disregarded as separate reporting entities.

CFE operates an early childhood development demonstration school located at 350 SW 32nd Road, Miami Florida, as part of an integrated research, developmental and training center for early childhood issues. The Demonstration School operates as a separate program under the CFE.

CAC owns, operates and manages a seven floor parking garage and office building located at 3150 SW 3rd Avenue, Miami, Florida. CAC leases the office space on the 8th floor of the same building, to an unrelated not-for-profit organization, which is a grantor of the United Way, that deals with children's issues. During the years ended June 30, 2009 and 2008, United Way received a grant and Early Head Start funding from the unrelated not-for-profit organization amounting to \$581,050 and \$585,880, respectively, which is included as a component of grants in the accompanying consolidated statements of activities and changes in net assets.

3250 REH owns the two buildings located at 3250 SW 3rd Avenue, Miami, Florida and at 350 SW 32nd Road, Miami, Florida comprising of the Ansin Building (United Way's corporate office) and the CFE Building. 3250 REH leases available office space in the Ansin Building to various charitable organizations in the community.

United Way of Miami-Dade Real Property Holdings LLC serves to receive in-kind real properties contributed to United Way. No real property was received during the years ended June 30, 2009 and 2008.

Wine Auction LLC is a California based legal entity that is allowed to sell wine contributed to United Way and auctioned at the Miami Wine and Food Festival, an annual special event.

All significant intercompany accounts and transactions have been eliminated upon consolidation.

United Way of Miami-Dade, Inc. and Subsidiaries

Notes to Financial Statements

1. Organization and Summary of Significant Accounting Policies (Continued)

Basis of Presentation

The consolidated financial statements of United Way have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Net assets, revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions as follows:

- Unrestricted - net assets that are not subject to donor-imposed restrictions
- Temporarily restricted - net assets subject to donor-imposed restrictions that may, or will be met by actions of United Way or that expire by the passage of time.
- Permanently restricted - net assets subject to donor-imposed restrictions that require the assets be permanently maintained by United Way.

Endowment Net Asset Classification

On August 2008, the Financial Accounting Standard Board (FASB) issued Staff Position No. 117-1, (FSP No 117-1) "Endowments of Not-for-Profit Organizations: Net Asset Classification of Funds Subject to Enacted Version of the Uniform Prudent Management of Institutional Funds Act ("UPMIFA"), and Enhanced Disclosures for all Endowment Funds". The statement provides guidance on classifying net assets of donor restricted and board-designated endowment funds held by organizations whether or not they are subject to an enacted version of UPMIFA. The United Way adopted FSP No. 117-1 during the fiscal year ending June 30, 2009 with no material impact on the financial statements. The State of Florida has not yet enacted UPMIFA.

Annual Fundraising

United Way conducts year-round fundraising activities via direct solicitation to individual and corporate contributors in addition to major fundraising events. Funds contributed to the Community Plan are allocated in accordance with the United Way of Miami-Dade Community Investment Committee impact allocation process. Donors may also limit their gift by directing the gift to a particular health and human service organization in accordance with the Board policy. The distribution of Community Plan funds are distributed monthly commencing the subsequent July, while funds that are contributor restricted to specific agencies are disbursed quarterly.

Contributions and gifts with no restrictions or specified uses identified by the donor or grantor are included in unrestricted revenue in the consolidated statements of activities and changes in net assets.

Contributions with donor or grantor restrictions that limit the use of donated assets are reported as either temporarily or permanently restricted support in the consolidated statement of activities and changes in net assets. When donor or grantor restrictions expire, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the consolidated statement of activities and changes in net assets as net assets released from restrictions. Donor restricted contributions whose

United Way of Miami-Dade, Inc. and Subsidiaries

Notes to Financial Statements

1. **Organization and
Summary of Significant
Accounting Policies**
(Continued)

restrictions are met within the same year as received are reflected as unrestricted revenue in the accompanying consolidated financial statements. An allowance for uncollectible contributions is provided based upon management's judgment, including such factors as prior collection history, type of contribution and nature of fund raising activity.

Cash and Cash Equivalents

Cash and cash equivalents include highly liquid short-term investments with original maturities of three months or less. Investments in money market funds are carried at cost plus accrued interest, which approximates fair value.

Restricted Cash

Restricted cash are segregated Contributor Advised Fund ("CAF") accounts held in a financial institution. CAF accounts are accounts set up by United Way on behalf of donors. Payments received from CAF donors are deposited into their corresponding CAF accounts and the funds are available to be directed by the donor at a later date. These segregated funds are pending release to United Way until the respective donor recommends and United Way approves recipients and amounts to be distributed. These accounts are agency transactions and revenues or expenses related to these accounts are not reflected in United Way's net assets at June 30, 2009. Accordingly, United Way has recorded a liability of approximately \$8,763,000 as a component of donor-designated allocations payable in the accompanying consolidated statements of financial position, representing the restricted cash that has not been released by the donors. As of June 30, 2009, the restricted cash was \$8,570,000 and is carried at cost, which approximates fair value.

Investments

United Way follows Statement of Financial Accounting Standards ("SFAS") No. 124, "Accounting for Certain Investments Held by Not-For-Profit Organizations". Under SFAS No. 124, investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the consolidated statements of financial position. Realized and unrealized investment gains and losses are included in the change in net assets. These gains and losses and other investment income are reflected in the consolidated statements of activities and changes in net assets as changes in unrestricted net assets or temporarily restricted net assets.

Fair Value Measurements

United Way adopted Statement of Financial Accounting Standards No. 157, "Fair Value Measurements" ("SFAS No. 157") during the fiscal year ended June 30, 2009. In accordance with SFAS No. 157, fair value is defined as the price the United Way would receive to sell an investment or pay to transfer a liability in an orderly transaction with an independent counter-party in the principal market or in the absence of a principal market, the most advantageous market for the investment or liability. SFAS No. 157 establishes a three-tier hierarchy to distinguish between (1) inputs that reflect the assumptions market participants would use in pricing an asset or liability developed based on market data obtained from sources independent of the reporting entity (observable inputs) and (2) inputs that reflect the reporting entity's own assumptions about the

United Way of Miami-Dade, Inc. and Subsidiaries

Notes to Financial Statements

1. Organization and Summary of Significant Accounting Policies (Continued)

assumptions market participants would use in pricing an asset or liability developed based on the best information available in the circumstances (unobservable inputs) and to establish a classification of fair value measurements for disclosure purposes. Various inputs are used in determining the value of United Way's investments. The inputs are summarized in the three broad levels listed below.

Level 1 - quoted prices in active markets for identical investments

Level 2 - other significant observable inputs (including quoted prices for similar investments, interest rates, credit risk, etc.)

Level 3 - significant unobservable inputs (including United Way's own assumptions in determining the fair value of investments)

In applying the provisions of fair value measurements to United Way's investment activities during the year, the following valuation techniques have been employed:

Short-term Investments

Short-term investments consists primarily of cash and cash equivalents held. The transaction price of the short-term investments is typically United Way's best estimate of fair value. United Way's investments in short-term investments are categorized in Level 1 of the fair value hierarchy.

Equity Securities

Securities and other investments traded on a national exchange or on the national market system of NASDAQ are valued at their last reported sale price or, if there has been no sale on that date, at the closing "bid" price if long, or closing "ask" price if short. Other securities or investments for which over-the-counter market quotations are available are valued at their last reported sale price or, if there had been no sale on that date, at closing "bid" price if long, or closing "ask" price if short as reported by a reputable source selected by United Way. United Way has sole and absolute discretion in valuing any positions for which market quotations are not readily available or in adjusting the valuation of any other positions. United Way's investments in equity securities are categorized in Level 1 of the fair value hierarchy.

Mutual Funds and other Exchange Traded Funds (ETFs)

Mutual funds and ETFs are valued at their net asset values, which are determined daily and are quoted on a national exchange. United Way's investments in mutual funds are categorized in Level 1 of the fair value hierarchy.

Federal Agency Debt Securities

The fair value of federal agency debt securities is generally based on quoted prices in active markets. When quoted prices are not available, fair value is determined based on a valuation model that uses inputs that include interest-rate yield curves, cross-currency-basis index spreads, and country credit spreads similar to the bond in terms of issuer, maturity and seniority. United Way's investments in federal agency debt securities are categorized in Level 1 of the fair value hierarchy.

United Way of Miami-Dade, Inc. and Subsidiaries

Notes to Financial Statements

1. Organization and Summary of Significant Accounting Policies (Continued)

Debt Securities

The fair value of debt securities is estimated based on quoted prices in active markets. When quoted prices are not available, fair value is determined based on a valuation model that uses inputs that include interest-rate yield curves, cross-currency-basis index spreads, and country credit spreads similar to the bond in terms of issuer, maturity and seniority. United Way's investments in debt securities are categorized in Level 1 of the fair value hierarchy.

Fund of Funds

United Way invests in fund of funds. Each fund of funds allocates their assets among a select group of private investment funds (commonly known as hedge funds). The net asset values of the fund of funds are determined by the fund of fund's investment manager as of the close of business at the end of each month. United Way records the fair value of its fund of funds' investments based on United Way's proportionate share of the underlying fair value of the fund of fund's net asset value as provided by each fund of fund's investment manager, as well as United Way's own assumptions pertaining to historical and expected performance of the underlying assets and/or actual experience with similar investment types. Actual results may differ from these valuation assumptions and these differences could significantly affect the accuracy of fair value estimates included in these financial statements. United Way's investments in fund of funds are categorized in Level 3 of the fair value hierarchy.

Interest Rate Swap

In conjunction to a loan agreement, United Way entered into an interest rate SWAP dated May 23, 2008 (Note 7). The valuation assumption may significantly affect the accuracy of the fair value of the instrument. United Way classifies the interest rate SWAP as level 3 of the fair value hierarchy.

Contributions Designated to Other Organizations

Donors contributing to United Way campaigns may choose to direct all or part of their contributions to specific agencies as described in the Internal Revenue Service Code Section 501 (c)3. These transactions are reported in the consolidated statement of activities and changes in net assets as part of the United Way annual campaign and are then deducted to arrive at net campaign revenue. Amounts deducted are carried as liabilities until paid to the designated agencies. No allowance for bad debt expense is recorded against these pledges as designated contributions are not paid until the related pledges have been collected from the donors; any uncollected receivable is written-off against the corresponding liability established.

Grants Receivable

Grants receivable represent unconditional grant awards from various sources, which may include private donors, federal, state, and local governmental agencies, and other not-for-profit agencies. Grants receivable that are expected to be received within one year are recorded at their net realizable value. Grants receivable that are expected to be received in future years are recorded at the present value of future cash flows. The discounts on those amounts are computed using a risk-free interest rate applicable to the year in which the grant is awarded. The discount rate used to record the present value of future cash flows was approximately 6% for the years ended June 30, 2009 and 2008. Amortization of the discount is recorded in grant revenue. All grants receivable were current as of June 30, 2009 (Note 3).

United Way of Miami-Dade, Inc. and Subsidiaries

Notes to Financial Statements

1. **Organization and
Summary of Significant
Accounting Policies**
(Continued)

Property and Equipment

Property and equipment is recorded at cost. Expenditures for major betterments and additions are charged to the asset accounts while replacements, maintenance and repairs, which do not improve or extend the lives of the respective assets, are charged to expense currently.

Depreciation of property and equipment is determined using the straight-line method, based on estimated useful lives of 3 to 39 years. Depreciation expense presented in the accompanying consolidated statements of functional expenses excludes depreciation on United Way of Miami-Dade office space donated or leased to local agencies, which is recorded as a component of distributions to agencies or grant expenses in the accompanying consolidated statements of activities and changes in net assets. For the years ended June 30, 2009 and 2008, the excluded amount was \$406,254 and \$388,884, respectively.

Donated Materials and Services

No amounts have been reflected in the consolidated financial statements for donated services since the cost of these services does not meet the criteria for recognition under SFAS No. 116 "Accounting for Contributions Received and Made"; however, a substantial number of volunteers have donated significant amounts of time to the organization's program services and its fund-raising campaigns. Contributions of tangible assets are recognized at fair market value when received. There were no tangible assets donated for fiscal year ended June 30, 2009.

Special Events

Annually, United Way hosts various special events to supplement its fundraising activities. Revenues from special events are reported at net in the accompanying consolidated statements of activities and changes in net assets. For the years ended June 30, 2009 and 2008, costs related to the special events amounted to approximately \$545,000 and \$304,000, respectively.

Rental Income

Minimum rent, including rental abatements and contractual fixed increases attributable to operating leases, is recognized on a straight-line basis over the term of the related lease.

Deferred Lease Incentive

United Way accounts for operating leases in accordance with the provisions of Statement of Financial Accounting Standards ("SFAS") No. 13, "Accounting for Leases". Some operating lease agreements contain provisions for tenant improvement allowances, rent holidays, rent concessions, and/or rent escalations.

Incentive payments to lessees provided by United Way are recorded as deferred lease incentives and are amortized over the underlying lease term on a straight-line basis and presented as a reduction of rental income.

United Way of Miami-Dade, Inc. and Subsidiaries

Notes to Financial Statements

1. Organization and Summary of Significant Accounting Policies (Continued)

Functional Expenses

Expenses are allocated based on the guidelines prescribed by the United Way Worldwide that uses annualized percentage of employees' time spent related to functional expense categories. The allocations reflect costs associated with program and supporting service functions (fundraising, and management and general).

Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those amounts.

Accounting for Derivative Instruments

Interest rate swaps are used to modify United Way's exposure to interest rate movements and manage its interest expense. The United Way has entered into an interest rate swap agreement to fix its interest rates over the term of its notes payable. The differential in interest rates to be paid or received under this agreement is recognized in the consolidated statements of activities and changes in net assets as part of interest expense.

United Way complies with SFAS No. 133, "Accounting for Derivative Financial Instruments and Hedging Activities" ("SFAS No. 133"), as amended, which requires that all derivative financial instruments be recorded at fair value. SFAS No. 133 precludes the application of hedge accounting to cash flow hedges for not-for-profit organizations because they do not report earnings as a separate caption in a statement of activities. Accordingly, changes in fair values of derivative instruments are recognized as a change in net assets in the period of change.

Significant Donors

Three donors accounted for 73% and two donors accounted for 61% of temporarily restricted net annual campaign revenues for the years ended June 30, 2009 and 2008, respectively. In addition, seven donors accounted for 40% of the donor-designated pledges receivables at June 30, 2009.

Income Taxes

United Way has received a determination letter from the Internal Revenue Service (IRS) that grants an exemption from income taxes under Section 501(c)(3) of the IRC except for any income that may be a result of unrelated business transactions.

United Way adopted the provisions of FASB Interpretation No. 48, *Accounting for Uncertainty in Income Taxes*, (FIN 48) on July 1, 2008. Under FIN 48, an organization must recognize the tax benefit associated with tax positions taken for tax return purposes when it is more-likely-than-not that the position will be sustained. The implementation of FIN 48 had no impact on the United

United Way of Miami-Dade, Inc. and Subsidiaries

Notes to Financial Statements

1. Organization and Summary of Significant Accounting Policies (Continued)

Way's consolidated financial statements. United Way does not believe there are any material uncertain tax positions and accordingly has not recognized any liability for unrecognized tax benefits. United Way has filed for and received income tax exemptions in the jurisdictions where it is required to do so. Additionally, United Way has filed Internal Revenue Service Form 990 tax returns as required and all other applicable returns in those jurisdictions where it is required. United Way believes that it is no longer subject to U.S. federal, state and local, or non-U.S. income tax examinations by tax authorities for years before 2006. However, United Way is still open to examination by taxing authorities from fiscal year 2006 forward. No interest or penalties were accrued as of July 1, 2008 as a result of the adoption of FIN 48. For the year ended June 30, 2009, there was no interest or penalties recorded or included in the statements of activities and changes in net assets.

Reclassification

Certain amounts in the 2008 consolidated financial statements have been reclassified to conform to the 2009 presentation.

Subsequent Events

The date to which events occurring after June 30, 2009, the date of the most recent statement of financial position, has been evaluated for possible adjustments to the financial statements or disclosure is December 11, 2009.

2. Investments

At June 30th investments consisted of the following:

	2009			
	Gross Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Market Value
Debt Securities	\$ 5,109,342	\$ 128,289	\$ (20,360)	\$ 5,217,271
Federal Agency Debt Securities	4,595,415	110,915	-	4,706,330
Equity Securities	284,994	113,070	(101,775)	296,289
Mutual funds	8,231,343	323,028	(1,168,280)	7,386,091
Fund of Funds	5,078,866	149,895	(398,025)	4,830,736
Short-term investments	1,231,895	-	-	1,231,895
	\$ 24,531,855	\$ 825,197	\$ (1,688,440)	\$ 23,668,612

United Way of Miami-Dade, Inc. and Subsidiaries

Notes to Financial Statements

2. Investments
(Continued)

	2008			
	Gross Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Market Value
Debt Securities	\$ 4,479,037	\$ 23,473	\$ (69,458)	\$ 4,433,052
Federal Agency Debt Securities	3,997,126	81,641	(62,892)	4,015,875
Equity Securities	1,098,556	163,101	(169,414)	1,092,243
Mutual funds	19,018,346	2,304,376	(690,419)	20,632,303
Fund of Funds	4,728,236	845,368	-	5,573,604
Short-term investments	1,181,590	-	-	1,181,590
	\$ 34,502,891	\$ 3,417,959	\$ (992,183)	\$ 36,928,667

The change in unrealized gains (losses) for the year ended June 30, 2009 is reflected as a component of the investment return in the accompanying consolidated statement of activities and changes in net assets. At June 30, 2009 and 2008, investment activity includes \$27,555 and \$78,973 of net unrealized gains, respectively, in the CAF accounts (See Note 1). Since these accounts are agency transaction assets, revenues or expenses related to these accounts are not reflected in United Way's net assets and a corresponding liability for all CAF accounts is included in the donor-designated allocations payable in the accompanying consolidated statements of financial position.

The following summarizes the contractual schedule maturities of the investments in debt securities:

<i>Year ended June 30,</i>	<i>Amount</i>
2010	\$ 704,000
2011	1,316,000
2012	805,000
2013	1,354,000
2014	351,000
Thereafter	579,000
	\$ 5,109,000

United Way of Miami-Dade, Inc. and Subsidiaries

Notes to Financial Statements

2. Investments (Continued)

Fair Value

United Way's investments recorded at fair value have been categorized based upon a fair value hierarchy in accordance with SFAS No. 157 and United Way's accounting policies as disclosed in Note 1. The following table presents information about United Way's assets measured at fair value as of June 30, 2009:

<i>Assets</i>	Quoted prices in active markets for identical assets (Level 1)	Significant other observable in puts (Level 2)	Significant unobservable inputs (Level3)	Total
Short term investments	\$ 1,231,895	\$ -	\$ -	\$ 1,231,895
Equity securities	296,289	-	-	296,289
Mutual funds	7,386,091	-	-	7,386,091
Federal agency debt securities	4,706,330	-	-	4,706,330
Debt securities	5,217,271	-	-	5,217,271
Fund of funds	-	-	4,830,736	4,830,736
Total	\$ 18,837,876	\$ -	\$ 4,830,736	\$ 23,668,612

Liabilities

Interest rate swap	\$ -	\$ -	\$ 541,455	\$ 541,455
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The following table presents additional information about Level 3 assets measured at fair value. Both observable and unobservable inputs may be used to determine the fair value of positions that United Way has classified within the Level 3 category. As a result, the unrealized gains and losses for assets within the Level 3 category may include changes in fair value that were attributable to both observable (e.g., changes in market interest rates) and unobservable (e.g., changes in unobservable long-dated volatilities) inputs. Changes in Level 3 assets measured at fair value for the year ended June 30, 2009 are as follows:

	Beginning Balance	Net Purchases	Net Unrealized Gains (Losses)	Total
Fund of Funds	\$ 5,573,604	\$ 375,046	\$ (1,117,914)	\$ 4,830,736
Total	\$ 5,573,604	\$ 375,046	\$ (1,117,914)	\$ 4,830,736

The change in unrealized losses for the year ended June 30, 2009 for investments held at June 30, 2009 is reflected as a component of investment return in the accompanying statement of activities and changes in net assets.

United Way of Miami-Dade, Inc. and Subsidiaries

Notes to Financial Statements

3. **Long-Term Pledges, Grants and Other Receivables** As of June 30, long-term pledges, grants and other receivables consisted of the following:

	2009	2008
Grants receivable	\$ 648,621	\$ 997,248
Other receivables less allowance for uncollectible receivables of \$172,199 in 2009 and \$96,789 in 2008	590,468	607,976
Total grants and other receivables	1,239,089	1,605,224
Pledges receivable, temporarily restricted for CFE	1,477,592	2,848,063
Total long-term pledges, grants and other receivables	\$ 2,716,681	\$ 4,453,287

The maturity of long-term pledges, grants and other receivables at June 30, 2009 are as follows:

	Grants receivable	Other receivables	Pledges receivable temporarily restricted for "CFE"
Less than one year	\$ 648,621	\$ 590,468	\$ 1,172,226
One to five years	-	-	320,625
Unamortized discount	-	-	(15,259)
Net of Discounts	\$ 648,621	\$ 590,468	\$ 1,477,592

United Way of Miami-Dade, Inc. and Subsidiaries

Notes to Financial Statements

4. Property and Equipment

At June 30 property and equipment consisted of the following:

	2009	2008
Land	\$ 3,713,000	\$ 3,713,000
Building and improvements	27,874,998	27,815,220
Computer equipment	1,660,674	1,623,809
Office furniture and equipment	1,456,604	1,429,431
Vehicles	59,215	59,215
	34,764,491	34,640,675
Less: accumulated depreciation	(4,884,478)	(3,818,244)
	\$ 29,880,013	\$ 30,822,431

5. Donor-Designated Contributions

United Way receives certain pledges designated by donors for distribution to organizations both affiliated and unaffiliated with United Way. All restricted pledges, subject to collection and net of administrative fees, are distributed as designated by the donors. Donor-designated contributions available for distribution for the years ended June 30, 2009 and 2008 resulted from the following programs:

	2009	2008
Contributors' Choice, net	\$ 30,409,226	\$ 30,456,108
Special Contribution (Note 12)	242,109	6,353,176
Florida State Employee Campaign, net	167,395	150,943
	\$ 30,818,730	\$ 36,960,227

6. Employees' Retirement Plans

United Way had a defined benefit pension plan (the "Plan") covering substantially all of its employees, which was terminated effectively on April 1, 2008. The benefits were based on years of service and each employee's average earnings received during the highest five consecutive years out of the last ten years of employment through the termination date of the Plan. Contributions were intended to provide not only for benefits attributed to service to date but also for future inflationary and economic factors. The funding policy was to contribute the larger of the amount required to fully fund the Plan's current liability or the amount necessary to meet the funding requirements as defined by the Internal Revenue Code, but not an amount less than the ERISA minimum funding requirement. Accumulated assets were distributed to the beneficiaries upon satisfaction of the termination liability by September 2009.

United Way of Miami-Dade, Inc. and Subsidiaries

Notes to Financial Statements

6. Employees' Retirement Plans
(Continued)

Two employer matching 401(k) plans were created subsequent to the Plan termination, and beneficiaries could elect to rollover the funds from the Plan to the 401(k) plans, an IRA or cash out the funds. The 401(k) plans include a 3% safe harbor employer contribution and 3% employee contribution, which United Way will match 50% of the employee contribution up to 6% of the employee annual's compensation. Selected staff also receives a 3% profit sharing. For the years ended June 30, 2009 and 2008, the United Way expense was \$180,374 and \$258,042, respectively.

The following table sets forth the benefit obligation, fair value of plan assets, the funded status of the Plan, amounts recognized in the consolidated financial statements at June 30th and the principal weighted average assumptions used:

	2009	2008
Change in projected benefit obligation:		
Benefit obligation at beginning of year	\$ 11,722,054	\$ 6,646,495
Service cost	-	320,071
Interest cost	-	526,264
Actuarial loss (gain)	(636,422)	(154,601)
Plan termination liability	-	4,546,135
Lump sums and annuities paid	(9,604,179)	(162,310)
Benefit obligation at end of year	1,481,453	11,722,054
Change in plan assets:		
Fair value of plan assets at beginning of year	\$ 8,282,502	\$ 7,578,344
Actual return on plan assets	(741,536)	684,119
Employer contributions	3,544,666	182,349
Lump sums and annuities paid	\$ (9,604,179)	\$ (162,310)
Fair value of plan assets at end of year	1,481,453	\$ 8,282,502
Funded status:		
Funded status	\$ -	\$ (3,439,552)
Unrecognized net actuarial loss	-	-
Unrecognized prior service cost	-	(1,018,282)
(Under-funded) Over-funded	\$ -	\$ (4,457,834)

As of June 30, 2009, the United Way liability to the Defined Pension Plan is \$1,332,366 due to a portion of the 2009 employer contributions of \$3,544,666 not being paid into the plan until after June 30, 2009. These funds were subsequently distributed to plan participants.

The following are weighted-average assumptions used to determine benefit obligations at June 30:

	2009	2008
Discount rates	5.24%; 5.69%; 5.37%	4.60%; 4.82%; 4.91%
Rate of compensation increase	N/A	N/A

United Way of Miami-Dade, Inc. and Subsidiaries

Notes to Financial Statements

6. Employees' Retirement Plans *(Continued)*

United Way's expected long-term return on plan assets assumption is based on a periodic review and modeling of the Plan's asset allocation and liability structure over a long-term horizon. Expectations of returns for each asset class are the most important of the assumptions used in the review and modeling and are based on comprehensive reviews of historical data and economic/financial market theory. The expected long-term rate of return on assets was selected from within the reasonable range of rates determined by (a) historical real returns, net of inflation, for the asset classes covered by the investment policy, and (b) projections of inflation over the long-term period during which benefits are payable to plan participants. Components of net periodic benefit cost are as follows:

	2009	2008
Service cost - Benefits earned during the period	\$ -	\$ 320,071
Interest on projected benefit obligations	-	526,264
Expected return on plan assets	-	(684,119)
Amortization of prior service cost	-	35,978
	\$ -	\$ 198,194

The Plan weighted average asset allocations at June 30 by asset category are as follows:

	2009	2008
<i>Asset Category</i>		
Short-term investments	100%	100%

7. Notes Payable

Tax-Exempt Industrial Revenue Bonds

In May 2008, United Way executed a loan agreement, payable on demand, with the Miami-Dade County Industrial Development Authority ("Issuer") in conjunction with the issuance of the Tax-exempt Industrial Revenue Bonds ("Bonds"), par values totaling \$16,000,000. Additionally, as security for the payment of the loan, United Way has negotiated an irrevocable letter of credit issued by a financial institution for an amount not to exceed \$16,240,000.

Pursuant to the loan agreement, the Issuer lends the proceeds from the sale of the Bonds to United Way. The funds were used to pay down prior notes payable and interest rate swap agreement related to the Ansin, CFE and CAC buildings and to fund the cost related to the issuance of the Bonds, as discussed below.

United Way of Miami-Dade, Inc. and Subsidiaries

Notes to Financial Statements

7. Notes Payable (Continued)

United Way has \$15,435,000 and \$16,000,000 in outstanding balances under the loan agreement at June 30, 2009 and 2008, respectively; bearing a variable interest rate with the maximum rate being 12% (effective rate 2.31% at June 30, 2009), callable at the option of the Issuer on behalf of the bondholders, maturing in May 2028. The variable interest rate resets weekly based on The Securities Industry and Financial Markets Association Municipal Swap Index (SIFMA) and is convertible at the option of United Way to a Commercial Paper Rate or a Long Term Rate. At June 30, 2009, the Company has not elected to convert its SIFMA weekly rate, and under such rate, interest payments are due to the bondholders on the first Wednesday of each month. Due dates of the interest payments will change if United Way converts to a Commercial Paper or Long Term Rate.

Costs related to the Bonds issuance amounted to approximately \$279,000. Approximately \$252,000 was capitalized as loan costs, which is amortized under the straight line method over the life of the Bonds. For the years ending June 30, 2009 and 2008, approximately \$13,000 and \$2,000 respectively was amortized and recorded in the accompanying consolidated statements of activities and changes in net assets.

In conjunction with the loan agreement, United Way entered into an interest rate swap agreement dated May 23, 2008 to hedge its exposure to interest rate fluctuations by fixing the interest rate at 3.4% on the Bonds. As of June 30, 2009 and 2008, the notional amount on the swap agreement equaled the outstanding balance of the loan, and the fair market value of the swap agreement approximated \$(541,000) and \$(23,000), which was recorded as a component of accounts payable and accrued expenses in the accompanying consolidated statements of financial position. The interest rate swap agreement expires in June 2018. During the years ended June 30, 2009 and 2008, United Way recognized a loss of approximately \$519,000 and \$23,000 and is included as a component of fair market derivative loss in the accompanying consolidated statements of activities and changes in net assets.

On June 24, 2009, due to market rating diminishment of the financial institution and pursuant to the Indenture of Trust agreement between the financial institution and the Placement Agent, the holders of bonds filed notices of demand purchase option to call for principal payments of the bonds. United Way, under the Letter of Credit agreement, exercised its right to draw up to \$16,240,000 to fund the demand for principal payment. The Letter of Credit funds were drawn subjected to one-month LIBOR plus 2.0% from the date of drawing until the 90th day; the bonds were remarketed at a premium on July 31, 2009.

The Letter of Credit expires in May 2013 and can be extended through May 1, 2018, payable any time at the option of United Way. Funds drawn are subjected to one-month LIBOR plus 2.0% from the date of drawing until the 90th day and thereafter, the interest will increase to one-month LIBOR plus 2.5% until the due date, which is 180 days from the date of drawing. The financial institution, pursuant to the Letter of Credit, would provide a term-out facility to United Way if the bonds could not be remarketed within the 180 days under the terms of the Letter of Credit. Under the term-out facility, the principal amount will be

United Way of Miami-Dade, Inc. and Subsidiaries

Notes to Financial Statements

7. Notes Payable (Continued)

fully amortized over 60 monthly installments together with monthly payments of interest at the financial institution's prime rate. The terms of the Letter of Credit require United Way to maintain certain financial covenants. At June 30, 2009, United Way is in compliance with the covenants.

At June 30, the future payouts on the bonds are as follows:

<i>Fiscal Year</i>		<i>Amount</i>
2010	\$	585,000
2011		605,000
2012		630,000
2013		650,000
2014		670,000
Thereafter		12,295,000
Totals	\$	15,435,000

Subsequent to June 30, 2009 the United Way Board of Directors approved a proposal from a different local financial institution to provide a replacement to the current Letter of Credit. The replacement Letter of Credit will maintain the same financial structure, tenure, covenants and amortization schedule. The replacement Letter of credit will incorporate a wrap around guarantee by the Federal Home Loan Bank; creating a AAA rated financial instrument.

8. Commitments and Contingencies

Contingencies

In the normal course of business, United Way has received grants which are subject to audit by agents of the funding authority, the purpose of which is to ensure compliance with conditions precedent to providing such funds. The Board believes that all the expenditures are properly recorded and that the liability, if any, for any reimbursement which may arise as the result of audits would not be significant.

Economic Conditions

United Way depends substantially on contributions and contributed services for its revenues. The ability of certain contributors to continue giving amounts comparable with prior years may be dependent upon current and future overall economic conditions and the continued deductibility for income tax purposes of contributions to the United Way. While United Way's Board of Directors believes the organization has the resources to continue its programs, its ability to do so and the extent to which it continues, may be dependent on the above factors.

United Way of Miami-Dade, Inc. and Subsidiaries

Notes to Financial Statements

9. Net Assets

At June 30, unrestricted net assets consisted of the following:

	2009	2008
<u>Board designated programs:</u>		
Fixed Contingency	\$ 881,458	\$ 881,458
Community Emergency Relief Fund	1,000,000	1,000,000
Resource Management Contingency Fund	1,129,646	1,129,646
Property Fund	21,955,155	22,456,346
Total board designated programs	\$ 24,966,259	\$ 25,467,450
Board designated endowment	\$ 6,924,084	\$ 8,625,229
Unrealized (losses) gains on investments	(889,260)	2,346,244
Unrestricted and undesignated	104,408	100,000
Total unrestricted net assets	\$ 31,105,491	\$ 36,538,923

At June 30, temporarily restricted net assets consisted of the following:

	2009	2008
Pledges restricted to future campaigns	\$ 770,570	\$ 939,256
Capital Campaign	1,260,950	4,643,768
	\$ 2,031,520	\$ 5,583,024

Permanently restricted net assets at June 30, 2009 and 2008 amounted to \$5,330,469 and \$4,786,289, respectively, which consisted of endowments subject to income restrictions.

10. Endowment Net Asset Classification

As of June 30, 2009, the United Way Board has control over board designated endowment funds and can distribute the corpus or income of the funds at its discretion. The board may designate from the annual campaign such amounts to grow an endowment fund to provide for operating resources in the future. These funds are classified as unrestricted net assets in the consolidated statements of financial position.

Permanently restricted endowment funds consist of contributions received from donors who have instructed the United Way that the corpus of their gifts remain in perpetuity while the income from such gifts be used to support the operations of the Center for Excellence in Early Education and other purposes. The Board may allow additional contributors to make gifts that would support the operations of the Center for Excellence in Early Education and would designate these funds as named funds provided the gift is a minimum of \$250,000. These gifts are recorded as permanently restricted in the consolidated statements of financial position.

United Way of Miami-Dade, Inc. and Subsidiaries

Notes to Financial Statements

**10. Endowment Net Asset
Classification**
(Continued)

United Way will administer and invest the funds directly or through its agents as directed by the Finance and Administration Committee and approved by the Board all of the assets of the endowments. United Way has adopted investment and spending policies for endowment assets to provide a predictable stream of funding to programs supported by its endowments. Current policy provides for a 1% expense and 4% distribution of the funds. The general objectives of the investment policy include: achieving optimal long-term return within an acceptable volatility/risk level, providing growth and maintaining safety of the principal.

For the year ended June 30, 2009 and 2008, United Way had the following endowment related activities:

For the year ended June 30, 2009	Board - Designated Endowment Funds	Permanently Restricted Endowment Funds	Total
Net assets, Beginning of the year	\$ 8,625,229	\$ 4,786,289	\$ 13,411,518
Investment return			
Investment income	236,158	-	236,158
Realized gains (losses)	(1,962,216)	-	(1,962,216)
Total investment return	(1,726,058)	-	(1,726,058)
Contributions to endowment	109,326	544,180	653,506
Amounts appropriated for expenditure	(84,413)	-	(84,413)
Total change in endowment funds	(1,701,145)	544,180	(1,156,965)
Net Assets, End of year	\$ 6,924,084	\$ 5,330,469	\$ 12,254,553

United Way of Miami-Dade, Inc. and Subsidiaries

Notes to Financial Statements

10. Endowment Net Assets Classification
(Continued)

For the year ended June 30, 2008	Board - Designated Endowment Funds	Permanently Restricted Endowment Funds	Total
Net assets, Beginning of the year	\$ 8,130,208	\$ 2,228,553	\$ 10,358,761
Investment return	-	-	-
Investment income	210,594	-	210,594
Realized gains (losses)	(5,129)	-	(5,129)
Total investment return	205,465	-	205,465
Contributions to endowment	289,556	2,557,736	2,847,292
Amounts appropriated for expenditure	-	-	-
Total change in endowment funds	495,021	2,557,736	3,052,757
Net assets, End of year	\$ 8,625,229	\$ 4,786,289	\$ 13,411,518

11. Concentration of Credit Risk

Financial instruments, which potentially subject United Way to significant concentrations of credit risk, consist principally of cash and cash equivalents, pledges and other receivables. United Way maintains cash and overnight repurchase accounts in excess of federally insured limits. The overnight repurchase accounts are collateralized by the United States government and government agency securities. United Way places its investments with multiple financial institutions and limits the amount of credit exposure to any one institution. Concentrations of credit risk with respect to pledges receivable are limited due to United Way's large number of donors. United Way maintains allowances for potential credit losses. Actual losses have historically been within management's expectations and estimates.

12. Special Contributions

2008 Amended and Restated Comprehensive Charitable Contribution Agreement

On January 1, 2008, the United Way entered into various agreements, including but not limited to a purchase agreement and a redemption agreement, as the sole recipient of the trust corpus to be distributed upon termination of certain trusts created by a donor (Donor). The purchase agreement amended all prior existing agreements between the United Way and Donor. The aggregate amount of the gift amended and restated during the year ended June 30, 2008 amounted to \$6,700,000, which is payable over 3 years. The present value of the gift, using an interest rate of 6.5%, at inception approximated \$6,156,000 and was recorded as Special Contribution revenue during the year ended June 30, 2008. As of June 30, 2009 and 2008, the special contributions receivable balance approximated \$3,967,000 and \$3,725,000, respectively. For the year ended June 30, 2009, United Way recognized \$242,000 of the present value discount in the consolidated statement of activities and changes in net assets. Since the Donor designates the contributions to be made to other organizations, this amount of \$242,000 is deducted to arrive at net campaign revenue. A corresponding liability of \$3,967,000 is reflected in the consolidated statement of financial position as of June 30, 2009.

United Way of Miami-Dade, Inc. and Subsidiaries

Notes to Financial Statements

13. Leasing Arrangements

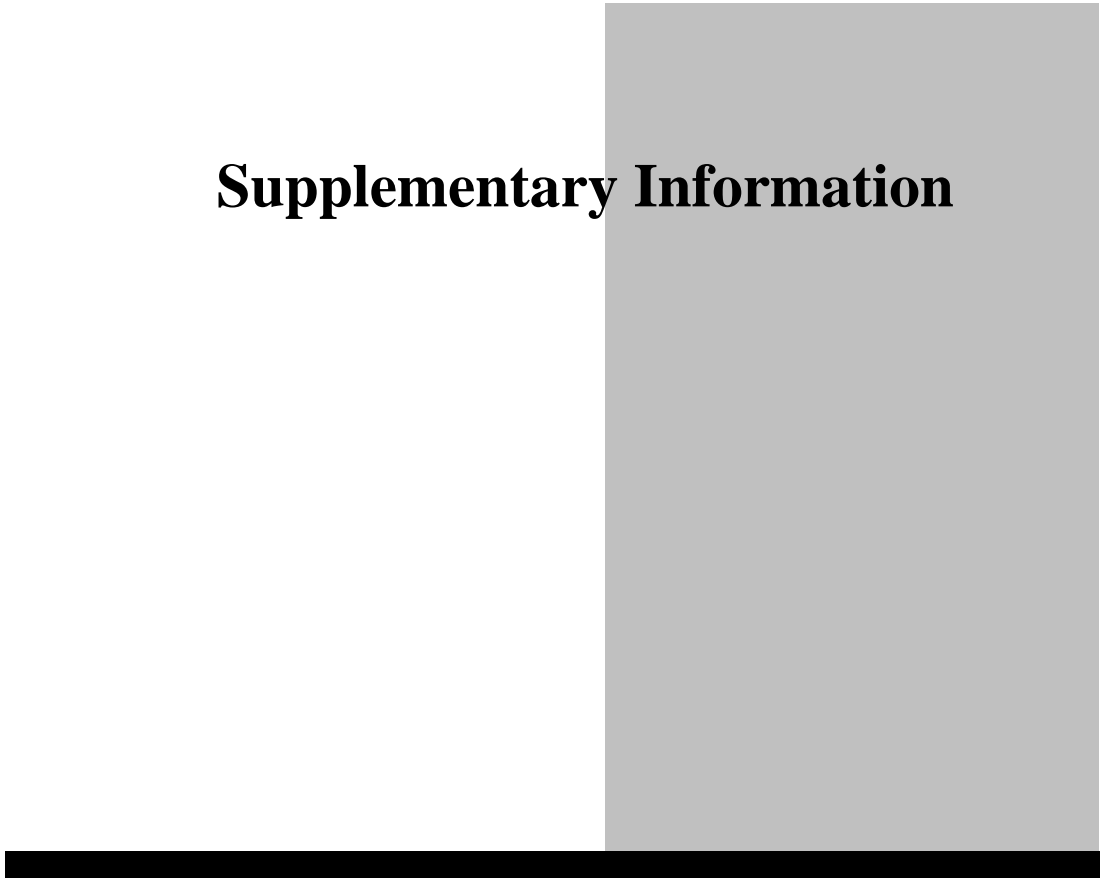
In November 2006, 3250 REH and CAC entered into separate 5-year lease agreements to rent office space to an unrelated non-profit organization (“lessee”). Approximate minimum net future rental income under non-cancellable operating leases in effect at June 30, 2009 are as follows:

June 30,	Amount
2010	\$ 515,000
2011	546,000
2012	364,000
	\$1,425,000

In connection with the lease, the lessee received a construction allowance to improve the leased office space, amounting to approximately \$706,000, which is amortized over the term of the lease offsetting the rental income recognized. For the year ended June 30, 2009 and 2008, net rental income amounted to approximately \$359,000 and \$353,000, respectively, which is recorded in the accompanying, consolidated statements of activities and changes in net assets.

The lessee also provided a grant to United Way during the years ended June 30, 2009 and 2008 amounting to approximately \$581,000 and 551,000 respectively.

Supplementary Information



United Way of Miami-Dade, Inc. and Subsidiaries

Schedule of Distributions to Agencies Year ended June 30, 2009

Affiliated Agencies	Total	Amounts Paid from Annual Campaign Excluding Donor Designated Contributions	Amounts Paid from Donor Designated Contributions
American Red Cross – Greater Miami Chapter	\$ 535,922	\$ 425,000	\$ 110,922
Aspira of Florida, Inc.	112,552	110,250	2,302
Association for Retarded Citizens	350,581	340,000	10,581
Belafonte- Tacolcy Center	110,732	85,000	25,732
Big Brothers/Big Sisters of Greater Miami	668,896	572,500	96,396
Boys & Girls Clubs of Miami	515,719	505,000	10,719
Care Resources	348,433	321,400	27,033
Catholic Charities Emergency Services	181,597	180,660	937
CCS/Catholic Services to the Elderly	92,876	88,480	4,396
CCS/Centro Hispano	66,758	65,500	1,258
CCS/Centro Mater	201,202	195,000	6,202
CCS/Counseling & Emergency Services	123,097	123,000	97
CCS/Good Shepherd Day Care	51,259	51,000	259
CCS/New Life Family Shelter	103,652	100,000	3,652
CCS/Notre Dame Day Care	220,629	220,000	629
CCS/Sagrada Familia Child Care	101,915	100,000	1,915
CCS/St. Luke's Recovery Center	110,495	110,000	495
CCDH	44,573	43,737	836
Center for Family & Child Enrichment	58,658	55,000	3,658
Centro Campesino	188,105	175,000	13,105
Charlee of Dade County, Inc.	139,009	125,000	14,009
Children's Home Society of Miami	238,357	169,000	69,357
Citrus Health Network, Inc.	204,809	202,948	1,861
Coconut Grove Cares Inc.	93,397	90,000	3,397
Community Smiles	30,099	20,000	10,099
Cool Kids Learn	68,024	62,236	5,788
Consumer Credit Counseling	93,072	93,072	0
Cuban American National Council	51,198	48,410	2,788
Dade Marine Institute	241,257	234,510	6,747
Dave and Mary JCC	231,055	120,000	111,055
Diabetes Research Institute Foundation, Inc	27,335	5,000	22,335
Easter Seals South Florida, Inc	262,395	119,354	143,041
Empower U, Inc.	97,181	95,000	2,181
Epilepsy Foundation	111,440	106,300	5,140
Family Christian Association of America	178,407	167,835	10,572
Family Counseling Services	559,180	550,980	8,200
Family Resource Center	285,852	281,250	4,602
Florida Heart Research Institute	25,713	18,333	7,380
Food for the Poor, Inc.	31,140	30,520	620
Foster Care Review	92,280	80,000	12,280
Girl Scout Council of Tropical Florida	557,703	534,020	23,683
Goodwill Industries	571,503	545,000	26,503

**United Way of Miami-Dade, Inc.
and Subsidiaries
Schedule of Distributions to Agencies
Year ended June 30, 2009**

Affiliated Agencies	Total	Amounts Paid from Annual Campaign Excluding Donor Designated Contributions	Amounts Paid from Donor Designated Contributions
Haitian Neighborhood Center, Sant La	\$ 51,379	\$ 50,000	\$ 1,379
Jewish Community Services	1,066,259	949,000	117,259
Healthy Start Coalition of Miami-Dade	50,123	50,000	123
Hearing & Speech Center of Florida	546,657	265,000	281,657
Institute for Child and Family Health	810,218	803,000	7,218
Jewish Federation Of Greater Miami	2,354,719	-	2,354,719
Le Jardin Community Center	50,311	50,000	311
Little Havana Activities and Nutrition Centers	335,561	315,000	20,561
Lutheran Services Florida	25,139	22,000	3,139
Miami Art Museum of Dade County Assoc.	241,971	34,475	207,496
Miami Beach Community Health Center	51,056	50,345	711
Miami Behavioral Health Center	102,031	102,000	31
Miami Bridge Youth and Family Services	280,599	273,000	7,599
Miami Children's Museum, Inc.	131,343	100,000	31,343
Miami Jewish Home & Hospital for the Aged	323,896	303,260	20,636
Michael-Ann Russell Jewish Community Center	178,513	176,436	2,077
New Horizons Community Mental Health Center	68,201	64,000	4,201
North Miami Foundation	9,079	8,250	829
Open Door Health Center, Inc.	50,212	50,000	212
Our Child Care, Inc.	50,000	45,833	4,167
Overtown Youth Center, Inc.	36,614	32,083	4,531
Redlands Christian Migrant Association	261,635	258,205	3,430
Richmond-Perrine Optimist Club	132,576	121,785	10,791
Salvation Army	803,713	773,165	30,548
Southwest Social Services Program	76,082	75,000	1,082
St. Alban's Child Enrichment Center	158,422	150,000	8,422
Suited for Success	55,812	55,000	812
Switchboard of Miami, Inc.	190,267	153,333	36,934
United HomeCare Services	915,413	905,000	10,413
Urban League of Greater Miami	282,675	240,000	42,675
YMCA of Greater Miami	491,579	468,000	23,579
Youth Co-Op	285,464	285,000	464
YWCA of Greater Miami Total	479,337	470,220	9,117
Total Distribution to Affiliated Agencies	\$ 19,324,913	\$ 15,263,685	\$ 4,061,228

United Way of Miami-Dade, Inc. and Subsidiaries

Schedule of Distributions to Agencies Year ended June 30, 2009

Affiliated Agencies	Total	Amounts Paid from Annual Campaign Excluding Donor Designated Contributions	Amounts Paid from Donor Designated Contributions
Special Programs:			
Hands On Miami / C-ONE	\$ 261,116	\$ 256,057	\$ 5,059
University of Miami - Mailman Center	229,800	229,800	-
Family Central, Inc.	632,063	632,063	-
The Early Childhood Initiative Foundation	73,279	23,279	50,000
FEMA Distributions:			
M.U.J.E.R., INC.	9,279	4,279	5,000
City of Miami (Office Homeless Programs)	5,000	5,000	-
Daily Bread Food Bank, Inc.	23,223	23,223	-
GALATA H.C.E.S.E., INC.	2,500	2,500	-
Dialysis Food Foundation	10,000	10,000	-
Total Distributions to Special Programs	\$ 1,246,260	\$ 1,186,201	\$ 60,059
Operations Helping Hands/Hurricane Relief			
World Vision	\$ 10,000	\$ 10,000	\$ -
Rotary Club of Providenciales	215,729	215,729	-
Distribution for OHH/ Hurricane Relief Funds	\$ 225,729	\$ 225,729	\$ -
Designated Agencies			
Agatston Research Institute	\$ 125,000	\$ -	\$ 125,000
American Ballet Theatre	89,600	-	89,600
American Friends of Rabin Medical Center	56,000	-	56,000
American Friends of the Hebrew University, Inc.	28,600	-	28,600
American Heart Association, Arizona	25,000	-	25,000
American Heart Association, Dallas	30,000	-	30,000
American Jewish Committee Gtr. Miami and Broward Chapter	44,600	-	44,600
Amigos Together for Kids, Inc.	126,776	-	126,776
Anchors Away Foundation, Inc.	70,000	-	70,000
Anti-Defamation League, Florida Regional	31,463	-	31,463
Archbishop's Charities Drive-ABCD	41,460	-	41,460
Archdiocese of Miami	57,549	-	57,549
Aventura Turnberry Jewish Center	50,500	-	50,500
Baptist Health South Florida Foundation	59,827	-	59,827
Baseball Assistance Team, Inc.	56,000	-	56,000
Best Buddies International, Inc.	66,880	-	66,880
Blair House Restoration Fund	100,000	-	100,000
Boy Scouts of America, South Florida Council	58,090	-	58,090
Brandeis University	850,000	-	850,000
Breakthrough Miami, Inc.	25,979	-	25,979

United Way of Miami-Dade, Inc. and Subsidiaries

Schedule of Distributions to Agencies Year ended June 30, 2009

Designated Agencies	Total	Amounts Paid from Annual Campaign Excluding Donor Designated Contributions	Amounts Paid from Donor Designated Contributions
Camillus House, Inc.	\$ 1,093,843	\$ -	\$ 1,093,843
Carrollton School of the Sacred Heart	40,943	-	40,943
Catholic Charities of the Archdiocese of Miami	54,894	-	54,894
Center of Hope (Haiti), Inc.	25,000	-	25,000
Chicagoland Conservative Jewish High School Fnd.	25,000	-	25,000
Christopher Columbus High School	30,784	-	30,784
CITY OF HOPE	75,400	-	75,400
Community Partnership For Homeless, Inc.	239,403	-	239,403
Council for Educational Change, Inc.	500,000	-	500,000
Crohn's & Colitis Foundation of America	36,981	-	36,981
D.FY.IT (Drug-Free Youth In Town)	29,610	-	29,610
Dade Community Foundation	119,993	-	119,993
Dana-Farber Cancer Institute	1,500,000	-	1,500,000
DKMS Americas	25,000	-	25,000
Fairchild Tropical Botanic Garden	30,177	-	30,177
Fight for Children, Inc.	27,500	-	27,500
Fisher Island Philanthropic Fund	120,000	-	120,000
Florida Grand Opera, Inc.	31,455	-	31,455
Florida International University Foundation, Inc.	268,278	-	268,278
Fulfillment Fund	25,000	-	25,000
Greater Miami Hillel Foundation	52,955	-	52,955
Greater Washington Sports Alliance	26,000	-	26,000
Gulliver Schools, Inc.	33,960	-	33,960
His House Children's Home	187,887	-	187,887
Hope for Vision, Inc. - Miami	1,009,788	-	1,009,788
Hunter College Foundation	35,000	-	35,000
Illinois Holocaust Museum and Education Center	28,500	-	28,500
In Motion, Inc.	27,500	-	27,500
Jackson Memorial Foundation	147,420	-	147,420
Jewish Federation of Metropolitan Chicago	62,000	-	62,000
La Liga Contra el Cancer	41,667	-	41,667
LAWYERS COMMITTEE FOR CIVIL RI	50,000	-	50,000
Make a Wish Foundation of Southern Florida, Inc.	33,326	-	33,326
March of Dimes Miami-Dade Division	29,949	-	29,949
Margaux's Miracle Foundation, Inc.	25,000	-	25,000
Metropolitan Opera Association, Inc	253,500	-	253,500
MFY Legal Services, Inc.	30,000	-	30,000
Miami Beach Jewish Community Center	27,681	-	27,681
Miami Children's Hospital Foundation	135,630	-	135,630
Miami City Ballet	302,028	-	302,028

United Way of Miami-Dade, Inc. and Subsidiaries

Schedule of Distributions to Agencies Year ended June 30, 2009

Designated Agencies	Total	Amounts Paid from Annual Campaign Excluding Donor Designated Contributions	Amounts Paid from Donor Designated Contributions
Miami Dade College Foundation, Inc.	\$ 25,148	\$ -	\$ 25,148
Minority Corporate Counsel Association	27,750	-	27,750
Mount Sinai Medical Center Foundation	56,978	-	56,978
Musical Arts Association of Miami	25,000	-	25,000
Musicares Foundation, Inc.	45,000	-	45,000
Myeloma Institute University of Arkansas	1,000,000	-	1,000,000
Naras Foundation	30,250	-	30,250
National Jewish Medical & Research Ctr. N.Y.	25,000	-	25,000
New Hope Charities, Inc.	124,531	-	124,531
Norton Gallery and School of Art, Inc.	25,000	-	25,000
Other Agencies	5,281,518	-	5,281,518
Other United Ways	343,117	-	343,117
Palmer Trinity Private School, Inc.	246,373	-	246,373
Performing Arts Center Foundation	7,063,756	-	7,063,756
Pikes Peak United Way	71,195	-	71,195
Police Officers Assistance Trust, Inc.	335,462	-	335,462
Project Yes, Inc.	34,290	-	34,290
Public Counsel	25,000	-	25,000
Ransom Everglades School	78,265	-	78,265
Riverdale Country School	25,000	-	25,000
Scholarship America, Inc.	45,952	-	45,952
Simon Wiesenthal Center	40,000	-	40,000
ST. PATRICK CHURCH	25,252	-	25,252
St. Thomas Episcopal Parish School	27,500	-	27,500
St. Thomas University	44,325	-	44,325
T.J. Martell Foundation	32,500	-	32,500
Temple Beth AM	70,301	-	70,301
Temple Beth Sholom	79,115	-	79,115
Temple Menorah	25,700	-	25,700
The Administrators of the Tulane	126,500	-	126,500
The Education Fund	117,557	-	117,557
The Foundation for New Education Initiatives, Inc.	34,591	-	34,591
The Home for Little Wanderers, Inc.	40,000	-	40,000
The Institute for Mobility and Longevity	25,000	-	25,000
The International Women's Media Foundation	25,000	-	25,000
The John F. Kennedy Center for the Performing Arts	251,044	-	251,044
The Melissa Institute for Violence Prevention	32,524	-	32,524
The Multiple Myeloma Research Foundation	200,000	-	200,000
The Red Sox Foundation, Inc.	40,000	-	40,000
The Wellness Community - Greater Miami	30,259	-	30,259
Trustees of the University of Pennsylvania	1,353,000	-	1,353,000
UJA - Federation of New York	68,750	-	68,750
United Jewish Community of Broward County	50,626	-	50,626

**United Way of Miami-Dade, Inc.
and Subsidiaries**
Schedule of Distributions to Agencies
Year ended June 30, 2009

<u>Designated Agencies</u>	<u>Total</u>	<u>Amounts Paid from Annual Campaign Excluding Donor Designated Contributions</u>	<u>Amounts Paid from Donor Designated Contributions</u>
United States Holocaust Memorial Museum	\$ 25,000	\$ -	\$ 25,000
University of Miami Programs	1,847,289	-	1,847,289
University of North Carolina at Chapel Hill	33,240	-	33,240
USO United Service Organizations, Inc.	30,000	-	30,000
Vail Valley Foundation, Inc.	30,000	-	30,000
Village Academies Network, Inc	50,000	-	50,000
Variety – The Children’s Charity	33,602	-	33,602
Voices for Children Foundation, Inc.	77,500	-	77,500
Westchester Medical Center Foundation	53,706	-	53,706
Women’s Fund of Miami-Dade County	25,000	-	25,000
Young Concert Artists, Inc	-	-	-
Total distributions to designated agencies	\$ 28,711,842	\$ -	\$ 28,711,842
Total distributions to agencies	\$ 49,508,744	\$ 16,675,615	\$ 32,833,129

This schedule presents actual cash distributions made during the year ended June 30, 2009 and accordingly does not agree with the consolidated statement of activities and changes in net assets

**United Way of Miami-Dade, Inc.
and Subsidiaries**
Schedule of Operating Expenses (Overhead)
Years ended June 30, 2009 and 2008

<i>Year ended June 30,</i>	2009	2008
Total Net Public Support ⁽¹⁾	\$ 23,358,789	\$ 35,563,506
Total Investments gains (losses) and other income ⁽¹⁾	(5,360,718)	(1,062,416)
Donor Designations (excluding Special Contribution) (Note 5)	30,576,621	30,607,051
Special Contribution (Note 5)	242,109	6,353,176
Unrealized (gains)/losses not included on line 12 of 990	3,235,504	3,712,949
Total – 990 line 12	\$ 52,052,305	\$ 75,174,266
Operating Expenses (Overhead):		
Fund-Raising	\$ 2,327,371	\$ 2,567,774
Management and General	5,255,889	5,934,780
Payments to Affiliated Organizations	464,091	469,087
Total operating expenses	\$ 8,047,351	\$ 8,971,641
Operating Expense (Overhead) Ratio	15.46%	11.93%

- (1) Includes net annual campaign, recovery of uncollectible pledges, special events, other contributions, grants, legacies and bequests, net interest income, realized and unrealized gains and losses on investments, tuition income, rental income and other income.

The operating expense (overhead) ratio computation is in compliance with standards established by the "Functional Expense and Overhead Reporting Guidelines" for United Ways computed utilizing the "Net" method with respect to public support revenue and other as presented in Line 12 of the IRS tax form 990.



Reports on Compliance

**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 Way of Miami-Dade, Inc. and Subsidiaries
Miami, Florida

We have audited the financial statements of **United Way of Miami-Dade, Inc. and Subsidiaries** (the “United Way”) as of and for the year ended June 30, 2009, and have issued our report thereon dated December 11, 2009. We conducted our audit 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the United Way’s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the United Way’s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the United Way’s internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the organization’s ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles, such that there is more than a remote likelihood that a misstatement of the organization’s financial statements that is more than inconsequential will not be prevented or detected by the organization’s internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the organization’s internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the United Way’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 and other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management, the finance committee, the board of directors, and the U.S. Department of Health and Human Services and is not intended to be and should not be used by anyone other than these specified parties.

BDO Seidman, LLP

Miami, Florida
December 11, 2009

Certified Public Accountants

**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO THE MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH
OMB CIRCULAR A-133**

To the Board of Directors
United Way of Miami-Dade, Inc. and Subsidiaries
Miami, Florida

Compliance

We have audited the compliance of **United Way of Miami-Dade, Inc. and Subsidiaries** (the “United Way”) with the types of compliance requirements described in the U.S. Office of Management and Budget (“OMB”) *Circular A-133 Compliance Supplement*, that are applicable to its major federal program for the year ended June 30, 2009. The United Way’s major federal program is identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to the major federal program is the responsibility of the United Way’s management. Our responsibility is to express an opinion on the United Way’s compliance based on our audit.

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; and OMB *Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133, 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 program occurred. An audit includes examining, on a test basis, evidence about the United Way’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. Our audit does not provide a legal determination on the United Way’s compliance with those requirements.

In our opinion, the United Way complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended June 30, 2009.

Internal Control Over Compliance

The management of the United Way is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the United Way’s internal control over compliance with the requirements that could have a direct and material effect on major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, 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 the United Way’s internal control over compliance.

A control deficiency in an organization’s internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the organization’s ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the organization’s internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the organization’s internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

Schedule of Expenditures of Federal Awards

We have audited the basic financial statements of United Way of Miami-Dade, Inc. and Subsidiaries as of and for the year ended June 30, 2009, and have issued our report thereon dated December 11, 2009. Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of management, finance committee, the board of directors and the U.S. Department of Health and Human Services and is not intended to be and should not be used by anyone other than these specified parties.

Miami, Florida
December 11, 2009

BDO Seidman, LLP

Certified Public Accountants

**United Way of Miami-Dade, Inc.
and Subsidiaries**
**Schedule of Expenditures of Federal
Awards for the Year ended June 30, 2009**

Federal Agency/Project Title/Pass Through Agency	CFDA Numbers	Federal Expenditures
U.S. Department of Health and Human Services		
Child Care Grant	93.575	\$ 537,153
Pass-through:	93.558	506,414
School Readiness Services - Agency for Workforce Innovation	93.596	418,856
	93.713	69,551
	93.667	1,086
		1,533,060
U.S. Department of Health and Human Services		
Head Start		
Pass-through: Head Start Pilot Program Services - Miami-Dade County	93.600	111,003
U.S. Department of Agriculture		
Child and Adult Care Food Program		
Pass-through: State of Florida Department of Health	10.558	59,427
Total Expenditures of Federal Awards		\$ 1,703,490

See notes to Schedule of Expenditures of Federal Awards

**United Way of Miami-Dade, Inc.
and Subsidiaries**
**Schedule of Expenditures of Federal
Awards for the Year ended June 30, 2009**

Note A – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of United Way of Miami-Dade, Inc. and Subsidiaries and is presented on the accrual basis of accounting. The information in this schedule is prepared in accordance with the requirements of OMB *Circular A-133, Audits of States, Local Governments and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the general-purpose financial statements.

Note B – SUB-RECIPIENTS

The United Way provided Federal awards to sub-recipients as follows:

Program Title	CFDA Numbers	Federal Expenditures
Family Central	*	\$ 641,164
University of Miami	*	192,467
Total sub recipient funding		\$ 833,631

*Funding for sub recipients are allocated amongst the funding agencies within the U.S. Department of Health and Human Services.

United Way of Miami-Dade, Inc. and Subsidiaries

Schedule of Findings and Questioned Costs for the Year ended June 30, 2009

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements:

Type of auditor's report issued	Unqualified	
Internal control over financial reporting:		
• Material weaknesses identified?	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> no
• Significant deficiencies identified not considered to be material weaknesses?	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> none reported
• Non-compliance material to financial statements noted?	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> no

Federal Programs:

Internal control over major program:		
Material weaknesses identified?	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> no
Significant deficiencies identified not considered to be material weaknesses?	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> none reported

Type of auditor's report issued on compliance of major program?	Unqualified
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Any audit findings disclosed that are required to be reported in accordance with the requirements of OMB Circular A-133?	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> no
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Identification of major programs:

CFDA/Contract Numbers

93.558, 93.575, 93.596, 93.667, 93.713

Dollar threshold used to distinguish between Type A and Type B programs:

Name of Federal Program or Cluster

Child Care Grant
\$300,000

Auditee qualified as low-risk auditee?	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> no
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**United Way of Miami-Dade, Inc.
and Subsidiaries
Schedule of Findings and Questioned Costs
for the Year ended June 30, 2009**

SECTION II – FINANCIAL STATEMENT FINDINGS

During the audit of the year ended June 30, 2009, there are no identified significant deficiencies, material weaknesses, fraud, illegal acts, violations of provisions of contracts and grant agreements, and abuse related to the financial statements which *Government Auditing Standards* require reporting in a Circular A-133 audit.

**United Way of Miami-Dade, Inc.
and Subsidiaries**
**Schedule of Findings and Questioned Costs
for the Year ended June 30, 2009**

SECTION III –FEDERAL AWARD FINDINGS AND QUESTIONED COSTS SECTION

During the audit of the year ended June 30, 2009, there are no identified audit findings to be reported by Circular A-133 Section 510 (a) (for example: material weaknesses, significant deficiencies and material instance of non-compliance including questioned costs) as well as any abuse finding involving Federal awards that are material to a major program.

**United Way of Miami-Dade, Inc.
and Subsidiaries**
**Summary Schedule of Prior Audit Findings
for the Year ended June 30, 2009**

STATUS

There were no prior Federal award findings or questioned costs required to be reported in accordance with OMB Circular A-133.