

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

**Consolidated Financial Statements,
Supplemental Information, Reports Required by
Government Auditing Standards and OMB Circular A-133,
and Schedule of Expenditures of Federal Awards and State
Financial Assistance**

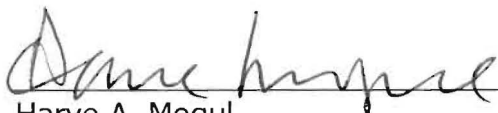
For the Years Ended June 30, 2011 and 2010



CERTIFICATIONS:

I hereby certify that:

1. I have reviewed the financial statements of United Way of Miami-Dade, Inc. for the year ended June 30, 2011;
2. Based on my knowledge, these financial statements do not contain any untrue statements of a material fact or omit a material fact necessary to make the statements, in light of the circumstances under which such statements were made, not misleading;
3. Based on my knowledge, the financial statements and other financial information included in this report, fairly present, in all material respect, the financial condition, results of operations and cash flows of the United Way of Miami-Dade, Inc. as of, and for the year ended June 30, 2011.



Harve A. Mogul
President and Chief Executive Officer



Date



Carlos G. Molina
Senior Vice President, Finance and Administration
and Chief Financial Officer



Date



CERTIFICATIONS:

I hereby certify that:

1. I have reviewed the financial statements of United Way of Miami-Dade, Inc. for the year ended June 30, 2011;
2. Based on my knowledge, these financial statements do not contain any untrue statements of a material fact or omit a material fact with respect to the Campaign and Grant revenues, necessary to make the statements, in light of the circumstances under which such statements were made, not misleading.

A handwritten signature in black ink, appearing to read "Claudia Grillo".

Claudia Grillo
Chief Operating Officer

12/8/11
Date

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, 2011 and 2010 and the related consolidated statements of activities and changes in net assets, functional expenses, and cash flows for the years 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 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 of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the United Way's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide 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, 2011 and 2010, and the changes in their net assets and their cash flows for the years 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 8, 2011, 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 audits were conducted for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The schedules on pages 27-33 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 8, 2011

BDO USA, LLP
Certified Public Accountants

United Way of Miami-Dade, Inc. and Subsidiaries
Consolidated Statements of Financial Position

<i>June 30,</i>	2011	2010
Assets		
Cash and equivalents	\$ 2,749,471	\$ 2,078,461
Restricted cash	7,767,712	8,380,122
Investments (Note 2)	31,163,799	25,837,616
Pledges receivable, net (Note 3)	11,163,487	10,428,049
Pledges receivable, net of allowance of \$400,000 in 2011, temporarily restricted for Center for Excellence and Children's Advocacy Complex (Note 4)	229,826	1,502,903
Donor-designated pledges receivables	4,116,929	15,939,324
Interest in Limited Partnership (Note 13)	2,593,789	4,689,486
Other receivables, net (Note 4)	426,492	591,479
Grants receivable (Note 4)	479,587	1,135,328
Prepaid expenses and other assets	717,225	787,973
Property and equipment, net (Note 5)	28,002,470	28,971,219
Total assets	\$ 89,410,787	\$ 100,341,960
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	\$ 2,600,788	\$ 2,889,106
Approved allocations payable	10,383,271	11,018,579
Donor-designated allocations payable	14,941,210	25,649,305
Special contributions allocations payable (Note 13)	2,593,789	4,689,486
Grants payable	284,436	179,641
Interest rate swap	1,154,695	1,159,230
Notes payable (Note 8)	14,245,000	14,850,000
Total liabilities	46,203,189	60,435,347
Commitments and Contingencies (Note 9)		
Net Assets (Notes 10 and 11)		
Unrestricted	34,993,195	31,154,352
Temporarily restricted	1,769,499	2,894,015
Permanently restricted	6,444,904	5,858,246
Total net assets	43,207,598	39,906,613
	\$ 89,410,787	\$ 100,341,960

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, 2011</i>				<i>Year ended June 30, 2010</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>
Public support, investment gains (losses) and other income:								
Public Support								
Annual campaign, net of estimated uncollectible pledges of \$1,632,500 in 2011 and \$1,746,000 in 2010	\$ 35,220,127	\$ 2,355,688	\$ -	\$ 37,575,815	\$ 42,495,088	\$ 6,604,245	\$ -	\$ 49,099,333
Special contributions (Notes 6 and 13)	-	-	-	-	-	5,151,980	-	5,151,980
Less donor designations (Note 6)	(16,889,034)	(2,548,474)	-	(19,437,508)	(24,809,219)	(10,916,208)	-	(35,725,427)
Annual campaign, net	18,331,093	(192,786)	-	18,138,307	17,685,869	840,017	-	18,525,886
(Provision) recovery of uncollectible pledges	(403,050)	-	-	(403,050)	217,592	-	-	217,592
Special events	1,219,692	-	-	1,219,692	1,074,190	-	-	1,074,190
Other contributions	352,027	-	-	352,027	268,406	-	-	268,406
Grants	3,334,433	-	-	3,334,433	3,910,748	185,000	-	4,095,748
Legacies and bequests	153,040	-	586,658	739,698	125,286	-	527,777	653,063
Total public support	22,987,235	(192,786)	586,658	23,381,107	23,282,091	1,025,017	527,777	24,834,885
Investment gains (losses) and other income:								
Interest and dividend income	734,197	-	-	734,197	583,899	-	-	583,899
Realized gains (losses) on sales of investments, net of investment fees of \$64,845 in 2011 and \$57,755 in 2010	127,639	-	-	127,639	66,155	-	-	66,155
Unrealized gains (losses) on investments, net	3,327,431	372,949	-	3,700,380	978,467	819,265	-	1,797,732
Tuition income	545,560	-	-	545,560	602,413	-	-	602,413
Rental income (Note 14)	405,326	-	-	405,326	389,486	-	-	389,486
Other income, net	35,911	-	-	35,911	135,243	-	-	135,243
Total investment gains (losses) and other income	5,176,064	372,949	-	5,549,013	2,755,663	819,265	-	3,574,928
Net assets released from restrictions:								
Expiration of time restrictions	1,304,679	(1,304,679)	-	-	981,787	(981,787)	-	-
Total public support, revenue and other	\$ 29,467,978	\$ (1,124,516)	\$ 586,658	\$ 28,930,120	\$ 27,019,541	\$ 862,495	\$ 527,777	\$ 28,409,813

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, 2011</i>				<i>Year ended June 30, 2010</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	\$ 10,300,801	\$ -	\$ -	\$ 10,300,801	\$ 10,806,237	\$ -	\$ -	\$ 10,806,237
Grant expenses	1,681,065	-	-	1,681,065	2,269,985	-	-	2,269,985
Total distribution to agencies and grant expenses	11,981,866	-	-	11,981,866	13,076,222	-	-	13,076,222
Functional expenses								
Program services	5,783,094	-	-	5,783,094	5,535,664	-	-	5,535,664
Supporting services	7,861,699	-	-	7,861,699	7,659,137	-	-	7,659,137
Total functional expenses	13,644,793	-	-	13,644,793	13,194,801	-	-	13,194,801
Other expenses	-	-	-	-	32,000	-	-	32,000
Pension Plan expense (income) (Note 7)	7,010	-	-	7,010	49,883	-	-	49,883
Fair market derivative (gain) loss (Note 8)	(4,534)	-	-	(4,534)	617,774	-	-	617,774
Total distributions and expenses	25,629,135	-	-	25,629,135	26,970,680	-	-	26,970,680
Change in net assets	3,838,843	(1,124,516)	586,658	3,300,985	48,861	862,495	527,777	1,439,133
Net assets, beginning of year	31,154,352	2,894,015	5,858,246	39,906,613	31,105,491	2,031,520	5,330,469	38,467,480
Net assets end of year	\$ 34,993,195	\$ 1,769,499	\$ 6,444,904	\$ 43,207,598	\$ 31,154,352	\$ 2,894,015	\$ 5,858,246	\$ 39,906,613

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, 2011</i>	<i>Supporting Services</i>				<i>Total</i>
	<i>Program Services</i>	<i>Fundraising</i>	<i>Management and General</i>	<i>Total Supporting Services</i>	
Distributions to agencies	\$ 29,738,309	\$ -	\$ -	\$ -	\$ 29,738,309
Grants	1,681,065	-	-	-	1,681,065
Less: Donor designated distributions	(19,437,508)	-	-	-	(19,437,508)
Total distributions	11,981,866	-	-	-	11,981,866
Salaries	2,360,988	1,421,787	2,843,641	4,265,428	6,626,416
Employee benefits	485,974	216,698	443,312	660,010	1,145,984
Payroll taxes	192,607	104,719	205,603	310,322	502,929
Total salaries and related expenses	3,039,569	1,743,204	3,492,556	5,235,760	8,275,329
Professional fees and contractual services	48,256	17,025	239,216	256,241	304,497
Data processing	1,314	-	19,715	19,715	21,029
Occupancy	659,802	191,297	426,807	618,104	1,277,906
Interest expense	485,873	83,425	203,154	286,579	772,452
Public relations and information	58,943	166,614	146,636	313,250	372,193
Conferences and non-local meetings	16,887	11,998	28,032	40,030	56,917
Rental and maintenance of equipment	5,870	-	88,050	88,050	93,920
Supplies	8,053	6,273	7,895	14,168	22,221
Local transportation	17,284	15,487	26,121	41,608	58,892
Local meetings	22,720	52,298	64,653	116,951	139,671
Postage	5,509	10,042	13,506	23,548	29,057
Telephone	28,064	28,849	50,283	79,132	107,196
Other expenses	645,009	117,276	273,869	391,145	1,036,154
Total expenses before depreciation and amortization	5,043,153	2,443,788	5,080,493	7,524,281	12,567,434
Depreciation and amortization of property and equipment	739,941	100,906	236,512	337,418	1,077,359
Total functional expenses	\$ 5,783,094	\$ 2,544,694	\$ 5,317,005	\$ 7,861,699	\$ 13,644,793
Other expenses	-	-	2,476	2,476	2,476
Total distributions and expenses	\$ 17,764,960	\$ 2,544,694	\$ 5,319,481	\$ 7,864,175	\$ 25,629,135

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, 2010</i>	<i>Supporting Services</i>			<i>Total Supporting Services</i>	<i>Total</i>
	<i>Program Services</i>	<i>Fundraising</i>	<i>Management and General</i>		
Distributions to agencies	\$ 46,531,664	\$ -	\$ -	\$ -	\$ 46,531,664
Grants	2,269,985	-	-	-	2,269,985
Less: Donor designated distributions	(35,725,427)	-	-	-	(35,725,427)
Total distributions	13,076,222				13,076,222
Salaries	2,349,918	1,308,718	2,704,928	4,013,646	6,363,564
Employee benefits	455,871	209,910	461,033	670,943	1,126,814
Payroll taxes	185,820	93,140	187,387	280,527	466,347
Total salaries and related expenses	2,991,609	1,611,768	3,353,348	4,965,116	7,956,725
Professional fees and contractual services	30,251	19,105	226,298	245,403	275,654
Data processing	880	-	13,207	13,207	14,087
Occupancy	685,520	192,482	426,805	619,287	1,304,807
Interest expense	523,024	89,761	218,608	308,369	831,393
Public relations and information	67,414	185,081	163,073	348,154	415,568
Conferences and non-local meetings	13,890	7,839	14,699	22,538	36,428
Rental and maintenance of equipment	6,242	-	93,630	93,630	99,872
Supplies	7,577	5,718	7,833	13,551	21,128
Local transportation	14,794	15,976	25,993	41,969	56,763
Local meetings	21,734	53,236	62,458	115,694	137,428
Postage	3,897	6,339	11,124	17,463	21,360
Telephone	23,433	34,139	54,509	88,648	112,081
Other expenses	418,983	128,908	298,816	427,724	846,707
Total expenses before depreciation and amortization	4,809,248	2,350,352	4,970,401	7,320,753	12,130,001
Depreciation and amortization of property and equipment	726,416	101,241	237,143	338,384	1,064,800
Total functional expenses	\$ 5,535,664	\$ 2,451,593	\$ 5,207,544	\$ 7,659,137	\$ 13,194,801
Other expenses	-	-	699,657	699,657	699,657
Total distributions and expenses	\$ 18,611,886	\$ 2,451,593	\$ 5,907,201	\$ 8,358,794	\$ 26,970,680

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>	2011	2010
Cash Flows from Operating Activities:		
Change in net assets	\$ 3,300,985	\$ 1,439,133
Adjustments to reconcile change in net assets to net cash provided by(used in) operating activities:		
Depreciation and amortization	1,077,359	1,064,800
Change in allowance for uncollectible pledges	452,000	(200,000)
Unrealized (gains) losses on investments, net	(3,700,380)	(1,797,732)
Realized (gains) losses on sale of investments, net	(127,639)	(66,155)
Fair value derivative (gain) loss	(4,534)	617,774
Change in operating assets and liabilities:		
Restricted cash	612,410	240,778
Pledges receivable	(787,438)	592,089
Pledges receivable, temporarily restricted for Center for Excellence	873,077	(25,311)
Donor-designated pledges receivables	11,822,394	(9,445,517)
Interest in limited partnership	2,095,697	(722,618)
Other receivables	164,987	(1,012)
Grants receivable	655,741	(486,707)
Prepaid expenses and other assets	70,748	21,169
Accounts payable and accrued expenses	(288,318)	599,197
Pension plan unfunded liability	-	(1,332,366)
Approved allocations payable	(635,310)	(1,106,817)
Donor-designated allocations payable	(10,708,095)	8,034,105
Special contributions payable	(2,095,697)	722,618
Grants payable	104,795	100,219
Net cash provided by (used in) operating activities:	2,882,782	(1,752,352)
Cash Flows from Investing Activities:		
Proceeds from sale of investments	9,538,714	12,301,504
Purchase of investments	(11,036,878)	(12,657,330)
Purchase of property and equipment	(108,608)	(156,004)
Net cash used in investing activities	(1,606,772)	(511,830)
Cash Flows from Financing Activities:		
Repayment of notes payable	(605,000)	(585,000)
Net cash used in financing activities	(605,000)	(585,000)
Net increase (decrease) in cash and cash equivalents	671,010	(2,849,182)
Cash and cash equivalents-beginning of the year	2,078,461	4,927,643
Cash and cash equivalents-end of year	\$ 2,749,471	\$ 2,078,461
Supplemental Disclosure:		
Interest paid, net of amounts capitalized	\$ 772,452	\$ 831,393

See accompanying notes to the consolidated financial statements

United Way of Miami-Dade, Inc. and Subsidiaries

Notes to Consolidated 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 (IRC). 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. ("United Way") 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, 2011 and 2010, United Way received grant funding from the unrelated not-for-profit organization amounting to \$217,207 and \$295,422, respectively, which is included as a component of grants in the accompanying consolidated statements of activities and changes in net assets. In addition, the United Way recorded rental income of \$546,480 and \$530,640 for the years ending June 30, 2011 and 2010 from this organization. This rental income is offset by certain allowances as discussed in Note 14.

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, 2011 and 2010.

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.

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.

United Way of Miami-Dade, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

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

Net Assets

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

Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 958-205, *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*, 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 State of Florida has adopted UPMIFA. (refer to Note 11).

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 United Way Board of Directors policy. 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 statements of activities and changes in net assets. When donor or grantor restrictions are satisfied, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the consolidated statements of activities and changes in net assets as net assets released from restrictions. Donor restricted contributions whose 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.

United Way of Miami-Dade, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

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

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 within the guidelines provided by the Internal Revenue Service. Under these guidelines, contributions received from donors are deposited into separate bank 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 gifts are agency transactions and revenues or expenses related to these accounts are not reflected in United Way's net assets at June 30, 2011. Accordingly, United Way has recorded a liability of approximately \$8,432,000 as a component of donor-designated allocations payable in the accompanying consolidated statements of financial position, representing the restricted funds that had not been released by the donors. As of June 30, 2011, the restricted cash was \$7,767,712; there is \$717,180 in restricted investments attributed directly to the CAF accounts.

Investments

United Way follows FASB ASC 958-320, *Accounting for Investments Debt & Equity Securities Held by Not-For-Profit Organizations*. Under FASB ASC 958-320, 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 changes 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

According to FASB ASC 820-10 *Fair Value Measurements*, 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. FASB ASC 820 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 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 consist 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.

United Way of Miami-Dade, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

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

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.

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 8). 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.

United Way of Miami-Dade, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

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

Interest in Limited Partnership

On December 15, 2009, the United Way was selected and designated the charitable remainder beneficiary of a Limited Partnership Charitable Remainder Trust. The Charitable Remainder trust terminated on the same day and the United Way received the full amount of the charitable remainder of the Charitable Remainder Trust in the amount of \$5,027,115, represented by a preferred interest in the Limited Partnership. The preferred interest was valued at the fair market value of the underlying investment instruments at the time of the termination. The designation includes a preferred rate annual return preferred interest. The value is diminished by redemption of the preferred interest by the donor. This investment is classified by United Way 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 statements of activities and changes in net assets as part of the United Way annual campaign and amounts designated to others 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. All grants receivable were current as of June 30, 2011 (Refer to Note 4).

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.

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 FASB ASC 958-605-25, *Accounting for Contributions Received*, 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 years ended June 30, 2011 and 2010.

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, 2011 and 2010, costs related to the special events amounted to approximately \$621,000 and \$588,000 respectively.

United Way of Miami-Dade, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

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

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 FASB ASC 840, *Accounting for Leases*. Some operating lease agreements contain provisions for tenant improvement allowances, 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.

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 FASB ASC 815, *Accounting for Derivative Financial Instruments and Hedging Activities*, as amended, which requires that all derivative financial instruments be recorded at fair value. FASB ASC 815 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

One donor accounted for 70% and three donors accounted for 65% of temporarily restricted net annual campaign revenues for the years ended June 30, 2011 and 2010, respectively.

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 of Miami-Dade, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

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

United Way adopted the provisions of FASB ASC 740 *Accounting for Uncertainty in Income Taxes*, on July 1, 2008. Under FASB ASC 740, 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. 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 2008. However, United Way is still open to examination by taxing authorities from fiscal year 2008 forward. No interest or penalties have been recorded in the financial statements related to any uncertain tax positions.

Reclassification

Certain amounts in the 2010 consolidated financial statements have been reclassified to conform to the 2011 presentation.

Subsequent Events

The date to which events occurring after June 30, 2011, the date of the most recent statement of financial position, have been evaluated for possible adjustments to the financial statements or disclosure is December 8, 2011.

2. Investments

At June 30, investments consisted of the following:

	2011			
	Gross Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Market Value
Debt Securities	\$ 5,852,793	\$ 161,040	\$ (12,871)	\$ 6,000,962
Federal Agency Debt Securities	959,833	57,716	-	1,017,549
Equity Securities	1,078,209	86,812	(12,880)	1,152,141
Mutual Funds	15,020,801	2,559,180	(156,288)	17,423,693
Fund of Funds	4,229,473	840,748	(73,395)	4,996,826
Short-term investments	572,628	-	-	572,628
	\$ 27,713,737	\$ 3,705,496	\$ (255,434)	\$ 31,163,799

	2010			
	Gross Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Market Value
Debt Securities	\$ 5,320,250	\$ 151,488	\$ (14,288)	\$ 5,457,450
Federal Agency Debt Securities	2,094,173	99,561	-	2,193,734
Equity Securities	687,271	43,080	(62,370)	667,981
Mutual Funds	12,143,567	641,003	(974,081)	11,810,489
Fund of Funds	4,898,754	484,052	(240,265)	5,142,541
Short-term investments	565,421	-	-	565,421
	\$ 25,709,436	\$ 1,419,184	\$ (1,291,004)	\$ 25,837,616

United Way of Miami-Dade, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

2. Investments (Continued)

The change in unrealized gains (losses) for the years ended June 30, 2011 and 2010 are reflected as a component of the investment return in the accompanying consolidated statements of activities and changes in net assets. At June 30, 2011 and 2010, investment activity includes \$32,866 and \$38,416 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 as of June 30, 2011:

<i>Year ended June 30,</i>	<i>Amount</i>
2012	\$ 608,214
2013	1,204,570
2014	1,115,679
2015	1,467,132
2016	360,585
Thereafter	1,244,782
	\$ 6,000,962

Fair Value

United Way's investments recorded at fair value have been categorized based upon a fair value hierarchy in accordance with FASB ASC 820 and United Way's accounting policies as disclosed in Note 1. The following tables present information about United Way's assets measured at fair value as of June 30, 2011 and 2010:

As of June 30, 2011

<i>Assets</i>	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Short term investments	\$ 572,628	\$ -	\$ -	\$ 572,628
Equity securities	1,152,141	-	-	1,152,141
Mutual funds	17,423,693	-	-	17,423,693
Federal agency debt securities	1,017,549	-	-	1,017,549
Debt securities	6,000,962	-	-	6,000,962
Fund of funds	-	-	4,996,826	4,996,826
Interest in Limited Partnership	-	-	2,593,789	2,593,789
Total	\$ 26,219,478	\$ -	\$ 7,590,615	\$ 33,757,588

<i>Liabilities</i>	\$	-	\$	-	\$	1,154,695	\$	1,154,695
Interest rate swap	\$	-	\$	-	\$	1,154,695	\$	1,154,695

United Way of Miami-Dade, Inc. and Subsidiaries
Notes to Consolidated Financial Statements

2. Investments (Continued)

As of June 30, 2010

<i>Assets</i>	Quoted prices in active markets for identical assets (Level 1)	Significant other observable in puts (Level 2)	Significant unobservable inputs (Level 3)	Total
Short term investments	\$ 565,421	\$ -	\$ -	\$ 565,421
Equity securities	667,981	-	-	667,981
Mutual funds	11,810,489	-	-	11,810,489
Federal agency debt securities	2,193,734	-	-	2,193,734
Debt securities	5,457,450	-	-	5,457,450
Fund of funds	-	-	5,142,541	5,142,541
Interest in Limited Partnership	-	-	4,689,486	4,689,486
Total	\$ 20,695,075	\$ -	\$ 9,832,027	\$ 30,527,102
<i>Liabilities</i>				
Interest rate swap	\$ -	\$ -	\$ 1,159,230	\$ 1,159,230

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 years ended June 30, 2011 and 2010 are as follows:

Year Ended June 30, 2011	Beginning Balance	Net Purchases/ Redemptions	Net Unrealized Gains (Losses)	Total
Fund of Funds	\$ 5,142,541	\$ (913,067)	\$ 767,352	\$ 4,996,826
Interest in Limited Partnership	4,689,486	(2,468,646)	372,949	2,593,789
Total	\$ 9,832,027	\$(3,381,713)	\$ 1,140,301	\$ 7,590,615
<i>Liabilities</i>				
Interest rate swap	\$ (1,159,230)	\$ -	\$ 4,535	\$ (1,154,695)

Year Ended June 30, 2010	Beginning Balance	Net Purchases/ Redemptions	Net Unrealized Gains (Losses)	Total
Fund of Funds	\$ 4,830,736	\$ -	\$ 311,805	\$ 5,142,541
Interest in Limited Partnership	3,966,868	(96,647)	819,265	4,689,486
Total	\$ 8,797,604	\$ (96,647)	\$ 1,131,070	\$ 9,832,027

<i>Liabilities</i>				
Interest rate swap	\$ (541,455)	\$ -	\$ (617,775)	\$ (1,159,230)

United Way of Miami-Dade, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

2. Investments (Continued)

The net unrealized gains and losses for the years ended June 30, 2011 and 2010 for investments held at June 30, 2011 and 2010 is reflected as a component of investment gains and losses in the accompanying statements of activities and changes in net assets.

3. Pledges Receivable

Pledges receivable that are unconditional promises to give that represent a period of one year or more are measured at the present value of future cash flows based on a discount rate ranging from 2%-8% at June 30, 2011 and 2010.

As of June 30, 2011, pledge receivables were:

	Unrestricted	Donor- Designated	Total
Less than one year	\$ 11,130,433	\$ 3,545,085	\$ 14,675,518
One to five years	1,266,909	615,000	1,881,909
Over five years	601,000	-	601,000
Unamortized discount	(216,855)	(43,155)	(260,011)
Net of discounts	12,781,487	4,116,929	16,898,416
Allowance for bad debts	(1,618,000)	-	(1,618,000)
Net of allowance	\$ 11,163,487	\$ 4,116,929	\$ 15,280,416

As of June 30, 2010, pledge receivables were:

	Unrestricted	Donor- Designated	Total
Less than one year	\$ 9,961,194	\$ 14,599,384	\$ 24,560,578
One to five years	1,507,500	1,480,961	2,988,461
Over five years	802,000	-	802,000
Unamortized discount	(276,645)	(141,021)	(417,666)
Net of discounts	11,994,049	15,939,323	27,933,372
Allowance for bad debts	(1,566,000)	-	(1,566,000)
Net of allowance	\$ 10,428,049	\$ 15,939,323	\$ 26,367,372

4. Long-Term Pledges, Grants and Other Receivables

As of June 30, long-term pledges, grants and other receivables consisted of the following:

	2011	2010
Grants receivable	\$ 479,587	\$ 1,135,328
Other receivables less allowance for uncollectible receivables of \$237,149 in 2011 and \$237,899 in 2010	426,492	591,479
Total grants and other receivables	906,079	1,726,807
Pledges receivable, net, temporarily restricted for CFE	229,826	1,502,903
Total long-term pledges, grants and other receivables	\$ 1,135,905	\$ 3,229,710

Long-term pledges, grants and other receivables at June 30, 2011 are due within one year.

United Way of Miami-Dade, Inc. and Subsidiaries
Notes to Consolidated Financial Statements

5. Property and Equipment

At June 30 property and equipment consisted of the following:

	2011	2010
Land	\$ 3,713,000	\$ 3,713,000
Building and improvements	27,884,186	27,858,861
Computer equipment	536,504	1,751,422
Office furniture and equipment	1,493,094	1,533,353
Vehicles	32,456	59,215
	<u>33,659,240</u>	<u>34,915,851</u>
Less: accumulated depreciation	<u>(5,656,770)</u>	<u>(5,944,632)</u>
Total property and equipment, net	\$ 28,002,470	\$ 28,971,219

6. 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, 2011 and 2010 resulted from the following programs:

	2011	2010
Contributors' Choice, net	\$ 18,898,538	\$ 29,611,758
Special Contribution	372,949	5,971,245
Florida State Employee Campaign, net	166,021	142,424
	<u>\$ 19,437,508</u>	<u>\$ 35,725,427</u>

7. Employees' 401K Plan

United Way's 401 (K) plan became effective on January 1, 2008. The 401(k) plan includes 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. An employee is eligible to participate in the plan of the first month following the date of employment. For the years ended June 30, 2011 and

United Way of Miami-Dade, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

8. 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 has \$14,245,000 and \$14,850,000 in outstanding balances under the loan agreement at June 30, 2011 and 2010, respectively; bearing a variable interest rate with the maximum rate being 12% (effective rate .09% at June 30, 2011), 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, 2011, United Way 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, 2011 and 2010, approximately \$21,000 and \$18,000 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, 2011 and 2010, the notional amount on the swap agreement equaled the outstanding balance of the loan, and the fair market value of the swap agreement approximated \$(1,155,000) and \$(1,159,000), which is recorded in the accompanying, consolidated statements of financial position. The interest rate swap agreement expires in June 2018. During the years ended June 30, 2011 and 2010, United Way recognized a gain of approximately \$4,500 and a loss of approximately \$618,000, respectively, and is included as a component of fair market derivative (gain)/loss in the accompanying consolidated statements of activities and changes in net assets.

Due to the financial rating difficulties encountered by the original financial institution, on November 4, 2009, United Way replaced the original Letter of Credit provided by the original financial institution with a Letter of Credit provided by a different institution with a wrap around guarantee by the Federal Home Loan Bank, creating a AAA rated financial instrument. To obtain the guarantee from the Federal Home Loan Bank, the notes had to be re-issued with a related cost of \$160,871 which was capitalized as loan costs. The re-issuance cost is amortized under the straight line method over the life of the Bonds. The substitute Letter of Credit maintains the same qualities as the original Letter of Credit and expires in May 2014; the substitute Letter of Credit can be extended through May 1, 2019, payable any time at the option of United Way. 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 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, 2011, United Way is in compliance with the covenants.

United Way of Miami-Dade, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

8. Notes Payable (continued)

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

<i>Fiscal Year</i>	<i>Amount</i>
2012	\$ 630,000
2013	650,000
2014	670,000
2015	695,000
2016	720,000
Thereafter	10,880,000
Totals	\$ 14,245,000

9. 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.

10. Net Assets

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

	2011	2010
<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	969,203	490,107
Property Fund	21,227,287	21,494,266
Total board designated programs	24,077,948	23,865,831
Board designated endowment	7,460,306	7,100,298
Unrealized gains (losses) on investments	3,417,196	89,207
Unrestricted and undesignated	37,745	99,016
Total unrestricted net assets	\$ 34,993,195	\$ 31,154,352

United Way of Miami-Dade, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

10. Net Assets (continued)

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

	2011	2010
Pledges restricted to future campaigns	\$ 1,700,124	\$ 2,037,382
Capital Campaign	69,375	856,633
	\$ 1,769,499	\$ 2,894,015

Permanently restricted net assets at June 30, 2011 and 2010 amounted to \$6,444,904 and \$5,858,246, respectively, which consisted of endowments subject to income restrictions. The United Way Board approved a new endowment policy in October 2010; including spending guidelines for both endowment portfolios.

11. Endowment Net Asset Classification

As of June 30, 2011, the United Way Board of Directors 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. These gifts are recorded as permanently restricted in the consolidated statements of financial position.

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. Distributions from permanently restricted endowment fund will be calculated using a three year rolling average of the asset balance held, not to exceed three percent (3%). 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 years ended June 30, 2011 and 2010, United Way had the following endowment related activities:

For the year ended June 30, 2011	Board - Designated Endowment Funds	Permanently Restricted Endowment Funds	Total
Net assets, Beginning of the year	\$ 7,100,298	\$ 5,858,246	\$ 12,958,544
Investment return			
Investment income	282,437	-	282,437
Realized gains (losses)	100,901	-	100,901
Total investment return	383,338	-	383,338
Contributions to endowment	153,040	586,658	739,698
Amounts appropriated for	(176,370)	-	(176,370)
Total change in endowment funds	360,008	586,658	946,666
Net Assets, End of year	\$ 7,460,306	\$ 6,444,904	\$ 13,905,210

United Way of Miami-Dade, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

11. Endowment Net Asset Classification (continued)

For the year ended June 30, 2010	Board - Designated Endowment Funds	Permanently Restricted Endowment Funds	Total
Net assets, Beginning of the year	\$ 6,924,084	\$ 5,330,469	\$ 12,254,553
Investment return			
Investment income	171,161	-	171,161
Realized gains (losses)	(50,233)	-	(50,233)
Total investment return	120,928		120,928
Contributions to endowment	125,286	\$ 527,777	653,063
Amounts appropriated for expenditure	(70,000)	-	(70,000)
Total change in endowment funds	176,214	527,777	703,991
Net Assets, End of year	\$ 7,100,298	\$ 5,858,246	\$ 12,958,544

12. 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.

13. Interest in Limited Partnership

2008 and 2009 Amended and Restated Comprehensive Charitable Contribution Agreements

On January 1, 2008 and on December 15, 2009, the United Way entered into various agreements, including but not limited to a purchase agreement of a preferred interest in a limited partnership 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 aggregate value of the preferred interest in the limited partnership is \$11,747,265. The purchase agreements amended all prior existing agreements between the United Way and Donor. For the fiscal year ending June 30, 2010, the value of the preferred interest in the limited partnership, net of investment gains of approximately \$819,000 and redemptions by Donor of approximately \$7,877,000 result in a balance of \$4,689,486. The gift was recorded as special contribution revenue during the years ended June 30, 2008 and 2010. For the year ended June 30, 2010, United Way recognized in the consolidated statement of activities and changes in net assets approximately \$819,000 of capital gains on the limited partnership and additional capital contributed by the Donor as reflected in the December 15, 2009 purchase agreement of approximately \$5,027,000. For the year ended June 30, 2011, United Way recognized \$373,000 in short term capital gains and \$2,469,000 of redemption of interest. Since the Donor has the right to designate the redemption payments to other 501(c)3 organizations, the capital gains and the capital contributed by the Donor are recognized as agency transactions and the corresponding liability is reflected in the consolidated statements of financial position as of June 30, 2011 and 2010.

United Way of Miami-Dade, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

13. Interest in Limited Partnership (Continued)

In connection with a related gift, received on July 1, 2006, United Way entered into two promissory notes, totaling \$17,223,000, payable to a partnership related to the Donor. The notes allowed United Way to draw funds for remittance to various organizations for charitable purposes as agreed with the Donor. The notes accrue interest at an annual rate of 9%, with interest payable on December 31st of each consecutive year until the entire principal balance matures on June 30, 2019.

The promissory notes' interest and principal payments are secured by a guarantee from an individual and a partnership whereby United Way will receive the payments necessary to fulfill the requirements of the promissory notes for interest and ultimately the principal balances and will pay the holder of the notes the amounts received. As these notes do not hold United Way liable to the repayment of the funds drawn if the guarantors do not fulfill their commitment, the liability and corresponding receivable are not presented in the United Way's financial statements.

14. 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, 2011 is \$364,000 in fiscal year 2012.

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, 2011 and 2010, net rental income amounted to approximately \$405,000 and \$389,000 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, 2011 and 2010 amounting to approximately \$217,000 and \$295,000 respectively.

Supplemental Information

United Way of Miami-Dade, Inc. and Subsidiaries
Schedule of Distributions to Agencies
Year ended June 30, 2011

Affiliated Agencies	Total	Amounts Paid from Annual Campaign Excluding Donor Designated Contributions	Amounts Paid from Donor Designated Contributions
American Red Cross of Greater Miami & The Keys	\$ 368,135	\$ 304,361	\$ 63,774
AMIKids of Miami-Dade	184,015	180,956	3,059
ASPIRA of Florida, Inc.	47,083	45,992	1,091
Association for Retarded Citizens, South Florida	279,796	267,932	11,864
Belafonte Tacolcy Center, Inc.	82,056	64,792	17,264
Big Brothers Big Sisters of Greater Miami	502,083	426,186	75,897
Boys & Girls Clubs of Miami, Inc.	344,434	335,614	8,820
Catholic Charities Emergency Services	64,722	64,722	-
CC Behavioral Health Service at St Luke's Center	79,545	76,090	3,455
CC Centro Hispano Catolico Child Care Ctr.	49,200	45,594	3,606
CC Counseling Services	30,317	30,000	317
CC Good Shepherd Child Care Center	37,306	36,219	1,087
CC New Life Family Shelter, Inc.	74,039	69,173	4,866
CC Notre Dame D'Haiti Child Care Center	151,758	151,258	500
CC Sagrada Familia Child Care Center	78,025	76,551	1,474
CC Services for the Elderly	76,444	70,961	5,483
CCDH, Inc	32,335	32,281	54
Center for Family and Child Enrichment	51,676	44,132	7,544
Centro Campesino Farmworker Center	116,461	112,457	4,004
Centro Mater East Child Care Center, Inc.	140,079	139,245	834
Charlee of Dade County, Inc. aka Charlee	99,716	89,233	10,483
Children's Home Society of Florida	123,357	91,862	31,495
Citrus Health Network, Inc.	158,433	157,923	510
Coconut Grove Cares, Inc.	72,159	68,606	3,553
Community Aids Resource, Inc.	199,177	185,076	14,101
Community Smiles aka Dade County Dental	25,732	25,732	-
Consumer Credit Counseling Service of South Florida, Inc.	64,561	64,561	-
Cool Kids Learn, Inc.	59,893	59,488	405
Cuban American National Council, Inc.	37,804	35,048	2,756
Dave and Mary Alper JCC	178,846	148,823	30,023
Easter Seals South Florida, Inc	113,499	103,430	10,069
Empower U, Inc.	74,325	72,943	1,382
Epilepsy Foundation of Florida, Inc.	61,573	54,745	6,828
Family Counseling Services of Greater Miami	436,063	430,108	5,955
Family Resource Center of South Florida, Inc.	54,988	49,344	5,644
Florida Heart Research Institute	28,583	17,155	11,428
Foster Care Review, Inc.	80,255	65,668	14,587
Girl Scout Council of Tropical Florida, Inc.	398,323	383,053	15,270
Goodwill Industries of South Florida, Inc.	458,882	436,251	22,631

United Way of Miami-Dade, Inc. and Subsidiaries
Schedule of Distributions to Agencies
Year ended June 30, 2011

Affiliated Agencies	Total	Amounts Paid from Annual Campaign Excluding Donor Designated Contributions	Amounts Paid from Donor Designated Contributions
Greater Miami Jewish Federation, Inc.	\$ 2,066,836	\$ -	\$ 2,066,836
Healthy Start Coalition of Miami-Dade	37,042	36,892	150
Hearing and Speech Center of Florida, Inc.	205,586	202,433	3,153
Institute for Child and Family Health, Inc.	482,737	481,751	986
Jewish Community Services	729,314	704,406	24,908
Little Havana Activities and Nutrition Centers of Dade County	266,530	252,632	13,898
Lutheran Services Florida, Inc.	19,402	16,602	2,800
Miami Beach Community Health Center	36,166	34,825	1,341
Miami Behavioral Health Center, Inc.	77,019	76,931	88
Miami Bridge Youth & Family Services	239,489	217,176	22,313
Miami Jewish Home and Hospital for the Aged	94,400	94,400	-
Michael-Ann Russell JCC	104,282	103,346	936
New Horizons Community Mental Health Ctr.	57,447	51,944	5,503
North Miami Foundation for Senior Citizens' Services	8,087	7,905	182
Open Door Health Center, Inc.	43,715	42,426	1,289
Our Child Care, Inc.	32,857	32,583	274
Overtown Youth Center, Inc.	138,920	30,667	108,253
Redlands Christian Migrant Association	199,507	197,660	1,847
Richmond-Perrine Optimist Club, Inc.	102,751	94,998	7,753
Salvation Army-Dade	565,918	550,197	15,721
South Florida Urban Ministries, Inc.	243,123	243,000	123
Southwest Social Services Program, Inc.	62,625	60,150	2,475
St. Alban's Child Enrichment Center	69,873	69,173	700
Suited for Success, Inc.	42,264	41,926	338
Switchboard of Miami, Inc.	134,073	127,277	6,796
The Family Christian Association of America, Inc.	134,022	123,836	10,186
United Home Care Services, Inc.	720,480	700,361	20,119
Urban League of Greater Miami, Inc.	219,673	215,883	3,790
Y.M.C.A. of Greater Miami	390,952	359,145	31,807
Y.W.C.A. of Greater Miami & Dade County	341,857	339,157	2,700
Youth Co-op, Inc.	229,395	227,762	1,633
Total Distributions to Affiliated Agencies	\$13,612,020	\$10,851,009	\$2,761,011

United Way of Miami-Dade, Inc. and Subsidiaries
Schedule of Distributions to Agencies
Year ended June 30, 2011

	Total	Amounts Paid from Annual Campaign Excluding Donor Designated Contributions	Amounts Paid from Donor Designated Contributions
Special Programs:			
Center for Non-Profit Effectiveness/Hands on Miami	\$ 62,225	\$ 49,500	\$ 12,725
Family Central, Inc.	190,168	190,120	48
The Early Childhood Initiative Foundation	215,534	-	215,534
University of Miami - Mailman Center	159,843	159,843	-
University of Miami - Sponsored Programs	135,308	135,308	-
South Florida Urban Ministries, Inc. - Ways to Work Program	12,500	12,500	-
FEMA Distributions:			
CC Emergency Services	13,697	13,697	-
Charlee of Dade County, Inc. aka Charlee	13,220	13,220	-
Feeding South Florida, Inc.	13,697	13,697	-
Jewish Community Services of South Fla.	13,697	13,697	-
M.U.J.E.R., INC.	13,697	13,697	-
Miami Dade Community Action Agency	13,700	13,700	-
Salvation Army-Dade	13,697	13,697	-
South Florida Urban Ministries, Inc.	13,697	13,697	-
Y.W.C.A. of Greater Miami & Dade County	9,084	9,084	-
Total Distributions to Special Programs	\$ 893,764	\$ 665,457	\$ 228,307
Operation Helping Hands:			
Catholic Charities	\$ 16,208	\$ 15,000	\$ 1,208
CC Pierre Toussaint Center	185,500	185,500	-
Fanm Ayisyen Nan Miyami, Inc.	18,193	18,000	193
Fondation Progres et Developpement	15,000	15,000	-
Food for the Poor	89,795	76,601	13,194
GALATA, Inc.	10,000	10,000	-
Haitian Neighborhood Center, Saint La	55,592	50,000	5,592
Pan American Development Foundation, Inc.	47,580	40,000	7,580
Project Medishare	50,614	50,000	614
Salvation Army-Dade	7,500	7,500	-
South Florida Urban Ministries	20,000	20,000	-
United Way Corporacion Sociedad Activa	8,993	8,993	-
Total Distributions for Operation Helping Hands	\$ 524,975	\$ 496,594	\$ 28,381
Designated Agencies			
America Friends of the Hebrew University SE Region	\$ 27,000	\$ -	\$ 27,000
American Jewish Committee Greater Miami and Broward Chapter	34,389	-	34,389
American Jewish Committee-NY	34,500	-	34,500
American Red Cross	42,262	-	42,262
Archbishop's Charities Drive-ABCD	48,070	-	48,070
Autism Speaks, Inc.	29,157	-	29,157
Ave Maria University, Inc.	55,000	-	55,000
Baptist Health South Florida Foundation	147,045	-	147,045
Belen Jesuit Preparatory School, Inc.	66,808	-	66,808
Bet Tzedek	30,250	-	30,250
Beth David Congregation	38,197	-	38,197
Big Brothers Big Sisters of New York City, Inc.	32,000	-	32,000

United Way of Miami-Dade, Inc. and Subsidiaries
Schedule of Distributions to Agencies
Year ended June 30, 2011

Designated Agencies	Total	Amounts Paid from Annual Campaign Excluding Donor Designated Contributions	Amounts Paid from Donor Designated Contributions
Bowdoin College	\$ 30,000	\$ -	\$ 30,000
Boy Scouts of America, South Florida Council	60,943	-	60,943
Brandeis University	500,000	-	500,000
Camillus House, Inc.	532,169	-	532,169
Cancer Support Community Greater Miami, Inc.	46,822	-	46,822
Carrollton School of the Sacred Heart	110,030	-	110,030
Catholic Charities of the Archdiocese of Miami	55,400	-	55,400
Christopher Columbus High School	25,860	-	25,860
City of Hope	50,000	-	50,000
Community Health Charities of Florida	26,308	-	26,308
Community Partnership For Homeless, Inc.	266,561	-	266,561
Crohn's & Colitis Foundation of America	35,615	-	35,615
Dana-Farber Cancer Institute	100,000	-	100,000
Diabetes Research Institute Foundation, Inc. DRI	25,168	-	25,168
Elton John AIDS Foundation	150,000	-	150,000
Embry-Riddle Aeronautical University, Inc.	1,000,000	-	1,000,000
EQUAL JUSTICE WORKS	35,000	-	35,000
Fairchild Tropical Botanic Garden	30,030	-	30,030
Fisher Island Philanthropic Fund	94,500	-	94,500
Florida Friends of the Israel Defense Forces	35,000	-	35,000
Florida Grand Opera, Inc.	28,500	-	28,500
Florida International University Foundation, Inc.	176,143	-	176,143
Fresh Start Women's Foundation	28,500	-	28,500
Generation Rescue, Inc.	50,000	-	50,000
Grammy Museum Foundation, Inc.	41,500	-	41,500
Greater Miami Hillel Foundation	50,761	-	50,761
Greenwich Family YMCA	50,000	-	50,000
Hackensack University Medical Center Foundation	104,000	-	104,000
His House Children's Home	119,415	-	119,415
In Motion, Inc.	27,500	-	27,500
Jackson Memorial Foundation	142,729	-	142,729
Jewish Federation of Metropolitan Chicago	64,500	-	64,500
Jorge Mas Canosa Freedom Foundation	50,000	-	50,000
Kids in Distress Auxiliary, Inc.	30,000	-	30,000
La Liga Contra el Cancer	42,756	-	42,756
Law Foundation of Silicon Valley	38,000	-	38,000
LAWYERS COMMITTEE FOR CIVIL RI	25,959	-	25,959
Legal Services of Greater Miami, Inc.	27,537	-	27,537
LONG ISLAND UNIVERSITY	100,000	-	100,000
Make a Wish Foundation of Southern Florida, Inc.	255,956	-	255,956
Metropolitan Opera Association, Inc.	79,000	-	79,000

United Way of Miami-Dade, Inc. and Subsidiaries
Schedule of Distributions to Agencies
Year ended June 30, 2011

Designated Agencies	Total	Amounts Paid from Annual Campaign Excluding Donor Designated Contributions	Amounts Paid from Donor Designated Contributions
Miami Art Museum of Dade County Assoc.	\$ 196,943	\$ -	\$ 196,943
Miami Children's Hospital Foundation	31,463	-	31,463
Miami City Ballet	787,719	-	787,719
Miami Dade College Foundation, Inc.	53,659	-	53,659
Miami Museum of Science, Inc	26,801	-	26,801
Mount Sinai Medical Center Foundation	134,701	-	134,701
Musicares Foundation, Inc.	45,000	-	45,000
Myeloma Institute University of Arkansas	1,000,000	-	1,000,000
National Center for Law and Economic Justice	40,000	-	40,000
National Jewish Health - New York	30,000	-	30,000
New Jersey Performing Arts Center	30,000	-	30,000
New World Symphony	141,999	-	141,999
Other Agencies	6,739,807	-	6,739,807
Other United Ways	245,217	-	245,217
Palmer Trinity Private School, Inc.	81,173	-	81,173
Police Officers Assistance Trust, Inc.	223,504	-	223,504
Shake a Leg Miami	28,642	-	28,642
Southampton Hospital Foundation, Inc.	250,000	-	250,000
St. Faith's Episcopal Church	50,750	-	50,750
St. Jude Children's Research Hospital	63,129	-	63,129
T.J. Martell Foundation	54,000	-	54,000
Temple Beth AM	48,322	-	48,322
Temple Beth Sholom	78,117	-	78,117
Temple Menorah	33,995	-	33,995
The Administrators of the Tulane	136,500	-	136,500
The Buoniconti Fund to Cure Paralysis, Inc.	30,225	-	30,225
The Education Fund	124,693	-	124,693
The Leukemia & Lymphoma Society	34,703	-	34,703
The Miami Foundation, Inc.	138,643	-	138,643
The Multiple Myeloma Research Foundation	55,000	-	55,000
Trustees of the University of Pennsylvania	100,000	-	100,000
UJA - Federation of New York	99,400	-	99,400
United Jewish Community of Broward County	27,552	-	27,552
United Service Organizations, Inc.	39,000	-	39,000
University of Iowa Foundation	2,000,000	-	2,000,000
University of Miami Programs	2,611,593	-	2,611,593
University of North Carolina at Chapel Hill	46,250	-	46,250
Voices for Children Foundation, Inc.	59,449	-	59,449

United Way of Miami-Dade, Inc. and Subsidiaries
Schedule of Distributions to Agencies
Year ended June 30, 2011

Designated Agencies	Total	Amounts Paid from Annual Campaign Excluding Donor Designated Contributions	Amounts Paid from Donor Designated Contributions
Women of Tomorrow Mentor & Scholarship	\$ 27,463	\$ -	\$ 27,463
Women's Fund of Miami-Dade County	45,301	-	45,301
Words of Peace International	5,880,810	-	5,880,810
Yeshiva University	500,000	-	500,000
Total Distributions to Designated Agencies	\$ 27,698,363	\$ -	\$ 27,698,363
Total Distributions to Agencies	\$ 42,729,122	\$ 12,013,060	\$ 30,716,062

This schedule presents actual cash distributions made during the year ended June 30, 2011 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, 2011 and 2010

<i>Year ended June 30,</i>	2011	2010
Total net public support ⁽¹⁾	\$ 23,381,107	\$ 24,834,885
Total investments gains (losses) and other income ⁽¹⁾	5,549,013	3,574,928
Donor designations (excluding special contribution) (note 3 and 4)	19,437,507	30,573,448
Special contribution (note 3 and 4)	-	5,151,980
990 special events fundraising adjustment	-	(122,950)
Unrealized (gains)/losses not included on line 12 of Form 990	(3,700,380)	(1,797,732)
Total - Form 990 line 12	\$ 44,667,247	\$ 62,214,559
Operating expenses (overhead):		
Fund-raising	\$ 2,469,926	\$ 2,372,119
Management and general	5,158,523	5,069,966 (2)
Payments to affiliated organizations	373,555	407,111
Total operating expenses	\$ 8,002,004	\$ 7,849,196
Operating expense (overhead) ratio	17.91%	12.62%

(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.

(2) Includes other expenses of \$32,827 recorded as supporting services in the Form 990.

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 Required by Government Auditing
Standards and OMB Circular A-133**



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**INDEPENDENT AUDITORS' 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, 2011, and have issued our report thereon dated December 8, 2011. 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 *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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in the internal control over financial reporting that might be deficiencies, 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 federal and state awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

Miami, Florida
December 8, 2011

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH 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 could have a direct and material effect on each of the United Way's major federal programs for the year ended June 30, 2011. The United Way's major federal programs are 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 each of its major federal programs 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 compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011.

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 a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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 *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 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 program will not be prevented, or detected and corrected, on a timely basis.



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 deficiencies, 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 and State Financial Assistance

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, 2011, and have issued our report thereon dated December 8, 2011. 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 and state financial assistance 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 federal and state awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

Miami, Florida
December 8, 2011

BDO USA, LLP

Certified Public Accountants

**Schedule of Expenditures of Federal Awards and
State Financial Assistance**

United Way of Miami-Dade, Inc. and Subsidiaries
Schedule of Expenditures of Federal Awards and State Financial Assistance
for the Year ended June 30, 2011

Federal or State Agency/Project Title/Pass Through Agency	CFDA / CFSA Numbers	Federal / State Expenditures
U.S. Department of Health and Human Services Office of Administration for Children and Families Head Start Cluster: Head Start and Early Head Start Grants: Pass-through: Miami Dade County - Community Action Agency		
Head Start-Original Head Start Slots	93.600	\$ 99,213
ARRA- Head Start-One-Time Program Improvement	93.708	41,851
ARRA - Head Start Expansion	93.708	57,745
ARRA- Early Head Start Center Based	93.709	81,354
ARRA - Early Head Start Home Based	93.709	69,254
Total Head Start Cluster		349,417
Temporary Assistance for needy families	93.558	149,500
Child Care and Development Block Grant	93.575	158,823
Pass-through: Child Care Mandatory and Matching Funds of the Child Care and Development Fund School Readiness Services	93.596	132,499
Social Services Block Grant	93.667	353
Total Child Care and Development Grants		441,175
Total U.S. Department of Health and Human Services		790,592
U.S. Department of Education Office of Innovation and Improvement Fund for the Improvement of Education	84.215	299,999
Office of Elementary and Secondary Education Early Reading First	84.359	1,106,841
Total for U.S. Department of Education		1,406,840
U.S. Department of Agriculture Office of Food and Nutrition Services Pass-through: State of Florida Department of Health Child and Adult Care Food Program(Contract I-2637)	10.558	62,501
Total for U.S. Department of Agriculture		62,501
Total Expenditures of Federal Awards		2,259,933
Agency for Workforce Innovation Miami-Dade County - Department of Children and Families Pass-through: Early Learning Coalition School Readiness Services (CDS)	93.575	42,664
Voluntary Pre-Kindergarten (VPK)	75.007	57,218
Total Expenditures of State Financial Assistance		99,882
Total Expenditures		\$ 2,359,815

United Way of Miami-Dade, Inc. and Subsidiaries
Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance
for the Year ended June 30, 2011

Note 1 - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards and state financial assistance includes the federal and state 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 2 - SUB-RECIPIENTS

The United Way provided Federal awards totaling approximately \$76,000 to the University of Miami as a sub-recipient during the year ended June 30, 2011.

United Way of Miami-Dade, Inc. and Subsidiaries
Schedule of Findings and Questioned Costs
Year ended June 30, 2011

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements:

Type of auditor's report issued	Unqualified	
Internal control over financial reporting:		
• Material weaknesses identified?	___yes	___X_no
• Significant deficiencies identified not considered to be material weaknesses?	___yes	___X_none reported
• Non-compliance material to financial statements noted?	___yes	___X_no

Federal Programs:

Internal control over major program:		
Material weaknesses identified?	___yes	___X_no
Significant deficiencies identified not considered to be material weaknesses?	___yes	___X_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?	___yes	___X_no
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Identification of major programs:	
CFDA/Contract Numbers	<u>Name of Federal Program or Cluster</u>
84.215	Fund for the Improvement of Education
93.600, 93.708, 93.709	Head Start and Early Head Start Grants Cluster

Dollar threshold used to distinguish between Type A and Type B programs:	\$300,000
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Auditee qualified as low-risk auditee?	___X_yes	___no
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United Way of Miami-Dade, Inc. and Subsidiaries
Schedule of Findings and Questioned Costs
Year ended June 30, 2011

SECTION II - FINANCIAL STATEMENT FINDINGS

During the audit of the year ended June 30, 2011, 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 an OMB Circular A-133 audit.

SECTION III -FEDERAL AWARD FINDINGS AND QUESTIONED COSTS SECTION

During the audit of the year ended June 30, 2011, there were no identified audit findings to be reported under OMB Circular A-133 Section 510.

United Way of Miami-Dade, Inc. and Subsidiaries
Summary Schedule of Prior Audit Findings
Year ended June 30, 2011

SECTION IV - STATUS OF PRIOR YEAR FINDINGS AND COMPLIANCE

Financial Statement Findings:

None

Prior Year Federal Award Findings and Questioned Costs:

Eligibility of enrollees	Remediated
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