

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

Consolidated Financial Statements  
June 30, 2010 and 2009 and Reports on  
Compliance - June 30, 2010

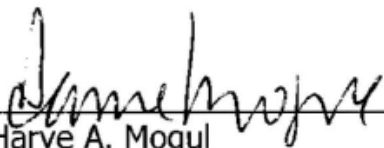


United Way of Miami-Dade  
The Ansin Building  
3250 Southwest Third Avenue  
Miami, Florida 33129-2712  
(305) 860-3000  
[www.unitedwaymiami.org](http://www.unitedwaymiami.org)

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, 2010;
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, 2010.

  
\_\_\_\_\_  
Harve A. Mogul  
President and Chief Executive Officer

11/29/10  
\_\_\_\_\_  
Date

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

11/29/2010  
\_\_\_\_\_  
Date



United Way of Miami-Dade  
The Ansin Building  
3250 Southwest Third Avenue  
Miami, Florida 33129-2712  
(305) 860-3000  
[www.unitedwaymiami.org](http://www.unitedwaymiami.org)

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, 2010;
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", written over a horizontal line.

Claudia Grillo  
Senior Vice President, Impact

A handwritten date "11/30/10" in black ink, written over a horizontal line.

Date

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

## Table of Contents

<b>Independent Auditors' Report</b>	3
<b>Consolidated Financial Statements</b>	
Statements of Financial Position	4
Statements of Activities and Changes in Net Assets	5
Statements of Functional Expenses	7
Statements of Cash Flows	9
Notes to Financial Statements	10
<b>Supplemental Information</b>	
Schedule of Distributions to Agencies for the year ended June 30, 2010	30
Schedule of Operating Expenses (Overhead) for the years ended June 30, 2010 and 2009	36
<b>Reports on Compliance</b>	
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 " <i>Government Auditing Standards</i> "	37
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	38
Schedule of Expenditures of Federal Awards and State Financial Assistance	40
Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance	41
Schedule of Findings and Questioned Costs	42
Summary Schedule of Prior Audit Findings	45



Tel: 305-381-8000  
Fax: 305-374-1135  
www.bdo.com

Sabadell Financial Center  
1111 Brickell Avenue,  
Suite 2801  
Miami, FL 33131

## 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, 2010 and 2009 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, 2010 and 2009, 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 November 23, 2010, 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 30-36 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  
November 23, 2010

*BDO USA, LLP*

Certified Public Accountants

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

## Consolidated Statements of Financial Position

<i>June 30,</i>	<b>2010</b>	<b>2009</b>
<b>Assets</b>		
Cash and equivalents	\$ 2,078,461	\$ 4,927,643
Restricted cash	8,380,122	8,570,193
Investments (Note 2)	25,837,616	23,668,612
Pledges, receivable, less allowance of \$1,566,000 in 2010 and \$1,766,000 in 2009	10,428,049	10,820,138
Pledges receivable, temporarily restricted for Center for Excellence and Children's Advocacy Complex (Note 3)	1,502,903	1,477,592
Donor-designated pledges receivables	15,939,324	6,493,807
Interest in Limited Partnership (Note 12)	4,689,486	3,966,868
Other receivables (Note 3)	591,479	590,468
Grants receivable (Note 3)	1,135,328	648,621
Prepaid expenses and other assets	787,973	809,142
Property and equipment, net (Note 4)	28,971,219	29,880,013
	<b>\$ 100,341,960</b>	<b>\$ 91,853,097</b>
<b>Liabilities and Net Assets</b>		
<b>Liabilities</b>		
Accounts payable and accrued expenses (Note 7)	\$ 2,889,106	\$ 2,289,909
Approved allocations payable	11,018,579	12,125,395
Donor-designated allocations payable	25,649,305	17,615,201
Special contributions allocations payable (Note 12)	4,689,486	3,966,868
Grants payable	179,641	79,423
Pension plan unfunded liability (Note 6)	-	1,332,366
Interest rate swap	1,159,230	541,455
Notes payable (Note 7)	14,850,000	15,435,000
<b>Total liabilities</b>	<b>60,435,347</b>	<b>53,385,617</b>
<b>Commitments and Contingencies (Note 8)</b>		
<b>Net Assets (Notes 9 and 10)</b>		
Unrestricted	31,154,352	31,105,491
Temporarily restricted	2,894,015	2,031,520
Permanently restricted	5,858,246	5,330,469
<b>Total net assets</b>	<b>39,906,613</b>	<b>38,467,480</b>
	<b>\$ 100,341,960</b>	<b>\$ 91,853,097</b>

*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, 2010</i>				<i>Year ended June 30, 2009</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>
<b>Public support, investment gains (losses) and other income:</b>								
Public Support								
Annual campaign, net of estimated uncollectable pledges of \$1,746,000 in 2010 and \$1,932,000 in 2009	\$ 42,495,088	\$ 6,604,245	\$ -	\$ 49,099,333	\$45,126,441	\$ 4,010,900	\$ -	\$ 49,137,341
Special contributions (Notes 5 and 12)	-	5,151,980	-	5,151,980	-	242,109	-	242,109
Less donor designations (Note 5)	(24,809,219)	(10,916,208)	-	(35,725,427)	(26,769,399)	(4,049,331)	-	(30,818,730)
Annual campaign, net	17,685,869	840,017	-	18,525,886	18,357,042	203,678	-	18,560,720
Recovery of uncollectible pledges	217,592	-	-	217,592	51,969	(245,125)	-	(193,156)
Special events	1,074,190	-	-	1,074,190	999,775	-	-	999,775
Other contributions	268,406	-	-	268,406	373,951	-	-	373,951
Grants	3,910,748	185,000	-	4,095,748	2,770,638	213,040	-	2,983,678
Legacies and bequests	125,286	-	527,777	653,063	89,641	-	544,180	633,821
<b>Total public support</b>	<b>23,282,091</b>	<b>1,025,017</b>	<b>527,777</b>	<b>24,834,885</b>	<b>22,643,016</b>	<b>171,593</b>	<b>544,180</b>	<b>23,358,789</b>
<b>Investment gains (losses) and other income:</b>								
Interest and dividend income, net of investment fees of \$271 in 2010 and \$267 in 2009	583,899	-	-	583,899	886,499	-	-	886,499
Realized gains (losses) on sales of investment, net of investment fees of \$57,755 in 2010 and \$75,721 in 2009	66,155	-	-	66,155	(4,115,620)	-	-	(4,115,620)
Unrealized gains (losses) on investments, net	978,467	819,265	-	1,797,732	(3,235,504)	-	-	( 3,235,504)
Tuition income	602,413	-	-	602,413	590,544	-	-	590,544
Rental income (Note 13)	389,486	-	-	389,486	358,559	-	-	358,559
Other income, net	135,243	-	-	135,243	154,804	-	-	154,804
<b>Total investment gains (losses) and other income</b>	<b>2,755,663</b>	<b>819,265</b>	<b>-</b>	<b>3,574,928</b>	<b>(5,360,718)</b>	<b>-</b>	<b>-</b>	<b>(5,360,718)</b>
Net assets released from restrictions:								
Expiration of time restrictions	981,787	(981,787)	-	-	3,661,344	(3,661,344)	-	-
<b>Total public support, revenue and other</b>	<b>\$ 27,019,541</b>	<b>\$ 862,495</b>	<b>\$ 527,777</b>	<b>\$ 28,409,813</b>	<b>\$20,943,642</b>	<b>\$ (3,489,751)</b>	<b>\$544,180</b>	<b>\$ 17,998,071</b>

*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, 2010</i>				<i>Year ended June 30, 2009</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	\$ 10,806,237	\$ -	\$ -	\$ 10,806,237	\$ 11,846,197	\$ -	\$ -	\$ 11,846,197
Grant expenses	2,269,985	-	-	2,269,985	1,818,008	-	-	1,818,008
<b>Total distribution to agencies and grant expenses</b>	<b>13,076,222</b>	<b>-</b>	<b>-</b>	<b>13,076,222</b>	<b>13,664,205</b>	<b>-</b>	<b>-</b>	<b>13,664,205</b>
Payments to affiliated organizations								
Payments to United Way Worldwide	375,300	-	-	375,300	425,591	-	-	425,591
Payments to United Way of Florida	31,811	-	-	31,811	36,000	-	-	36,000
Payments to United Way International	-	-	-	-	2,500	-	-	2,500
<b>Total payments to affiliated organizations</b>	<b>407,111</b>	<b>-</b>	<b>-</b>	<b>407,111</b>	<b>464,091</b>	<b>-</b>	<b>-</b>	<b>464,091</b>
Functional expenses								
Program services	5,377,832	-	-	5,377,832	5,208,181	-	-	5,208,181
Supporting services	7,409,858	-	-	7,409,858	7,438,181	-	-	7,438,181
<b>Total functional expenses</b>	<b>12,787,690</b>	<b>-</b>	<b>-</b>	<b>12,787,690</b>	<b>12,646,362</b>	<b>-</b>	<b>-</b>	<b>12,646,362</b>
Other expenses	32,000	-	-	32,000	(42,785)	61,755	-	18,970
Pension Plan expense (income) (Note 6)	49,883	-	-	49,883	(873,422)	-	-	(873,422)
Fair market derivative loss (Note 7)	617,774	-	-	617,774	518,623	-	-	518,623
<b>Total distributions and expenses</b>	<b>26,970,680</b>	<b>-</b>	<b>-</b>	<b>26,970,680</b>	<b>26,377,074</b>	<b>61,755</b>	<b>-</b>	<b>26,438,829</b>
Change in net assets	48,861	862,495	527,777	1,439,133	(5,433,432)	(3,551,506)	544,180	(8,440,758)
Net assets, beginning of year	31,105,491	2,031,520	5,330,469	38,467,480	36,538,923	5,583,026	4,786,289	46,908,238
Net assets end 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

*See accompanying notes to the consolidated financial statements*

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

## Consolidated Statements of Functional Expenses

<i>Year ended June 30,</i>	<i>Program Services</i>	<i>Supporting Services</i>		<i>Total Supporting Services</i>	<b>2010</b>
		<i>Fundraising</i>	<i>Management and General</i>		
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
<b>Total salaries and related expenses</b>	<b>2,991,609</b>	<b>1,611,768</b>	<b>3,353,348</b>	<b>4,965,116</b>	<b>7,956,725</b>
Professional fees and contractual services	30,250	19,105	226,298	245,403	275,653
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	261,152	49,118	129,328	178,445	439,597
<b>Total expenses before depreciation and amortization</b>	<b>4,651,416</b>	<b>2,270,562</b>	<b>4,800,913</b>	<b>7,071,474</b>	<b>11,722,890</b>
Depreciation and amortization of property and equipment	726,416	101,241	237,143	338,384	1,064,800
<b>Total functional expenses</b>	<b>\$ 5,377,832</b>	<b>\$ 2,371,803</b>	<b>\$ 5,038,056</b>	<b>\$ 7,409,858</b>	<b>\$ 12,787,690</b>

*See accompanying notes to the consolidated financial statements*

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

## Consolidated Statements of Functional Expenses

<i>Year ended June 30,</i>	<i>Supporting Services</i>			<i>Total Supporting Services</i>	<b>2009</b>
	<i>Program Services</i>	<i>Fundraising</i>	<i>Management and General</i>		
Salaries	\$ 2,269,353	\$ 1,339,510	\$ 2,873,811	\$ 4,213,321	\$ 6,482,674
Employee benefits	432,263	222,411	499,405	721,816	1,154,079
Payroll taxes	174,521	93,735	196,529	290,264	464,785
<b>Total salaries and related expenses</b>	<b>2,876,137</b>	<b>1,655,656</b>	<b>3,569,745</b>	<b>5,225,401</b>	<b>8,101,538</b>
Professional fees and contractual services	47,643	55,204	234,528	289,732	337,375
Data processing	111	1,716	25,851	27,567	27,678
Occupancy	510,346	101,001	243,994	344,995	855,341
Interest expense	434,514	72,945	180,996	253,941	688,455
Public relations and information	56,143	96,916	165,118	262,034	318,177
Conferences and non-local meetings	12,252	11,333	23,046	34,379	46,631
Rental and maintenance of equipment	364	5,649	85,098	90,747	91,111
Supplies	7,122	5,048	8,942	13,990	21,112
Local transportation	17,136	17,504	24,238	41,742	58,878
Local meetings	33,348	69,826	74,932	144,758	178,106
Postage	5,899	6,935	14,605	21,540	27,439
Telephone	22,533	31,111	49,140	80,251	102,784
Other expenses	481,828	43,678	200,042	243,720	725,548
<b>Total expenses before depreciation and amortization</b>	<b>4,505,376</b>	<b>2,174,522</b>	<b>4,900,275</b>	<b>7,074,797</b>	<b>11,580,173</b>
Depreciation and amortization of property and equipment	702,805	101,728	261,656	363,384	1,066,189
<b>Total functional expenses</b>	<b>\$ 5,208,181</b>	<b>\$ 2,276,250</b>	<b>\$ 5,161,931</b>	<b>\$ 7,438,181</b>	<b>\$ 12,646,362</b>

*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>	2010	2009
<b>Cash Flows from Operating Activities:</b>		
Change in net assets	\$ 1,439,133	\$ (8,440,758)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation and amortization	1,064,800	1,066,189
Change in allowance for uncollectible pledges	(200,000)	(1,399,000)
Unrealized (gains) losses on investments, net	(978,467)	3,235,504
Realized (gains) losses on sale of investments, net	(66,156)	4,115,622
Fair value derivative loss	617,775	518,623
Change in operating assets and liabilities:		
Restricted cash	240,778	(1,673,616)
Pledges receivable	592,089	1,494,228
Pledges receivable, temporarily restricted for Center for Excellence	(25,311)	1,370,471
Donor-designated pledges receivables	(9,445,517)	2,784,868
Interest in limited partnership	(722,618)	(242,109)
Other receivables	(1,011)	17,508
Grants receivable	(486,707)	348,627
Prepaid expenses and other assets	21,169	177,458
Accounts payable and accrued expenses	599,197	(467,454)
Pension plan unfunded liability	(1,332,366)	(3,125,468)
Approved allocations payable	(1,106,817)	(3,919,141)
Donor-designated allocations payable	8,034,105	430,631
Special contributions payable	722,618	242,109
Grants payable	100,219	77,943
<b>Net cash used in operating activities:</b>	<b>(933,087)</b>	<b>(3,387,765)</b>
<b>Cash Flows from Investing Activities:</b>		
Proceeds from sale investments	11,482,239	28,260,371
Purchase of investments	(12,657,330)	(22,328,610)
Purchase of property and equipment	(156,004)	(123,770)
<b>Net cash (used in) provided by investing activities</b>	<b>(1,331,095)</b>	<b>5,807,991</b>
<b>Cash Flows from Financing Activities:</b>		
Repayment of notes payable	(585,000)	(565,000)
<b>Net cash used in financing activities</b>	<b>(585,000)</b>	<b>(565,000)</b>
<b>Net (decrease) increase in cash and cash equivalents</b>	<b>(2,849,182)</b>	<b>1,855,226</b>
<b>Cash and cash equivalents-beginning of the year</b>	<b>4,927,643</b>	<b>3,072,417</b>
<b>Cash and cash equivalents-end of year</b>	<b>\$ 2,078,461</b>	<b>\$ 4,927,643</b>
<b>Supplemental Disclosure:</b>		
Interest paid, net of amounts capitalized	\$ 831,393	\$ 688,454

*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. 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, 2010 and 2009, United Way received a grant and Early Head Start funding from the unrelated not-for-profit organization amounting to \$295,422 and \$581,050, 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 \$530,640 and \$499,712 for the years ending June 30, 2010 and 2009 from this organization.

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, 2010 and 2009.

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

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

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

## Notes to Consolidated Financial Statements

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

#### Basis of Presentation

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

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

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

#### Endowment Net Asset Classification

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 not yet enacted UPMIFA. However, there are certain disclosures which are required (refer to Note 10).

#### 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. The distribution of Community Plan funds are distributed monthly commencing the subsequent July, while funds that are contributor restricted to specific agencies are disbursed quarterly.

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

Contributions with donor or grantor restrictions that limit the use of donated assets are reported as either temporarily or permanently restricted support in the consolidated 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.

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

## Notes to Consolidated Financial Statements

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

**Cash and Cash Equivalents**

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

**Restricted Cash**

Restricted cash are segregated Contributor Advised Fund ("CAF") accounts held in a financial institution. CAF accounts are accounts set up by United Way on behalf of donors 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, 2010. Accordingly, United Way has recorded a liability of approximately \$8,532,000 as a component of donor-designated allocations payable in the accompanying consolidated statements of financial position, representing the restricted cash that has not been released by the donors. As of June 30, 2010, the restricted cash was \$8,329,415; there is \$203,000 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 change in net assets. These gains and losses and other investment income are reflected in the consolidated statements of activities and changes in net assets as changes in unrestricted net assets or temporarily restricted net assets.

**Fair Value Measurements**

According to FASB ASC 820-10 "Fair Value Measurement", 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.

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

## Notes to Consolidated Financial Statements

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

**Level 1** - quoted prices in active markets for identical investments

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

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

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

**Short-term Investments**

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

**Equity Securities**

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

**Mutual Funds and other Exchange Traded Funds (ETFs)**

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

**Federal Agency Debt Securities**

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

**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.

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

## Notes to Consolidated Financial Statements

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

**Fund of Funds**

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

**Interest Rate Swap**

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

**Contributions Designated to Other Organizations**

Donors contributing to United Way campaigns may choose to direct all or part of their contributions to specific agencies as described in the Internal Revenue Service Code Section 501(c)3. These transactions are reported in the consolidated 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. The discount rate used to record the present value of future cash flows was US treasury rate approximately 6% for the years ended June 30, 2010 and 2009. Amortization of the discount is recorded in grant revenue. All grants receivable were current as of June 30, 2010 (Note 3).

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

## Notes to Consolidated Financial Statements

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

**Property and Equipment**

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

Depreciation of property and equipment is determined using the straight-line method, based on estimated useful lives of 3 to 39 years.

**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, 2010 and 2009.

**Special Events**

Annually, United Way hosts various special events to supplement its fundraising activities. Revenues from special events are reported at net in the accompanying consolidated statements of activities and changes in net assets. For the years ended June 30, 2010 and 2009, costs related to the special events amounted to approximately \$588,000 and \$545,000, respectively.

**Rental Income**

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

**Deferred Lease Incentive**

United Way accounts for operating leases in accordance with the provisions of 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).

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

## Notes to Consolidated Financial Statements

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

**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**

Three donors accounted for 68% and two donors accounted for 73% of temporarily restricted net annual campaign revenues for the years ended June 30, 2010 and 2009, respectively. In addition, two donors accounted for 77% of the donor-designated pledges receivables at June 30, 2010.

**Income Taxes**

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

United Way adopted the provisions of FASB 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. The implementation of FASB ASC 740 had no impact on the United Way's consolidated financial statements. United Way does not believe there are any material uncertain tax positions and accordingly has not recognized any liability for unrecognized tax benefits. United Way has filed for and received income tax exemptions in the jurisdictions where it is required to do so. Additionally, United Way has filed Internal Revenue Service Form 990 tax returns as required and all other applicable returns in those jurisdictions where it is required. United Way believes that it is no longer subject to U.S. federal, state and local, or non-U.S. income tax examinations by tax authorities for years before 2007. However, United Way is still open to examination by taxing authorities from fiscal year 2007 forward. No interest or penalties were recorded in the financial statements as a result of the FASB ASC 740.

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

## Notes to Consolidated Financial Statements

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

**Reclassification**

Certain amounts in the 2009 consolidated financial statements have been reclassified to conform to the 2010 presentation.

**Subsequent Events**

The date to which events occurring after June 30, 2010, the date of the most recent statement of financial position, has been evaluated for possible adjustments to the financial statements or disclosure is November 23, 2010.

2. **Investments**

At June 30<sup>th</sup> investments consisted of the following:

	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
	<b>\$ 25,709,436</b>	<b>\$ 1,419,184</b>	<b>\$ (1,291,004)</b>	<b>\$ 25,837,616</b>

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

The change in unrealized gains (losses) for the years ended June 30, 2010 and 2009 are reflected as a component of the investment return in the accompanying consolidated statements of activities and changes in net assets. At June 30, 2010 and 2009, investment activity includes \$38,416 and \$27,555 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.

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

## Notes to Consolidated Financial Statements

### 2. Investments (Continued)

The following summarizes the contractual schedule maturities of the investments in debt securities as of June 30, 2010:

<i>Year ended June 30,</i>	<i>Amount</i>
2011	\$ 786,329
2012	657,154
2013	1,312,475
2014	556,324
2015	1,293,448
Thereafter	714,520
	<b>\$ 5,320,250</b>

### 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 table presents information about United Way's assets measured at fair value as of June 30, 2010 :

<i>Assets</i>	<b>Quoted prices in active markets for identical assets (Level 1)</b>	<b>Significant other observable in puts (Level 2)</b>	<b>Significant unobservable inputs (Level 3)</b>	<b>Total</b>
Short term investments	\$ 616,128	\$ -	\$ -	\$ 616,128
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
<b>Total</b>	<b>\$20,745,782</b>	<b>\$ -</b>	<b>\$9,832,027</b>	<b>\$30,577,809</b>

### Liabilities

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 year ended June 30, 2010 are as follows:

	<b>Beginning Balance</b>	<b>Net Purchases</b>	<b>Net Unrealized Gains (Losses)</b>	<b>Total</b>
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
<b>Total</b>	<b>\$8,797,604</b>	<b>\$ (96,647)</b>	<b>\$ 1,131,070</b>	<b>\$9,832,027</b>

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

## Notes to Consolidated Financial Statements

### 2. Investments (Continued)

The change in unrealized gains (losses) for the year ended June 30, 2010 for investments held at June 30, 2010 is reflected as a component of investment return in the accompanying statement of activities and changes in net assets.

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 table presents information about United Way's assets measured at fair value as of June 30, 2009:

*As of June 30, 2009*

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

#### Liabilities

Interest rate swap	\$ -	\$ -	\$ 541,455	\$ 541,455
--------------------	------	------	------------	------------

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

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

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

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

## Notes to Consolidated Financial Statements

### 3. Long-Term Pledges, Grants and Other Receivables

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

	2010	2009
Grants receivable	<b>\$1,135,328</b>	\$ 648,621
Other receivables less allowance for uncollectible receivables of \$237,899 in 2010 and \$172,199 in 2009	<b>591,479</b>	590,468
Total grants and other receivables	<b>1,726,807</b>	1,239,089
Pledges receivable, temporarily restricted for CFE	<b>1,502,903</b>	1,477,592
Total long-term pledges, grants and other receivables	<b>\$3,229,710</b>	\$ 2,716,681

The maturity of long-term pledges, grants and other receivables at June 30, 2010 are as follows:

	Grants receivable	Other receivables	Pledges receivable temporarily restricted for “CFE” and “CFS”
Less than one year	<b>\$1,135,328</b>	<b>\$591,479</b>	<b>\$1,350,826</b>
One to five years	-	-	<b>167,500</b>
Unamortized discount	-	-	<b>(15,734)</b>
Net of Discounts	<b>\$1,135,328</b>	<b>\$591,479</b>	<b>\$1,502,592</b>

### 4. Property and Equipment

At June 30 property and equipment consisted of the following:

	2010	2009
Land	<b>\$ 3,713,000</b>	\$ 3,713,000
Building and improvements	<b>27,858,861</b>	27,874,998
Computer equipment	<b>1,751,422</b>	1,660,674
Office furniture and equipment	<b>1,533,353</b>	1,456,604
Vehicles	<b>59,215</b>	59,215
	<b>34,915,851</b>	34,764,491
Less: accumulated depreciation	<b>(5,944,632)</b>	(4,884,478)
Total property and equipment, net	<b>\$28,971,219</b>	\$ 29,880,013

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

## Notes to Consolidated Financial Statements

### 5. Donor-Designated Contributions

United Way receives certain pledges designated by donors for distribution to organizations both affiliated and unaffiliated with United Way. All restricted pledges, subject to collection and net of administrative fees, are distributed as designated by the donors. Donor-designated contributions available for distribution for the years ended June 30, 2010 and 2009 resulted from the following programs:

	2010	2009
Contributors' Choice, net	\$ 29,611,758	\$ 30,398,870
Special Contribution (Note 12)	5,971,245	242,109
Florida State Employee Campaign, net	142,424	177,751
	<u>\$ 35,725,427</u>	<u>\$ 30,818,730</u>

### 6. Employees' Retirement Plans

United Way had a defined benefit pension plan (the "Plan") covering substantially all of its employees, which was terminated effectively on April 1, 2008. The benefits were based on years of service and each employee's average earnings received during the highest five consecutive years out of the last ten years of employment through the termination date of the Plan. Contributions were intended to provide not only for benefits attributed to service to date but also for future inflationary and economic factors. The funding policy was to contribute the larger of the amount required to fully fund the Plan's current liability or the amount necessary to meet the funding requirements as defined by the Internal Revenue Code, but not an amount less than the ERISA minimum funding requirement. Accumulated Plan assets were distributed to the beneficiaries by November 15<sup>th</sup>, 2009.

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

	2010	2009
Change in projected benefit obligation:		
Benefit obligation at beginning of year	\$ 1,481,453	\$ 11,722,054
Service cost	-	-
Interest cost	-	-
Actuarial loss (gain)	-	(636,422)
Plan termination liability	-	-
Lump sums and annuities paid	(1,481,453)	(9,604,179)
Benefit obligation at end of year	<u>\$ -</u>	<u>\$ 1,481,453</u>
Change in plan assets:		
Fair value of plan assets at beginning of year	\$ 1,481,453	\$ 8,282,502
Actual return on plan assets	-	(741,536)
Employer contributions	-	3,544,666
Lump sums and annuities paid	(1,481,453)	(9,604,179)
Fair value of plan assets at end of year	<u>\$ -</u>	<u>\$ 1,481,453</u>

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

## Notes to Consolidated Financial Statements

- 6. Employees' Retirement Plans** As of June 30, 2010, the United Way paid its funding liability to the Plan and all distributions were made to participants or annuities.  
(Continued)

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

	2010	2009
Discount rates	N/A	5.24%; 5.69%; 5.37%
Rate of compensation increase	N/A	N/A

Two employer matching 401(k) plans were created subsequent to the Plan termination, and beneficiaries could elect to rollover the funds from the Plan to the 401(k) plans, an IRA or cash out the funds. The 401(k) plans include a 3% safe harbor employer contribution and 3% employee contribution, which United Way will match 50% of the employee contribution up to 6% of the employee annual's compensation. Selected staff also receives a 3% profit sharing. For the years ended June 30, 2010 and 2009, the United Way expense was \$296,779 and \$257,519, respectively.

**7. Notes Payable**

**Tax-Exempt Industrial Revenue Bonds**

In May 2008, United Way executed a loan agreement, payable on demand, with the Miami-Dade County Industrial Development Authority ("Issuer") in conjunction with the issuance of the Tax-exempt Industrial Revenue Bonds ("Bonds"), par values totaling \$16,000,000. Additionally, as security for the payment of the loan, United Way has negotiated an irrevocable letter of credit issued by a financial institution for an amount not to exceed \$16,240,000. Pursuant to the loan agreement, the Issuer lends the proceeds from the sale of the Bonds to United Way. The funds were used to pay down prior notes payable and interest rate swap agreement related to the Ansin, CFE and CAC buildings and to fund the cost related to the issuance of the Bonds, as discussed below.

United Way has \$14,850,000 and \$15,435,000 in outstanding balances under the loan agreement at June 30, 2010 and 2009, respectively; bearing a variable interest rate with the maximum rate being 12% (effective rate 2.31% at June 30, 2010), 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, 2010, 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, 2010 and 2009, approximately \$18,000 and \$13,000 respectively was amortized and recorded in the accompanying consolidated statements of activities and changes in net assets.

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

## Notes to Consolidated Financial Statements

### 7. Notes Payable

*(Continued)*

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, 2010 and 2009, the notional amount on the swap agreement equaled the outstanding balance of the loan, and the fair market value of the swap agreement approximated \$(1,159,000) and \$(541,000), 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, 2010 and 2009, United Way recognized a loss of approximately \$618,000 and \$519,000 and is included as a component of fair market derivative loss in the accompanying consolidated statements of activities and changes in net assets.

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

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. For the year ending June 30, 2010, approximately \$5,000 was amortized and recorded in the accompanying consolidated statements of activities and changes in net assets. 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, 2010, United Way is in compliance with the covenants.

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

## Notes to Consolidated Financial Statements

7. **Notes Payable**  
(Continued)

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

<u>Fiscal Year</u>	<u>Amount</u>
2011	\$ 605,000
2012	630,000
2013	650,000
2014	670,000
2015	695,000
Thereafter	11,600,000
Totals	\$ 14,850,000

8. **Commitments and  
Contingencies**

Contingencies

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

Economic Conditions

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

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

## Notes to Consolidated Financial Statements

### 9. Net Assets

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

	2010	2009
<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	490,107	1,129,646
Property Fund	21,494,266	21,955,155
<b>Total board designated programs</b>	<b>\$23,865,831</b>	<b>\$ 24,966,259</b>
Board designated endowment	\$ 7,100,298	\$ 6,924,084
Unrealized gains (losses) on investments	89,207	(889,260)
<b>Unrestricted and undesignated</b>	<b>99,016</b>	<b>104,408</b>
<b>Total unrestricted net assets</b>	<b>\$31,154,352</b>	<b>\$ 31,105,491</b>

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

	2010	2009
Pledges restricted to future campaigns	\$2,037,382	\$ 770,570
Capital Campaign	856,633	1,260,950
	<b>\$2,894,015</b>	<b>\$ 2,031,520</b>

Permanently restricted net assets at June 30, 2010 and 2009 amounted to \$5,858,246 and \$5,330,469, respectively, which consisted of endowments subject to income restrictions.

### 10. Endowment Net Asset Classification

As of June 30, 2010, 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 and would designate these funds as named funds provided the gift is a minimum of \$250,000. These gifts are recorded as permanently restricted in the consolidated statements of financial position.

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

## Notes to Consolidated Financial Statements

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

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

For the years ended June 30, 2010 and 2009, United Way had the following endowment related activities:

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

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

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

## Notes to Consolidated Financial Statements

**11. Concentration of Credit Risk**

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

**12. 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 asset 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. 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 were recognized as agency transactions and the corresponding liability was reflected in the consolidated statement of financial position as of June 30, 2010.

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 organization's financial statements.

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

## Notes to Consolidated Financial Statements

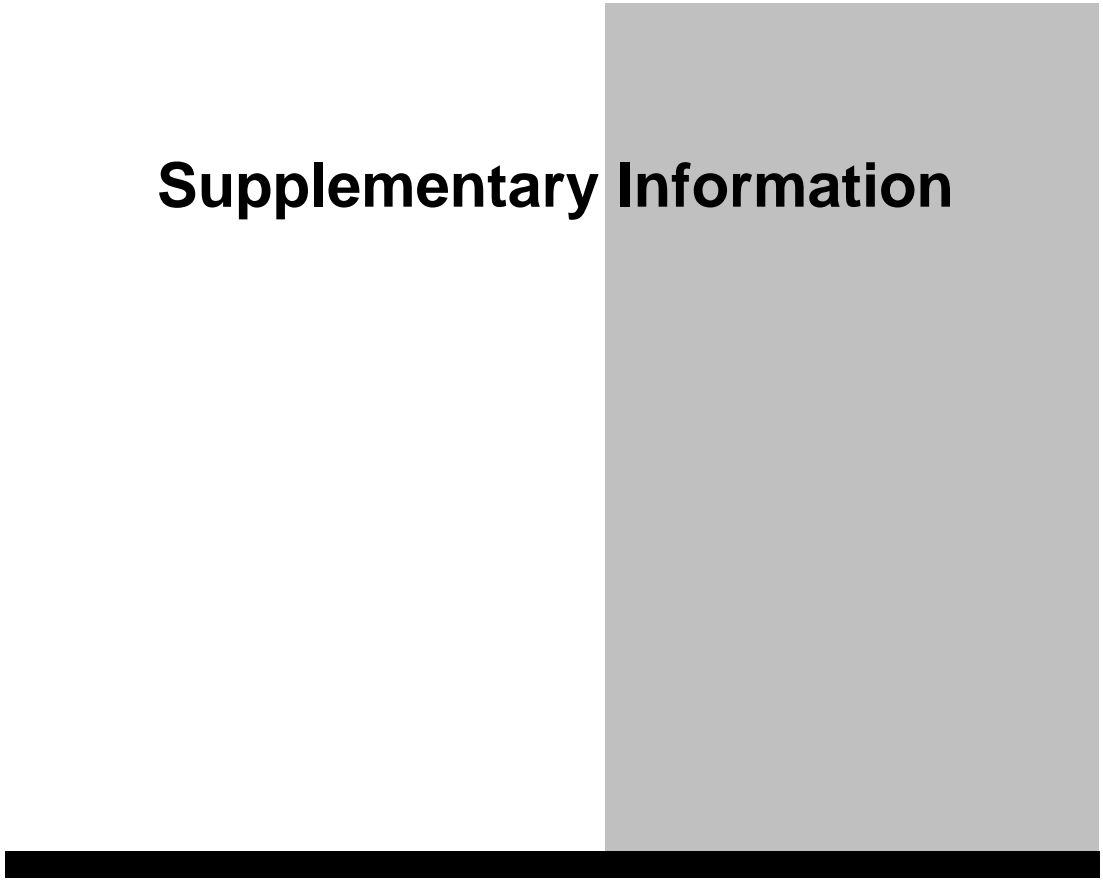
### 13. Leasing Arrangements

In November 2006, 3250 REH and CAC entered into separate 5-year lease agreements to rent office space to an unrelated non-profit organization (“lessee”). Approximate minimum net future rental income under non-cancellable operating leases in effect at June 30, 2010 are as follows:

<u>June 30,</u>	<u>Amount</u>
<i>2011</i>	\$ <b>546,000</b>
<i>2012</i>	<b>364,000</b>
	<b>\$ 910,000</b>

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, 2010 and 2009, net rental income amounted to approximately \$389,000 and \$359,000, 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, 2010 and 2009 amounting to approximately \$295,000 and \$551,000 respectively.

# Supplementary Information



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

## Schedule of Distributions to Agencies Year ended June 30, 2010

Affiliated Agencies	Total	Amounts Paid from Annual Campaign Excluding Donor Designated Contributions	Amounts Paid from Donor Designated Contributions
American Red Cross – Greater Miami Chapter	\$ 475,783	\$ 330,000	\$ 145,783
Aspira of Florida, Inc.	68,441	66,319	2,122
Association for Retarded Citizens	280,901	271,400	9,501
Belafonte- Tacolcy Center	85,640	70,250	15,390
Big Brothers/Big Sisters of Greater Miami	530,681	462,087	68,594
Boys & Girls Clubs of Miami	366,883	357,298	9,585
Care Resources	220,377	200,666	19,711
Catholic Charities Emergency Services	70,174	70,174	0
CCS/Catholic Services to the Elderly	86,191	76,939	9,252
CCS/Centro Hispano Catholic Child Care Center	51,531	49,435	2,096
CCS/Centro Mater	160,762	150,975	9,787
CCS/Counseling & Emergency Services	56,467	56,467	0
CCS/Good Shepherd Child Care Center	40,506	39,270	1,236
CCS/New Life Family Shelter	81,739	75,000	6,739
CCS/Notre Dame Day Care	164,662	164,000	662
CCS/Sagrada Familia Child Care	85,566	83,000	2,566
CCS/St. Luke's Recovery Center	83,225	82,500	725
CCDH	38,111	35,000	3,111
Center for Family & Child Enrichment	53,187	47,850	5,337
Centro Campesino	133,730	121,929	11,801
Charlee of Dade County, Inc.	109,192	96,750	12,442
Children's Home Society of Miami	160,216	99,600	60,616
Citrus Health Network, Inc.	172,605	171,226	1,379
Coconut Grove Cares Inc.	99,274	74,395	24,879
Community Smiles	27,900	27,900	0
Cool Kids Learn	64,940	64,499	441
Consumer Credit Counseling	70,179	70,000	179
Cuban American National Council	39,595	38,000	1,595
Dade Marine Institute	202,142	196,199	5,943
Dave and Mary JCC	191,612	161,359	30,253
Easter Seals South Florida, Inc	120,138	112,143	7,995
Empower U, Inc.	82,821	79,088	3,732
Epilepsy Foundation	67,484	59,357	8,127
Family Christian Association of America	139,812	134,268	5,544
Family Counseling Services	475,691	466,339	9,352
Family Resource Center	62,246	53,500	8,746
Florida Heart Research Institute	25,880	18,600	7,280
Foster Care Review	97,853	71,200	26,653
Girl Scout Council of Tropical Florida	437,113	415,320	21,793
Goodwill Industries	495,425	473,000	22,425

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

## Schedule of Distributions to Agencies Year ended June 30, 2010

Affiliated Agencies	Total	Amounts Paid from Annual Campaign Excluding Donor Designated Contributions	Amounts Paid from Donor Designated Contributions
Jewish Community Services	\$ 801,131	\$ 763,743	\$ 37,388
Healthy Start Coalition of Miami-Dade	40,781	40,000	781
Hearing & Speech Center of Florida	227,425	219,485	7,940
Institute for Child and Family Health	524,510	522,332	2,178
Jewish Federation Of Greater Miami	1,715,509	-	1,715,509
Little Havana Activities and Nutrition Centers	292,256	273,913	18,343
Lutheran Services Florida	23,799	18,000	5,799
Miami Beach Community Health Center	39,705	37,759	1,946
Miami Behavioral Health Center	76,500	76,500	-
Miami Bridge Youth and Family Services	241,475	235,470	6,005
UM Linda Ray Intervention Center	91,262	90,000	1,262
Miami Jewish Home & Hospital for the Aged	129,540	102,352	27,188
Michael-Ann Russell Jewish Community Center	113,928	112,053	1,875
New Horizons Community Mental Health Center	64,018	56,320	7,698
North Miami Foundation	8,681	8,571	110
Open Door Health Center, Inc.	48,722	46,000	2,722
Our Child Care, Inc.	46,096	46,046	50
Overtown Youth Center, Inc.	169,343	33,250	136,093
Redlands Christian Migrant Association	218,357	214,310	4,047
Richmond-Perrine Optimist Club	111,489	103,000	8,489
Salvation Army	648,926	596,544	52,382
Southwest Social Services Program	68,752	65,217	3,535
St. Alban's Child Enrichment Center	81,565	75,000	6,565
Suited for Success	48,836	45,458	3,378
Switchboard of Miami, Inc.	149,476	138,000	11,476
United HomeCare Services	763,450	759,358	4,092
Urban League of Greater Miami	238,906	234,069	4,837
YMCA of Greater Miami	391,500	357,130	34,370
Youth Co-Op	247,571	246,948	623
YWCA of Greater Miami Total	367,457	359,595	7,862
<b>Total Distribution to Affiliated Agencies</b>	<b>\$ 14,267,640</b>	<b>\$ 11,569,725</b>	<b>\$ 2,697,915</b>

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

## Schedule of Distributions to Agencies Year ended June 30, 2010

Affiliated Agencies	Total	Amounts Paid from Annual Campaign Excluding Donor Designated Contributions	Amounts Paid from Donor Designated Contributions
<b>Special Programs:</b>			
Hands On Miami / Center for Not for Profit Effectiveness	\$ 69,332	\$ 63,748	\$ 5,584
University of Miami - Mailman Center	159,953	159,953	-
Family Central, Inc.	649,049	649,049	-
The Early Childhood Initiative Foundation	350,000	-	350,000
University of Miami-Sponsored Programs	70,337	70,337	-
<b>FEMA Distributions:</b>			
Curley's House of Style	5,000	5,000	-
Overtown Youth Center	2,500	2,500	-
Jewish Community Services of S. Florida	15,703	15,703	-
<b>Total distributions to Special Programs</b>	<b>\$ 1,321,901</b>	<b>\$ 966,290</b>	<b>\$ 355,584</b>
<b>Operations Helping Hands:</b>			
Pan American Development Foundation	\$190,000	\$ 90,000	\$ 100,000
World Vision	867,913	433,395	434,518
UNICEF	1,000	1,000	-
UM Global Institute Disaster Relief Funds	123,199	123,000	199
Food for the Poor.	223,698	214,916	8,782
<b>Total distribution for OHH/ Hurricane Relief Funds</b>	<b>\$ 1,405,810</b>	<b>\$ 862,311</b>	<b>\$ 543,499</b>
<b>Designated Agencies</b>			
American Academy of Neurology, Education	\$ 100,000	\$ -	\$ 100,000
American Jewish Committee-NY	45,500	-	45,500
American Red Cross, West Palm Beach	25,082	-	25,082
Atlantic Legal Foundation.	31,000	-	31,000
American Heart Association, Dallas	30,000	-	30,000
American Jewish Committee Gtr. Miami and Broward Chapter	38,631	-	38,631
Archbishop's Charities Drive-ABCD	44,611	-	44,611
Archdiocese of Miami	1,000,000	-	1,000,000
Beth David Congregation	29,038	-	29,038
Baptist Health South Florida Foundation	46,295	-	46,295
Baseball Assistance Team, Inc.	56,000	-	56,000
Baptist Health South Florida Sunshine Fund	35,637	-	35,637
Belen Jesuit Preparatory Scholl	106,856	-	106,856
Boy Scouts of America, South Florida Council	76,482	-	76,482
Brandeis University	150,000	-	150,000

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

## Schedule of Distributions to Agencies Year ended June 30, 2010

Designated Agencies	Total	Amounts Paid from Annual Campaign Excluding Donor Designated Contributions	Amounts Paid from Donor Designated Contributions
Camillus House, Inc.	\$ 1,601,010	\$ -	\$ 1,601,010
Carrollton School of the Sacred Heart	65,643	-	65,643
Catholic Charities of the Archdiocese of Miami	65,898	-	65,898
Archdiocese of Miami	1,000,000	-	1,000,000
Children's Healthcare of Atlanta Fnd., Inc.	26,500	-	26,500
Christopher Columbus High School	26,563	-	26,563
City of Hope	45,000	-	45,000
Community Partnership For Homeless, Inc.	498,525	-	498,525
Council for Educational Change, Inc.	240,000	-	240,000
Crohn's & Colitis Foundation of America	30,389	-	30,389
Community Health Charities of Florida	42,246	-	42,246
Dade Community Foundation	205,648	-	205,648
East Harlem Tutorial Program	27,500	-	27,500
Educate Tomorrow Corp.	107,997	-	107,997
Fairchild Tropical Botanic Garden	96,577	-	96,577
Florida Immigrant Advocacy Center	39,130	-	39,130
Fisher Island Philanthropic Fund	102,500	-	102,500
Friends of the Bass Museum	67,700	-	67,700
Florida International University Foundation, Inc.	111,030	-	111,030
Greater Miami Hillel Foundation	50,000	-	50,000
Hackensack University Medical Center Foundation	102,000	-	102,000
His House Children's Home	150,417	-	150,417
Horace Mann School	125,000	-	125,000
In Motion, Inc.	31,000	-	31,000
Jackson Memorial Foundation	166,241	-	166,241
Jewish Federation of Metropolitan Chicago	61,000	-	61,000
La Liga Contra el Cancer	76,958	-	76,958
Lincoln Center for the Performing Arts	42,000	-	42,000
Make a Wish Foundation of Southern Florida, Inc.	130,596	-	130,596
Martha's Vineyard Hospital	50,875	-	50,875
Massachusetts General Hospital	50,000	-	50,000
Metropolitan Opera Association, Inc	170,000	-	170,000
MFY Legal Services, Inc.	30,500	-	30,500
Miami Art Museum of Dade County	158,325	-	158,325
Miami Children's Hospital Foundation	145,051	-	145,051
Miami City Ballet			

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

## Schedule of Distributions to Agencies Year ended June 30, 2010

Designated Agencies	Total	Amounts Paid from Annual Campaign Excluding Donor Designated Contributions	Amounts Paid from Donor Designated Contributions
Miami Dade College Foundation, Inc.	\$ 32,412	\$ -	\$ 32,412
Miami Children's Museum	241,082	-	241,082
Mount Sinai Medical Center Foundation	143,837	-	143,837
Miami City Ballet	214,100	-	214,100
Musicares Foundation, Inc.	45,000	-	45,000
Myeloma Institute University of Arkansas	1,000,000	-	1,000,000
Miami Museum of Science	31,147	-	31,147
New Israel Fund	27,500	-	27,500
New Jersey Performing Arts Center	30,000	-	30,000
New World Symphony	30,297	-	30,297
Other Agencies	5,856,157	-	5,856,157
Other United Ways	276,012	-	276,012
Palmer Trinity Private School, Inc.	73,594	-	73,594
Performing Arts Center Foundation	37,842	-	37,842
Police Officers Assistance Trust, Inc.	282,002	-	282,002
Ransom Everglades School	80,790	-	80,790
Rio Salado Foundation	50,000	-	50,000
Simon Wiesenthal Center	26,550	-	26,550
ST. Faith's Episcopal Church	48,601	-	48,601
Symmetry Foundation	36,092	-	36,092
T.J. Martell Foundation	27,500	-	27,500
Temple Beth AM	26,288	-	26,288
Temple Beth Shalom	67,212	-	67,212
Temple Menorah	43,027	-	43,027
The Administrators of the Tulane	125,000	-	125,000
The Education Fund	170,666	-	170,666
The Black's Annual Gala, Inc.	30,000	-	30,000
The Buoniconti Fund to Cure Paralysis, Inc.	165,897	-	165,897
The Colorado Grand, Inc.	26,500	-	26,500
The Cushman School, Inc.	31,259	-	31,259
The Leukemia & Lymphoma Society	30,634	-	30,634
The Melissa Institute for Violence Prevention	32,937	-	32,937
The New York Public Library	50,000	-	50,000
The Red Sox Foundation, Inc.	40,000	-	40,000
The Wellness Community - Greater Miami	52,679	-	52,679
The Metropolitan Museum of Art	61,500	-	61,500
The Sundari Foundation	54,286	-	54,286
Tico Torres Children Foundation	46,890	-	46,890

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

## Schedule of Distributions to Agencies Year ended June 30, 2010

Designated Agencies	Total	Amounts Paid from Annual Campaign Excluding Donor Designated Contributions	Amounts Paid from Donor Designated Contributions
ThinkQuest, Inc.	\$ 40,000	\$ -	\$ 40,000
Trustees of the University of Pennsylvania	2,757,500	-	2,757,500
United Jewish Community of Broward County	60,949	-	60,949
United States Holocaust Memorial Museum	45,500	-	45,500
University of North Carolina at Chapel Hill	49,845	-	49,845
University of Miami Programs	1,036,415	-	1,036,415
UJA Federation of New York.	80,400	-	80,400
Women's Fund of Miami-Dade County	48,687	-	48,687
<b>Total distributions to designated agencies</b>	<b>\$ 20,519,537</b>		<b>\$ 20,519,537</b>
<b>Total distributions to agencies</b>	<b>\$ 37,514,861</b>	<b>\$ 13,398,326</b>	<b>\$ 24,116,535</b>

This schedule presents actual cash distributions made during the year ended June 30, 2010 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, 2010 and 2009

<i>Year ended June 30,</i>	<b>2010</b>	2009
Total net public support <sup>(1)</sup>	\$ 24,834,885	\$ 23,358,789
Total investments gains (losses) and other income <sup>(1)</sup>	3,574,928	(5,360,718)
Donor designations (excluding special contribution) (note 5)	30,573,448	30,576,621
Special contribution (note 5)	5,151,980	242,109
990 special events fundraising adjustment	(122,950)	73,739
Unrealized (gains)/losses not included on line 12 of Form 990	(1,797,732)	3,235,504
<b>Total – Form 990 line 12</b>	<b>\$ 62,214,559</b>	<b>\$ 52,126,044 (3)</b>
Operating expenses (overhead):		
Fund-raising	\$ 2,372,119	\$ 2,327,371
Management and general	5,069,966 (2)	5,255,889
Payments to affiliated organizations	407,111	464,091
<b>Total operating expenses</b>	<b>\$ 7,849,196</b>	<b>\$ 8,047,351</b>
Operating expense (overhead) ratio	<b>12.62%</b>	15.44 %

(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.

(3) Form 990 for fiscal year 2009 presents a one-time Pension Plan Income reclassification of \$873,421 which is excluded from this calculation

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

# Reports on Compliance





Tel: 305-381-8000  
Fax: 305-374-1135  
www.bdo.com

Sabadell Financial Center  
1111 Brickell Avenue,  
Suite 2801  
Miami, FL 33131

## **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, 2010, and have issued our report thereon dated November 23, 2010. 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, the U.S. Department of Health and Human Services and the U.S. Department of Education and is not intended to be and should not be used by anyone other than these specified parties.

Miami, Florida  
November 23, 2010

**BDO USA, LLP**  
Certified Public Accountants



## **INDEPENDENT AUDITOR'S 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, 2010. 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, 2010. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings and questioned costs as item 2010-1.

### 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.

The United Way's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the responses and, accordingly, we express no opinion on the responses.

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, 2010, and have issued our report thereon dated November 23, 2010. 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, the U.S. Department of Health and Human Services and the U.S. Department of Education and is not intended to be and should not be used by anyone other than these specified parties.

Miami, Florida  
November 23, 2010

BDO USA, LLP  
Certified Public Accountants

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

## Schedule of Expenditures of Federal Awards and State Financial Assistance for the Year ended June 30, 2010

Federal or State Agency/Project Title/Pass Through Agency	CFDA / CFSA Numbers	Federal / State Expenditures
U.S. Department of Health and Human Services		
Child Care Grant	93.558	\$ 505,567
Pass-through:	93.575	526,467
School Readiness Services - Agency for Workforce Innovation	93.596 93.667	438,600 1,177
		1,471,811
U.S. Department of Education		
Early Reading First	84.359	804,321
U.S. Department of Health and Human Services		
Head Start and Early Head Start Grants		
Pass-through:		
Miami Dade County - Community Action Agency		
Head Start		
Original Head Start Slots	93.600	94,008
Total ARRA Cola & Quality Improvement Award (ARRA Funding)	93.708	6,073
One-Time Program Improvement	93.600	40,798
Head Start Expansion (ARRA Funding)	93.708	54,143
Early Head Start		
Center Based Early Head Start Expansion (ARRA Funding)	93.709	64,085
Home Based Early Head Start Expansion (ARRA Funding)	93.709	12,169
Early Head Start Expansion Start-Up (ARRA Funding)	93.709	3,430
		274,706
U.S. Department of Agriculture		
Child and Adult Care Food Program		
Pass-through: State of Florida		
Department of Health	10.558	61,147
<b>Total Expenditures of Federal Awards</b>		<b>2,611,985</b>
Miami-Dade County - Department of Children and Families		
Pass-through: Early Learning Coalition – Agency for Workforce Innovation		
School Readiness Services (CDS)	93.575	37,694
Voluntary Pre-Kindergarten (VPK)	75.007	70,745
<b>Total Expenditures of State Financial Assistance</b>		<b>108,439</b>
<b>Total Expenditures</b>		<b>\$ 2,720,424</b>

*See notes to Schedule of Expenditures of Federal Awards and State Financial Assistance*

# 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, 2010

### Note A – BASIS OF PRESENTATION

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

### Note B – SUB-RECIPIENTS

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

<b>Program Title</b>	<b>CFDA Numbers</b>	<b>Federal Expenditures</b>
Family Central	*	\$ 703,856
University of Miami	*	198,264
<b>Total sub recipient funding</b>		<b>\$ 902,120</b>

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

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

## Schedule of Findings and Questioned Costs for the Year ended June 30, 2010

### 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
---	-------------

Any audit findings disclosed that are required to be reported in accordance with the requirements of OMB Circular A-133?	_X__yes	___no
--	---------	-------

#### Identification of major programs:

CFDA/Contract Numbers

93.558, 93.575, 93.596, 93.667  
93.600, 93.708, 93.709  
84.359

#### Name of Federal Program or Cluster

Child Care Grant  
Head Start and Early Head Start Grants  
Early Reading First Grant

Dollar threshold used to distinguish between Type A and Type B programs:	\$300,000
--	-----------

Auditee qualified as low-risk auditee?	___yes	__X__no
--	--------	---------

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

## Schedule of Findings and Questioned Costs for the Year ended June 30, 2010

### SECTION II – FINANCIAL STATEMENT FINDINGS

During the audit of the year ended June 30, 2010, there are no identified significant deficiencies, material weaknesses, fraud, illegal acts, violations of provisions of contracts and grant agreements, and abuse related to the financial statements which *Government Auditing Standards* require reporting in a Circular A-133 audit.

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

## Schedule of Findings and Questioned Costs for the Year ended June 30, 2010

### SECTION III –FEDERAL AWARD FINDINGS AND QUESTIONED COSTS SECTION

During the audit of the year ended June 30, 2010, there was one identified audit finding to be reported under Circular A-133 Section 510. This was not considered as a material weaknesses, significant deficiencies or material instance of non-compliance including questioned costs as well as any abuse finding involving Federal awards that are material to a major program.

#### DEPARTMENT OF HEALTH AND HUMAN SERVICES

2010-1 Head Start Program—CFDA No. 93.600; Grant No. EPP-RFP 8472; Grant period: Year Ended June 30, 2010

**Criteria and Condition:** At least 10% of the enrollees in the program are required to have disabilities. The program did not comply with this requirement.

**Questioned Costs:** The questioned cost associated with this finding is not significant for disclosure.

**Context:** Of a total of 30 students enrolled in the program from the active enrollment files as of June 30, 2010, 7% or 2 enrollees were disabled. This is less than the program guidelines which requires 10% or 3 enrollees. The total amount of expenditures for the period was \$195,022.

**Cause:** This was the first year of the Head Start expansion grant and the United Way did not follow the policies and procedures developed to comply with the grant requirement.

**Effect:** This is not considered significant to the Head Start Program.

**Recommendation:** The organization should follow the appropriate written policies and procedures established to ensure proper eligibility determination. These procedures provide for appropriate monitoring, reviews and approvals.

**Views of Responsible Officials:** Subsequent to June 30, 2010, the United Way met the 10% requirement for this program.

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

## Summary Schedule of Prior Audit Findings for the Year ended June 30, 2010

---

### STATUS

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